

SECURITIES AND EXCHANGE COMMISSION

SEC FORM - I-ACGR

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT

1. For the fiscal year ended
Dec 31, 2022
2. SEC Identification Number
38683
3. BIR Tax Identification Number
000-315-612-000
4. Exact name of issuer as specified in its charter
The Philodrill Corporation
5. Province, country or other jurisdiction of incorporation
Metro Manila, Philippines
6. Industry Classification Code(SEC Use Only)

7. Address of principal office
8th Floor Quad Alpha Centrum Bldg., 125 Pioneer St. Mandaluyong City
Postal Code
1550
8. Issuer's telephone number, including area code
(02) 8631-8151 to 52
9. Former name, former address, and former fiscal year, if changed since last report
N.A

The Exchange does not warrant and holds no responsibility for the veracity of the facts and representations contained in all corporate disclosures, including financial reports. All data contained herein are prepared and submitted by the disclosing party to the Exchange, and are disseminated solely for purposes of information. Any questions on the data contained herein should be addressed directly to the Corporate Information Officer of the disclosing party.



The Philodrill Corporation

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PSE Disclosure Form I-ACGR - Integrated Annual Corporate Governance Report
Reference: SEC Code of Corporate Governance for Publicly-Listed Companies, PSE Corporate Governance Guidelines, and ASEAN Corporate Governance Scorecard

Description of the Disclosure

Integrated Annual Corporate Governance Report of The Philodrill Corporation for the year ended December 31, 2022

Filed on behalf by:

Name	Josephine Ilas
Designation	Assistant Corporate Secretary

COVER SHEET

3 8 6 8 3

S.E.C. Registration Number

T H E P H I L O D R I L L C O R P O R A T I O N

(Company's Full Name)

8 t h F l o o r , Q u a d A l p h a C e n t r u m

B u i l d i n g , 1 2 5 P i o n e e r S t r e e t

M a n d a l u y o n g C i t y

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

Josephine C. Lafiguera-Ilas

Contact Person

8631-8151 to 52

Company Telephone Number

1 2

Month

3 1

Day

SEC FORM I-ACGR

FORM TYPE

0 6

Month

3rd Wed

Day

Annual Meeting

Secondary License Type, If Applicable

Dept. Requiring this Doc.

Amended Articles Number/Section

Total No. of Stockholders

Total Amount of Borrowings

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

STAMPS

Remarks = pls. use black ink for scanning purposes



SEC FORM – I-ACGR

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT

GENERAL INSTRUCTIONS

A. Use of Form I-ACGR

This SEC Form shall be used as a tool to disclose Publicly-Listed Companies’ compliance/non-compliance with the recommendations provided under the Code of Corporate Governance for Publicly-Listed Companies, which follows the “comply or explain” approach, and for harmonizing the corporate governance reportorial requirements of the SEC and the Philippine Stock Exchange (PSE).

B. Preparation of Report

These general instructions are not to be filed with the report. The report shall contain the numbers and captions of all items.

The I-ACGR has four columns, arranged as follows:

RECOMMENDED CG PRACTICE/POLICY	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
<p>Contains CG Practices/ Policies, labelled as follows:</p> <p>(1) “Recommendations” – derived from the CG Code for PLCs;</p> <p>(2) “Supplement to Recommendation”– derived from the PSE CG Guidelines for Listed Companies;</p> <p>(3) “Additional Recommendations”–CG Practices not found in the CG Code for PLCs and PSE CG Guidelines but are expected already of PLCs; and</p> <p>(4) “Optional Recommendation”– practices taken from the ASEAN Corporate Governance Scorecard</p> <p>*Items under (1) – (3) must be answered/disclosed by the PLCs following the “comply or explain” approach. Answering of items under (4) are left to the discretion of PLCs.</p>	<p>The company shall indicate compliance or non-compliance with the recommended practice.</p>	<p>The company shall provide additional information to support their compliance with the recommended CG practice</p>	<p>The PLCs shall provide the explanations for any non-compliance, pursuant to the “comply or explain” approach.</p> <p>Please note that the explanation given should describe the non-compliance and include how the overall Principle being recommended is still being achieved by the company.</p> <p>*“Not Applicable” or “None” shall not be considered as sufficient explanation</p>

C. Signature and Filing of the Report

- a. Three (3) copies of a fully accomplished I-ACGR shall be filed with the Main Office of the Commission **on or before May 30 of the following year for every year that the company remains listed in the PSE;**
- b. At least one (1) complete copy of the I-ACGR shall be duly notarized and shall bear **original and manual** signatures
- c. The I-ACGR shall be signed under oath by: (1) Chairman of the Board; (2) Chief Executive Officer or President; (3) All Independent Directors; (4) Compliance Officer; and (5) Corporate Secretary.
- d. The I-ACGR shall cover all relevant information from January to December of the given year.
- e. All reports shall comply with the full disclosure requirements of the Securities Regulation Code.



SEC FORM – I-ACGR

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT

1. For the fiscal year ended DEC. 31, 2022
2. SEC Identification Number 38683 3. BIR Tax Identification No. 000-315-612-000
4. Exact name of issuer as specified in its charter The Philodrill Corporation
5. Metro Manila, Philippines 6. (SEC Use Only)
Province, Country or other jurisdiction of incorporation or organization Industry Classification Code:
7. 8th Floor Quad Alpha Centrum, 125 Pioneer St. Mandaluyong City 1550
Address of principal office Postal Code
8. (632) 86318151-52; (632) 86311801-05
Issuer's telephone number, including area code
9. N.A
Former name, former address, and former fiscal year, if changed since last report.

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT

	COMPLIANT/ NON- COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
The Board's Governance Responsibilities			
Principle 1: The company should be headed by a competent, working board to foster the long- term success of the corporation, and to sustain its competitiveness and profitability in a manner consistent with its corporate objectives and the long- term best interests of its shareholders and other stakeholders.			
Recommendation 1.1			
1. Board is composed of directors with collective working knowledge, experience or expertise that is relevant to the company's industry/sector.	Compliant	Provide information or link/reference to a document containing information on the following: 1. Academic qualifications, industry knowledge, professional experience, expertise and relevant trainings of directors	Please see Company's website http://philodrill.com/1h2_board_directors.html ; http://philodrill.com/2cg1_corporate_governance.html
2. Board has an appropriate mix of competence and expertise.	Compliant	2. Qualification standards for directors to facilitate the selection of potential nominees and to serve as benchmark for the evaluation of its performance	Please see Company's website http://philodrill.com/1h2_board_directors.html CG trainings on https://philodrill.com/2cg1_corporate_governance.html
3. Directors remain qualified for their positions individually and collectively to enable them to fulfill their roles and responsibilities and respond to the needs of the organization.	Compliant		Please see Company's website http://philodrill.com/1h2_board_directors.html Please see Board Charter http://philodrill.com/documents14/2018_05_23_board_charter.pdf
Recommendation 1.2			
1. Board is composed of a majority of non-executive directors.	Compliant	Identify or provide link/reference to a document identifying the directors and the type of their directorships	Please see Company's website http://philodrill.com/1h2_board_directors.html
Recommendation 1.3			

1. Company provides in its Board Charter and Manual on Corporate Governance a policy on training of directors.	Compliant	Provide link or reference to the company's Board Charter and Manual on Corporate Governance relating to its policy on training of directors.	Please see Company's website http://philodrill.com/documents14/ov_policy_on_training_of_directors.pdf Please see Board Charter http://philodrill.com/documents14/2018_05_23_board_charter.pdf
2. Company has an orientation program for first time directors.	Compliant	Provide information or link/reference to a document containing information on the orientation program and trainings of directors for the previous year, including the number of hours attended and topics covered.	See Company Website - http://philodrill.com/documents14/ov_policy_on_training_of_directors.pdf
3. Company has relevant annual continuing training for all directors.	Compliant		See Corporate Governance Seminars attended - http://philodrill.com/2cg1_corporate_governance.html
Recommendation 1.4			
1. Board has a policy on board diversity.	Compliant	Provide information on or link/reference to a document containing information on the company's board diversity policy. Indicate gender composition of the board.	See Diversity Policy - http://philodrill.com/documents14/ov_diversity_policy.pdf See also http://philodrill.com/1h2_board_directors.html for Board composition
Optional: Recommendation 1.4			

<p>1. Company has a policy on and discloses measurable objectives for implementing its board diversity and reports on progress in achieving its objectives.</p>	<p>Compliant</p>	<p>Provide information on or link/reference to a document containing the company's policy and measurable objectives for implementing board diversity.</p> <p>Provide link or reference to a progress report in achieving its objectives.</p>	<p>There is diversity in the Board with the Members' diverse managerial backgrounds. Mr. Alfredo C. Ramos and Mrs. Presentacion S. Ramos are into retail and publication. Messrs Adrian Ramos and Christopher Gotanco's expertise is into strategic management, while Anton Ramos is into stock brokerage. Mrs. Padilla's background is logistics/manpower management, while Mr. Nazarea and Mr. Poblador are into finance. Our ID, Mr. Alcantara is into technical/operations management.</p> <p>Please see https://philodrill.com/1h2_board_directors.html</p>
<p>Recommendation 1.5</p>			
<p>1. Board is assisted by a Corporate Secretary.</p>	<p>Compliant</p>	<p>Provide information on or link/reference to a document containing information on the Corporate Secretary, including his/her name, qualifications, duties and functions.</p>	<p>Please see SEC form 20-IS for the qualifications of the Corporate Secretary https://philodrill.com/documents14/2023_pse_definitive_info_statement.pdf</p> <p>See also http://philodrill.com/1h3_exec_officers.html for duties and functions</p>
<p>2. Corporate Secretary is a separate individual from the Compliance Officer.</p>	<p>Compliant</p>		<p>Please see http://philodrill.com/1h3_exec_officers.html</p>
<p>3. Corporate Secretary is not a member of the Board of Directors.</p>	<p>Compliant</p>		<p>Please see http://philodrill.com/1h2_board_directors.html</p>

4. Corporate Secretary attends training/s on corporate governance.	Compliant	Provide information or link/reference to a document containing information on the corporate governance training attended, including number of hours and topics covered	See Corporate Governance Seminars http://philodrill.com/2cg1_corporate_governance.html
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Optional: Recommendation 1.5

1. Corporate Secretary distributes materials for board meetings at least five business days before scheduled meeting.	Compliant	Provide proof that corporate secretary distributed board meeting materials at least five business days before scheduled meeting	However, circulation of board materials is by way of internal memo or email which contains other confidential management information for the information of board members only. Going forward, we will, henceforth, send the board materials under separate transmittal covers.
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Recommendation 1.6

1. Board is assisted by a Compliance Officer.	Compliant	Provide information on or link/reference to a document containing information on the Compliance Officer, including his/her name, position, qualifications, duties and functions.	Please see http://philodrill.com/1h3_exec_officers.html
2. Compliance Officer has a rank of Senior Vice President or an equivalent position with adequate stature and authority in the corporation.	Compliant		The CO occupies a VP position, her expertise and experience in corporate governance establishes her authority in the corporation
3. Compliance Officer is not a member of the board.	Compliant		Please see http://philodrill.com/1h2_board_directors.html
4. Compliance Officer attends training/s on corporate governance.	Compliant	Provide information on or link/reference to a document containing information on the corporate governance training attended, including number of hours and topics covered	See Corporate Governance Seminars http://philodrill.com/2cg1_corporate_governance.html

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

Recommendation 2.1

<p>1. Directors act on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the company.</p>	<p>Compliant</p>	<p>Provide information or reference to a document containing information on how the directors performed their duties (can include board resolutions, minutes of meeting)</p>	<p>Board Packages (including materials for presentation and approval) are distributed to the Members of the Board days prior to the meeting. This gives them ample time to review the matters for discussion in the Board meeting.</p> <p>Board members actively participate during presentation of the E&P reports by making inquiries on the projects being implemented, as well as during presentation of financial matters that may have a material impact on the Company's financial position.</p>
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Recommendation 2.2

<p>1. Board oversees the development, review and approval of the company's business objectives and strategy.</p>	<p>Compliant</p>	<p>Provide information or link/reference to a document containing information on how the directors performed this function (can include board resolutions, minutes of meeting)</p> <p>Indicate frequency of review of business objectives and strategy</p>	<p>The Company's business objectives and strategies are founded on sound business policies. The Board sees to it that these objectives and strategies are carried out in the implementation of its core business. These are exemplified in the approval process of the projects being implemented by the Company.</p> <p>Annual Work Programs and Budget being submitted to the DOE are presented to the Board for scrutiny and approval.</p>
<p>2. Board oversees and monitors the implementation of the company's business objectives and strategy.</p>	<p>Compliant</p>		<p>The Board is regularly apprised of the developments of the projects being implemented and/or material actions being undertaken by management relative to the business operations.</p> <p>Regular ManComm meetings (2-3 times a month) are also held.</p>

Supplement to Recommendation 2.2

1. Board has a clearly defined and updated vision, mission and core values.	Compliant	Indicate or provide link/reference to a document containing the company's vision, mission and core values. Indicate frequency of review of the vision, mission and core values.	http://philodrill.com/1h1_corp_profile.html http://philodrill.com/documents14/ov_code_of_ethics.pdf
2. Board has a strategy execution process that facilitates effective management performance and is attuned to the company's business environment, and culture.	Compliant	Provide information on or link/reference to a document containing information on the strategy execution process.	Please see Company's vision/mission http://philodrill.com/1h1_corp_profile.html
Recommendation 2.3			
1. Board is headed by a competent and qualified Chairperson.	Compliant	Provide information or reference to a document containing information on the Chairperson, including his/her name and qualifications	Please see http://philodrill.com/1h2_board_directors.html
Recommendation 2.4			
1. Board ensures and adopts an effective succession planning program for directors, key officers and management.	Compliant	Disclose and provide information or link/reference to a document containing information on the company's succession planning policies and programs and its implementation	Please see Policy on Succession Planning http://philodrill.com/documents14/2018_05_23_policy_on_succession_planning.pdf
2. Board adopts a policy on the retirement for directors and key officers.	Compliant		The Philodrill Corporation's Retirement Plan covers all Employees, including Key Officers and the Executive Directors. This is contained in the Company's Manual of Procedures.
Recommendation 2.5			

<p>1. Board aligns the remuneration of key officers and board members with long-term interests of the company.</p>	<p>Compliant</p>	<p>Provide information on or link/reference to a document containing information on the company's remuneration policy and its implementation, including the relationship between remuneration and performance.</p>	<p>The Company's remuneration policy has three elements: fixed remuneration (what is paid to come to work), short-term variable remuneration (profit share, incentives and bonuses) and long-term incentives (SARs - a share in the capital value of the Company).</p> <p>While Members of the Board do not receive fixed remunerations, only reasonable per diem for their attendance during meetings, they may be entitled to short-term variable remuneration and long-term incentives</p>
<p>2. Board adopts a policy specifying the relationship between remuneration and performance.</p>	<p>Compliant</p>		<p>The Company's remuneration policy has three elements: fixed remuneration (what is paid to come to work), short-term variable remuneration (profit share, incentives and bonuses) and long-term incentives (SARs - a share in the capital value of the Company).</p> <p>These elements are all tied up with the Company's performance, resulting from the employees, senior management and Board's efficient performance of their respective functions.</p>
<p>3. Directors do not participate in discussions or deliberations involving his/her own remuneration.</p>	<p>Compliant</p>		<p>Directors do not participate in the deliberation/s on matters of potential conflict of interest.</p>
<p>Optional: Recommendation 2.5</p>			

1. Board approves the remuneration of senior executives.	Compliant	Provide proof of board approval	The salaries of senior executives are approved as a lump sum similar to what is disclosed in the IS. Increase in salary is based on a board-approved salary adjustment for all employees, implemented across-the-board (e.g. annual increase of 1%-5% depending on company profitability/loss and prevailing economics). Individual salaries of senior executives are confidential.
2. Company has measurable standards to align the performance-based remuneration of the executive directors and senior executives with long-term interest, such as claw back provision and deferred bonuses.	Compliant	Provide information on or link/reference to a document containing measurable standards to align performance-based remuneration with the long-term interest of the company.	The salaries of executive directors and senior executives are set upon their acceptance of employment in the company. Thenceforth, salary increases and bonuses are based on a company policy implemented across-the-board for all employees. There are no separate arrangements, clawbacks or deferred bonuses for senior executives and executive directors.
Recommendation 2.6			
1. Board has a formal and transparent board nomination and election policy.	Compliant	Provide information or reference to a document containing information on the company's nomination and election policy and process and its implementation, including the criteria used in selecting new directors, how the shortlisted candidates and how it encourages nominations from shareholders.	Please see http://philodrill.com/documents14/ov_nominations_and_corp_governance_committee_charter.pdf
2. Board nomination and election policy is disclosed in the company's Manual on Corporate Governance.	Compliant	Provide proof if minority shareholders	The Amended (Revised) CG Manual is submitted with the updated policies and charters (CG & Nominations Committee Charter, Board Charter, ERM Framework, Succession Planning Policies, etc)

3. Board nomination and election policy includes how the company accepted nominations from minority shareholders.	Compliant	have a right to nominate candidates to the board	Please see http://philodrill.com/documents14/ov_nominations_and_corp_governance_committee_charter.pdf
4. Board nomination and election policy includes how the board shortlists candidates.	Compliant	Provide information if there was an assessment of the effectiveness of the Board's processes in the nomination, election or replacement of a director.	Please see http://philodrill.com/documents14/ov_nominations_and_corp_governance_committee_charter.pdf
5. Board nomination and election policy includes an assessment of the effectiveness of the Board's processes in the nomination, election or replacement of a director.	Compliant		Please see http://philodrill.com/documents14/ov_nominations_and_corp_governance_committee_charter.pdf
6. Board has a process for identifying the quality of directors that is aligned with the strategic direction of the company.	Compliant		Please see http://philodrill.com/documents14/ov_nominations_and_corp_governance_committee_charter.pdf
Optional: Recommendation to 2.6			
1. Company uses professional search firms or other external sources of candidates (such as director databases set up by director or shareholder bodies) when searching for candidates to the board of directors.		Identify the professional search firm used or other external sources of candidates	
Recommendation 2.7			
1. Board has overall responsibility in ensuring that there is a group-wide policy and system governing related party transactions (RPTs) and other unusual or infrequently occurring transactions.	Compliant	Provide information on or reference to a document containing the company's policy on related party transaction, including policy on review and approval of significant RPTs	Please see http://philodrill.com/documents14/ov_related_party_transaction_policy.pdf
2. RPT policy includes appropriate review and approval of material RPTs, which guarantee fairness and transparency of the transactions.	Compliant	Identify transactions that were approved pursuant to the policy.	Please see http://philodrill.com/documents14/ov_related_party_transaction_policy.pdf

3. RPT policy encompasses all entities within the group, taking into account their size, structure, risk profile and complexity of operations.	Compliant		Please see http://philodrill.com/documents14/ov_related_party_transaction_policy.pdf
Supplement to Recommendations 2.7			
1. Board clearly defines the threshold for disclosure and approval of RPTs and categorizes such transactions according to those that are considered <i>de minimis</i> or transactions that need not be reported or announced, those that need to be disclosed, and those that need prior shareholder approval. The aggregate amount of RPTs within any twelve (12) month period should be considered for purposes of applying the thresholds for disclosure and approval.	Compliant	Provide information on a materiality threshold for RPT disclosure and approval, if any. Provide information on RPT categories	The Company has adopted the SEC prescribed materiality threshold. The Company's Material Related Party Transactions Policy are contained in the Board approved policy adopted on October 28, 2019, please refer to https://philodrill.com/documents14/ov_material_related_party_transactions_policy.pdf

2. Board is primarily responsible for assessing the performance of Management led by the Chief Executive Officer (CEO) and the heads of the other control functions (Chief Risk Officer, Chief Compliance Officer and Chief Audit Executive).	Compliant	Provide information on or reference to a document containing the Board's policy and responsibility for assessing the performance of management. Provide information on the assessment process and indicate frequency of assessment of performance.	Please see https://philodrill.com/disclosures2018/OV_2018_0529_sec_amended_revised_manual_corporate_governance.pdf and https://philodrill.com/disclosures2022/OV_2022_0615_sec17c_results%20organizational_meeting.pdf
Recommendation 2.9			
1. Board establishes an effective performance management framework that ensures that Management's performance is at par with the standards set by the Board and Senior Management.	Compliant	Provide information on or link/reference to a document containing the Board's performance management framework for management and personnel.	Please see Board and Management Performance Evaluation Policy http://philodrill.com/documents14/2018_0523_board_performance_evaluation.pdf
2. Board establishes an effective performance management framework that ensures that personnel's performance is at par with the standards set by the Board and Senior Management.	Compliant		Please see Board and Management Performance Evaluation Policy http://philodrill.com/documents14/2018_0523_board_performance_evaluation.pdf
Recommendation 2.10			
1. Board oversees that an appropriate internal control system is in place.	Compliant	Provide information on or link/reference to a document showing the Board's responsibility for overseeing that an appropriate internal control system is in place and what is included in the internal control system	Please see Amended (Revised) Manual on CG for PLCs https://philodrill.com/disclosures2018/OV_2018_0529_sec_amended_revised_manual_corporate_governance.pdf
2. The internal control system includes a mechanism for monitoring and managing potential conflict of interest of the Management, members and shareholders.	Compliant		Please see http://philodrill.com/documents14/ov_conflict_of_interest.pdf
3. Board approves the Internal Audit Charter.	Compliant	Provide reference or link to the company's Internal Audit Charter	Please see Internal Audit Charter http://philodrill.com/documents14/2018_0524_internal_audit_charter.pdf
Recommendation 2.11			

1. Board oversees that the company has in place a sound enterprise risk management (ERM) framework to effectively identify, monitor, assess and manage key business risks.	Compliant	Provide information on or link/reference to a document showing the Board's oversight responsibility on the establishment of a sound enterprise risk management framework and how the board was guided by the framework.	Please see ERM Framework http://philodrill.com/documents14/2018_05_23_enterprise_risk_management_framework.pdf
2. The risk management framework guides the board in identifying units/business lines and enterprise-level risk exposures, as well as the effectiveness of risk management strategies.	Compliant	Provide proof of effectiveness of risk management strategies, if any.	Please see ERM Framework http://philodrill.com/documents14/2018_05_23_enterprise_risk_management_framework.pdf
Recommendation 2.12			
1. Board has a Board Charter that formalizes and clearly states its roles, responsibilities and accountabilities in carrying out its fiduciary role.	Compliant	Provide link to the company's website where the Board Charter is disclosed.	Please see Board Charter http://philodrill.com/documents14/2018_05_23_board_charter.pdf
2. Board Charter serves as a guide to the directors in the performance of their functions.	Compliant		Please see Board Charter http://philodrill.com/documents14/2018_05_23_board_charter.pdf
3. Board Charter is publicly available and posted on the company's website.	Compliant		Please see Board Charter http://philodrill.com/documents14/2018_05_23_board_charter.pdf
Additional Recommendation to Principle 2			
1. Board has a clear insider trading policy.	Compliant	Provide information on or link/reference to a document showing company's insider trading policy.	Please see http://philodrill.com/documents14/ov_insider_trading.pdf
Optional: Principle 2			
1. Company has a policy on granting loans to directors, either forbidding the practice or ensuring that the transaction is conducted at arm's length basis and at market rates.		Provide information on or link/reference to a document showing company's policy on granting loans to directors, if any.	In the 53-year history of the Company, no personal loan to a director has ever been made. Thus, no such policy has ever been the subject of discussion.

2. Company discloses the types of decision requiring board of directors' approval.		Indicate the types of decision requiring board of directors' approval and where there are disclosed.	
<p>Principle 3: Board committees should be set up to the extent possible to support the effective performance of the Board's functions, particularly with respect to audit, risk management, related party transactions, and other key corporate governance concerns, such as nomination and remuneration. The composition, functions and responsibilities of all committees established should be contained in a publicly available Committee Charter.</p>			
<p>Recommendation 3.1</p>			
1. Board establishes board committees that focus on specific board functions to aid in the optimal performance of its roles and responsibilities.	Compliant	Provide information or link/reference to a document containing information on all the board committees established by the company.	Please see http://philodrill.com/2cg1_corporate_governance.html
<p>Recommendation 3.2</p>			
1. Board establishes an Audit Committee to enhance its oversight capability over the company's financial reporting, internal control system, internal and external audit processes, and compliance with applicable laws and regulations.	Compliant	<p>Provide information or link/reference to a document containing information on the Audit Committee, including its functions.</p> <p>Indicate if it is the Audit Committee's responsibility to recommend the appointment and removal of the company's external auditor.</p>	<p>Please see http://philodrill.com/documents14/ov_audit_committee_charter.pdf</p> <p>Yes the AC has the obligation to evaluate the performance of the external auditor and recommend which one to appoint based on performance. Oversight functions include determination of the amount of compensation for independent external auditors retained by the Corporation.</p>
2. Audit Committee is composed of at least three appropriately qualified non-executive directors, the majority of whom, including the Chairman is independent.	Compliant	Provide information or link/reference to a document containing information on the members of the Audit Committee, including their qualifications and type of directorship.	Please see http://philodrill.com/2cg1_corporate_governance.html and http://philodrill.com/1h2_board_directors.html

3. All the members of the committee have relevant background, knowledge, skills, and/or experience in the areas of accounting, auditing and finance.	Compliant	Provide information or link/reference to a document containing information on the background, knowledge, skills, and/or experience of the members of the Audit Committee.	Please see http://philodrill.com/1h2_board_directors.html
4. The Chairman of the Audit Committee is not the Chairman of the Board or of any other committee.	Compliant	Provide information or link/reference to a document containing information on the Chairman of the Audit Committee	The Chairman of the Audit Committee (AC) is NOT the Chairman of the Board and holds only the AC chairmanship. http://philodrill.com/2cg1_corporate_governance.html http://philodrill.com/1h2_board_directors.html https://philodrill.com/documents14/2023_pse_definitive_info_statement.pdf
Supplement to Recommendation 3.2			
1. Audit Committee approves all non-audit services conducted by the external auditor.	Compliant	Provide proof that the Audit Committee approved all non-audit services conducted by the external auditor.	Please see http://philodrill.com/documents14/ov_audit_committee_charter.pdf
2. Audit Committee conducts regular meetings and dialogues with the external audit team without anyone from management present.	Compliant	Provide proof that the Audit Committee conducted regular meetings and dialogues with the external audit team without anyone from management present.	Please see http://philodrill.com/documents14/ov_audit_committee_charter.pdf
Optional: Recommendation 3.2			
1. Audit Committee meet at least four times during the year.		Indicate the number of Audit Committee meetings during the year and provide proof	The Audit Committee meets regularly at least twice a year (to approve audit guidelines and to approve audit report). It also meets whenever a related party transaction will be submitted for board approval.

2. Audit Committee approves the appointment and removal of the internal auditor.		Provide proof that the Audit Committee approved the appointment and removal of the internal auditor.	The current internal auditor was approved by the board through a resolution way before the effectivity of CCG. Henceforth, any change in internal auditor shall follow the recommended procedure of obtaining approval by the Audit Committee, recommending the same to the BOD, and the latter's confirmation and ratification. These processes will be fully disclosed.
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Recommendation 3.3

1. Board establishes a Corporate Governance Committee tasked to assist the Board in the performance of its corporate governance responsibilities, including the functions that were formerly assigned to a Nomination and Remuneration Committee.	Compliant	Provide information or reference to a document containing information on the Corporate Governance Committee, including its functions Indicate if the Committee undertook the process of identifying the quality of directors aligned with the company's strategic direction, if applicable.	Please see http://philodrill.com/documents14/ov_nominations_and_corp_governance_committee_charter.pdf
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2. Corporate Governance Committee is composed of at least three members, all of whom should be independent directors.	Partly compliant	Provide information or link/reference to a document containing information on the members of the Corporate Governance Committee, including their qualifications and type of directorship.	CG committee is composed of 5 members, headed by an ID and the other ID as member. As provided under the Revised MCG for PLCs, "The Board shall have at least two (2) independent directors, or such number as to constitute at least 20% of the members of the Board, whichever is higher". The Board is composed of 9 members, hence 20% is 1.8 and we have 2 IDs on the Board. http://philodrill.com/2cg1_corporate_governance.html http://philodrill.com/1h2_board_directors.html
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3. Chairman of the Corporate Governance Committee is an independent director.	Compliant	Provide information or link/reference to a document containing information on the Chairman of the Corporate Governance Committee.	Please see http://philodrill.com/2cg1_corporate_governance.html
Optional: Recommendation 3.3.			
1. Corporate Governance Committee meet at least twice during the year.		Indicate the number of Corporate Governance Committee meetings held during the year and provide proof thereof.	
Recommendation 3.4			
1. Board establishes a separate Board Risk Oversight Committee (BROC) that should be responsible for the oversight of a company's Enterprise Risk Management system to ensure its functionality and effectiveness.	Non-Compliant	Provide information or link/reference to a document containing information on the Board Risk Oversight Committee (BROC), including its functions	Philodrill believes that: a. the Audit Committee has been performing the required functions of the proposed Board Risk Oversight Committee; b. such Committee is unnecessary at this time given the size of the Company's operations as Philodrill is part of a consortium) and the overall size of the Company (with only 20 employees). Given this scenario, constituting a separate BROC may not be necessary. However, the company will retain the option of establishing one when the need arises.
2. BROC is composed of at least three members, the majority of whom should be independent directors, including the Chairman.	Compliant	Provide information or link/reference to a document containing information on the members of the BROC, including their qualifications and type of directorship	Notwithstanding that the BROC has not been constituted, the composition of the Audit Committee is compliant with these requirements.
3. The Chairman of the BROC is not the Chairman of the Board or of any other committee.	Non-Compliant	Provide information or link/reference to a document containing information on the Chairman of the BROC	BROC has not been constituted yet

4. At least one member of the BROCC has relevant thorough knowledge and experience on risk and risk management.	Non-Compliant	Provide information or link/reference to a document containing information on the background, skills, and/or experience of the members of the BROCC.	BROCC has not been constituted yet
Recommendation 3.5			
1. Board establishes a Related Party Transactions (RPT) Committee, which is tasked with reviewing all material related party transactions of the company.	Non-Compliant	Provide information or link/reference to a document containing information on the Related Party Transactions (RPT) Committee, including its functions.	<p>The Board does not see the need for a separate RPT Committee given that there are only a few related party transactions involving the company and that the Board has adopted the Material Related Party Transactions Policy. The Board has the oversight function on this with the Audit Committee directly in charge of this function.</p> <p>Our current practice is for the Finance Department to monitor material RPT then refer the matter to the Audit Comm for vetting and to the Board for approval. Those in conflict inhibit themselves from voting.</p>

2. RPT Committee is composed of at least three non-executive directors, two of whom should be independent, including the Chairman.	Compliant	Provide information or link/reference to a document containing information on the members of the RPT Committee, including their qualifications and type of directorship.	While the RPT Committee has not been constituted, its functions are carried out by the Board through the Audit Committee, whose membership are all non-executive Directors. Please refer to https://philodrill.com/documents14/ov_material_related_party_transactions_policy.pdf and; https://philodrill.com/disclosures2022/OV_2022_0615_sec17c_results%20organizational_meeting.pdf
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Recommendation 3.6

1. All established committees have a Committee Charter stating in plain terms their respective purposes, memberships, structures, operations, reporting process, resources and other relevant information.	Compliant	Provide information on or link/reference to the company's committee charters, containing all the required information, particularly the functions of the Committee that is necessary for performance evaluation purposes.	Please see http://philodrill.com/2cg1_corporate_governance.html
2. Committee Charters provide standards for evaluating the performance of the Committees.	Compliant		Please see http://philodrill.com/2cg1_corporate_governance.html
3. Committee Charters were fully disclosed on the company's website.	Compliant	Provide link to company's website where the Committee Charters are disclosed.	Please see http://philodrill.com/2cg1_corporate_governance.html

Principle 4: To show full commitment to the company, the directors should devote the time and attention necessary to properly and effectively perform their duties and responsibilities, including sufficient time to be familiar with the corporation's business.

Recommendation 4.1

1. The Directors attend and actively participate in all meetings of the Board, Committees and shareholders in person or through tele-/videoconferencing conducted in accordance with the rules	Compliant	Provide information or link/reference to a document containing information on the process and procedure for tele/videoconferencing board	the company has been implementing the procedure on teleconferencing as prescribed under MC No. 15, Series of 2001 please see
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and regulations of the Commission.		and/or committee meetings. Provide information or link/reference to a document containing information on the attendance and participation of directors to Board, Committee and shareholders' meetings.	https://philodrill.com/minutes_asm/2022asm615.pdf
2. The directors review meeting materials for all Board and Committee meetings.	Compliant		Board Packages (including materials for presentation and approval) are distributed to the Members of the Board days prior to the meeting. This gives them ample time to review the matters for discussion in the Board meeting.
3. The directors ask the necessary questions or seek clarifications and explanations during the Board and Committee meetings.	Compliant	Provide information or link/reference to a document containing information on any questions raised or clarification/explanation sought by the directors	Board members actively participate during presentation of the Exploration & Production reports by making inquiries/clarifications on the projects being implemented, as well as during presentation of financial matters that may have a material impact on the Company's financial position.
Recommendation 4.2			
1. Non-executive directors concurrently serve in a maximum of five publicly-listed companies to ensure that they have sufficient time to fully prepare for minutes, challenge Management's proposals/views, and oversee the long-term strategy of the company.	Compliant	Disclose if the company has a policy setting the limit of board seats that a non-executive director can hold simultaneously. Provide information or reference to a document containing information on the directorships of the company's directors in both listed and non-listed companies	Policy setting is always a board decision, as are board decisions made in compliance with government regulatory authorities and banking regulations. Please see https://philodrill.com/disclosures2018/OV_2018_0529_sec_amended_revised_manual_corporate_governance.pdf See items 5 & 6, pages 8-12 of the Definitive IS https://philodrill.com/documents14/2023_pse_definitive_info_statement.pdf

Recommendation 4.3			
1. The directors notify the company's board before accepting a directorship in another company.	Compliant	Provide copy of written notification to the board or minutes of board meeting wherein the matter was discussed.	Please see Board Charter http://philodrill.com/documents14/2018_05_23_board_charter.pdf
Optional: Principle 4			
1. Company does not have any executive directors who serve in more than two boards of listed companies outside of the group.	Compliant		Please see 20-IS https://philodrill.com/documents14/2023_pse_definitive_info_statement.pdf
2. Company schedules board of directors' meetings before the start of the financial year. 3.	Compliant		The Office of the Corporate Secretary during the start of the year coordinates with the Members of the Board for the schedule of the monthly Board meetings which is usually scheduled every 3 rd Wednesday of the month.
4. Board of directors meet at least six times during the year.	Compliant	Indicate the number of board meetings during the year and provide proof	5 meetings, please see https://philodrill.com/documents14/2022_board_of_directors_attendance.pdf
5. Company requires as minimum quorum of at least 2/3 for board decisions.		Indicate the required minimum quorum for board decisions	Simple majority, although most of the time Board resolutions are carried by unanimous vote.
Principle 5: The board should endeavor to exercise an objective and independent judgment on all corporate affairs			
Recommendation 5.1			
1. The Board has at least 3 independent directors or such number as to constitute one-third of the board, whichever is higher.	Non-Compliant	Provide information or link/reference to a document containing information on the number of independent directors in the board	We are compliant with the minimum requirement under SRC rule which provides that, The Board shall have at least two (2) independent directors, or such number as to constitute at least 20% of the members of the Board, whichever is higher. http://philodrill.com/1h2_board_directors.html
Recommendation 5.2			

1. The independent directors possess all the qualifications and none of the disqualifications to hold the positions.	Compliant	Provide information or link/reference to a document containing information on the qualifications of the independent directors.	Please see Definitive Information Statement on the Certification issued by the Independent Directors; also please see p.43 of the DIS https://philodrill.com/documents14/2023_pse_definitive_info_statement.pdf
Supplement to Recommendation 5.2			
1. Company has no shareholder agreements, by-laws provisions, or other arrangements that constrain the directors' ability to vote independently.	Compliant	Provide link/reference to a document containing information that directors are not constrained to vote independently.	Directors' independence is one of the qualifications required of a member of the Philodrill's Board Pls. see Board Charter http://philodrill.com/documents14/2018_0523_board_charter.pdf
Recommendation 5.3			
1. The independent directors serve for a cumulative term of nine years (reckoned from 2012).	Compliant	Provide information or link/reference to a document showing the years IDs have served as such.	Please see DIS page 14 https://philodrill.com/documents14/2023_pse_definitive_info_statement.pdf
2. The company bars an independent director from serving in such capacity after the term limit of nine years.	Compliant	Provide information or link/reference to a document containing information on the company's policy on term limits for its independent director	Please see amended revised MCG (2017) policy 5.3 https://philodrill.com/disclosures2018/OV_2018_0529_sec_amended_revised_manual_corporate_governance.pdf
3. In the instance that the company retains an independent director in the same capacity after nine years, the board provides meritorious justification and seeks shareholders' approval during the annual shareholders' meeting.	Compliant	Provide reference to the meritorious justification and proof of shareholders' approval during the annual shareholders' meeting.	the CG Committee had a hard time in finding suitable replacement for the current IDs considering the highly technical nature of the business. Furthermore, the pandemic has affected the Company's business, as such, offering a better compensation package for potential IDs was not possible. The Company is slowly moving towards an economically viable level. At any rate, majority of the shareholders have approved the continued service of the IDs by voting to

			retain them. Please see results of ASM voting on the Directors https://philodrill.com/disclosures2022/OV_2022_0615_sec17c_results%20organizational_meeting.pdf
Recommendation 5.4			
1. The positions of Chairman of the Board and Chief Executive Officer are held by separate individuals.	Compliant	Identify the company's Chairman of the Board and Chief Executive Officer	Upon the demise of Mr. Alfredo C. Ramos, the positions of Chairman and President were assumed by two different persons. Please see Material Information Report. https://philodrill.com/disclosures2022/OV_2022_1221_sec17c_appt_new_chairman_and_president.pdf
2. The Chairman of the Board and Chief Executive Officer have clearly defined responsibilities.	Compliant	Provide information or link/reference to a document containing information on the roles and responsibilities of the Chairman of the Board and Chief Executive Officer. Identify the relationship of Chairman and CEO.	Please see description on the Chairman of the Board and Executive Officers under https://philodrill.com/1h2_board_directors.html and http://philodrill.com/1h3_exec_officers.html
Recommendation 5.5			
1. If the Chairman of the Board is not an independent director, the board designates a lead director among the independent directors.	Compliant	Provide information or link/reference to a document containing information on a lead independent director and his roles and responsibilities, if any. Indicate if Chairman is independent.	Philodrill has 2 Independent Directors and both are of the same stature and experience. However, the designation of Lead Independent Director is dependent upon the matter under consideration. Mr. Poblador is the expert on financial matters, while Mr. Alcantara's expertise is on the Company's operations.
Recommendation 5.6			
1. Directors with material interest in a transaction affecting the corporation abstain from taking part in the deliberations on the transaction.	Compliant	Provide proof of abstention, if this was the case	In the Minutes of the December 21, 2022 Board Meeting, the amendment to short-term loan facility granted to National Book Store (NBS) was discussed. Prior to the

			<p>Board presentation, the matter was also raised with the Audit Committee.</p> <p>The members of the Board who are also on the Board of National Book Store inhibited themselves in the deliberation of the proposed loan facility as this is considered a related-party transaction.</p>
Recommendation 5.7			
1. The non-executive directors (NEDs) have separate periodic meetings with the external auditor and heads of the internal audit, compliance and risk functions, without any executive present.	Compliant	<p>Provide proof and details of said meeting, if any.</p> <p>Provide information on the frequency and attendees of meetings.</p>	<p>The Audit Committee meets at least twice a year with the External Auditor for the audit planning and result of audit. Meeting with Internal Auditor is done at least biannually regarding internal control issues. All these are done without the presence of any executives.</p>
2. The meetings are chaired by the lead independent director.	Compliant		<p>The meeting is headed by the Chairman of the Audit Committee, Mr. Poblador an Independent Director</p>
Optional: Principle 5			
1. None of the directors is a former CEO of the company in the past 2 years.		Provide name/s of company CEO for the past 2 years	
Principle 6: The best measure of the Board's effectiveness is through an assessment process. The Board should regularly carry out evaluations to appraise its performance as a body, and assess whether it possesses the right mix of backgrounds and competencies.			
Recommendation 6.1			
1. Board conducts an annual self-assessment of its performance as a whole.	Compliant	Provide proof of self-assessments conducted for the whole board, the individual members, the Chairman and the Committees	This is already included in the Board and Management Performance Evaluation Policy
2. The Chairman conducts a self-assessment of his performance.	Compliant		This is already included in the Board and Management Performance Evaluation Policy
3. The individual members conduct a self-assessment of their performance.	Compliant		This is already included in the Board and Management Performance Evaluation Policy

4. Each committee conducts a self-assessment of its performance.	Compliant		This is already included in the Board and Management Performance Evaluation Policy
5. Every three years, the assessments are supported by an external facilitator.	Compliant	Identify the external facilitator and provide proof of use of an external facilitator.	The company will engage the external facilitator as the need arises
Recommendation 6.2			
1. Board has in place a system that provides, at the minimum, criteria and process to determine the performance of the Board, individual directors and committees.	Compliant	Provide information or link/reference to a document containing information on the system of the company to evaluate the performance of the board, individual directors and committees, including a feedback mechanism from shareholders	Please see the different Committee Charters http://philodrill.com/2cg1_corporate_governance.html
2. The system allows for a feedback mechanism from the shareholders.	Compliant		Please see Board Performance Evaluation Policy http://philodrill.com/documents14/2018_0523_board_performance_evaluation.pdf
Principle 7: Members of the Board are duty-bound to apply high ethical standards, taking into account the interests of all stakeholders.			
Recommendation 7.1			
1. Board adopts a Code of Business Conduct and Ethics, which provide standards for professional and ethical behavior, as well as articulate acceptable and unacceptable conduct and practices in internal and external dealings of the company.	Compliant	Provide information on or link/reference to the company's Code of Business Conduct and Ethics.	Please see http://philodrill.com/2cg5_code_of_ethics.html
2. The Code is properly disseminated to the Board, senior management and employees.	Compliant	Provide information on or discuss how the company disseminated the Code to its Board, senior management and employees.	The Code was presented to the Board prior to approval thereof, the same was then cascaded to the Management and Employees then uploaded on the Company's website.
3. The Code is disclosed and made available to the public through the company website.	Compliant	Provide a link to the company's website where the Code of Business Conduct and Ethics is posted/	Please see http://philodrill.com/2cg5_code_of_ethics.html

		disclosed.	
Supplement to Recommendation 7.1			
1. Company has clear and stringent policies and procedures on curbing and penalizing company involvement in offering, paying and receiving bribes.	Compliant	Provide information on or link/reference to a document containing information on the company's policy and procedure on curbing and penalizing bribery	Please see Code of Business Conduct and Ethics http://philodrill.com/2cg5_code_of_ethics.html
Recommendation 7.2			
1. Board ensures the proper and efficient implementation and monitoring of compliance with the Code of Business Conduct and Ethics.	Compliant	Provide proof of implementation and monitoring of compliance with the Code of Business Conduct and Ethics and internal policies. Indicate who are required to comply with the Code of Business Conduct and Ethics and any findings on non-compliance.	The Company implements the following monitoring procedures: Pre-activity approvals, transaction reviews, such as travel expense reports, reviews of in-process quality checks and outcome data, review of staff completed works.
2. Board ensures the proper and efficient implementation and monitoring of compliance with company internal policies.	Compliant		Please see http://philodrill.com/2cg5_code_of_ethics.html
Disclosure and Transparency			
Principle 8: The company should establish corporate disclosure policies and procedures that are practical and in accordance with best practices and regulatory expectations.			
Recommendation 8.1			
1. Board establishes corporate disclosure policies and procedures to ensure a comprehensive, accurate, reliable and timely report to shareholders and other stakeholders that give a fair and complete picture of a company's financial condition, results and business operations.	Compliant	Provide information on or link/reference to the company's disclosure policies and procedures including reports distributed/made available to shareholders and other stockholders	Please see https://philodrill.com/disclosures2018/OV_2018_0529_sec_amended_revised_manual_corporate_governance.pdf
Supplement to Recommendations 8.1			

<p>1. Company distributes or makes available annual and quarterly consolidated reports, cash flow statements, and special audit revisions. Consolidated financial statements are published within ninety (90) days from the end of the fiscal year, while interim reports are published within forty-five (45) days from the end of the reporting period.</p>	Compliant	<p>Indicate the number of days within which the consolidated and interim reports were published, distributed or made available from the end of the fiscal year and end of the reporting period, respectively.</p>	<p>The Company uploads the reports promptly on the same day it is submitted to the regulators, within the period prescribed under the SRC Rules, i.e., 105 days for SEC form 17-A. Quarterly Reports were submitted/uploaded within 45 days from end of each quarter. Please see https://philodrill.com/3d2_sec_filings_2022.html</p>
<p>2. Company discloses in its annual report the principal risks associated with the identity of the company's controlling shareholders; the degree of ownership concentration; cross-holdings among company affiliates; and any imbalances between the controlling shareholders' voting power and overall equity position in the company.</p>	Compliant	<p>Provide link or reference to the company's annual report where the following are disclosed:</p> <ol style="list-style-type: none"> 1. principal risks to minority shareholders associated with the identity of the company's controlling shareholders; 2. cross-holdings among company affiliates; and 3. any imbalances between the controlling shareholders' voting power and overall equity position in the company. 	<p>Please see Item 5(2) and 11(1) of the Annual Report https://philodrill.com/disclosures2023/OV_2023_0428_sec17a_annual_report_2022.pdf</p>
Recommendation 8.2			
<p>1. Company has a policy requiring all directors to disclose/report to the company any dealings in the company's shares within three business days.</p>	Compliant	<p>Provide information on or link/reference to the company's policy requiring directors and officers to disclose their dealings in the company's share.</p>	<p>While there is no adopted policy, all Director transactions are disclosed within 2-3 days please see SEC form 18-A / 23-B https://philodrill.com/3d2_sec_filings_2022.html</p>
<p>2. Company has a policy requiring all officers to disclose/report to the company any dealings in the company's shares within three business days.</p>	Compliant	<p>Indicate actual dealings of directors involving the corporation's shares including their nature, number/percentage and date of transaction.</p>	<p>While there is no adopted policy, all Director transactions are disclosed within 2-3 days please see SEC form 18-A / 23-B please see SEC form 18-A / 23-B https://philodrill.com/3d2_sec_filings_2022.html</p>

Supplement to Recommendation 8.2			
1. Company discloses the trading of the corporation's shares by directors, officers (or persons performing similar functions) and controlling shareholders. This includes the disclosure of the company's purchase of its shares from the market (e.g. share buy-back program).	Compliant	Provide information on or link/reference to the shareholdings of directors, management and top 100 shareholders. Provide link or reference to the company's Conglomerate Map.	All these information are available at the Company's website, please see Directors; http://philodrill.com/1h2_board_directors.html ; Public Ownership Report https://philodrill.com/3d5_disc_pse_2022.html Top 100 Stockholders https://philodrill.com/3d5_disc_pse_2022.html
Recommendation 8.3			
1. Board fully discloses all relevant and material information on individual board members to evaluate their experience and qualifications, and assess any potential conflicts of interest that might affect their judgment.	Compliant	Provide link or reference to the directors' academic qualifications, share ownership in the company, membership in other boards, other executive positions, professional experiences, expertise and relevant trainings attended.	Please see http://philodrill.com/1h2_board_directors.html DIS, Items 4 and 5 https://philodrill.com/documents14/2023_pse_definitive_info_statement.pdf
2. Board fully discloses all relevant and material information on key executives to evaluate their experience and qualifications, and assess any potential conflicts of interest that might affect their judgment.	Compliant	Provide link or reference to the key officers' academic qualifications, share ownership in the company, membership in other boards, other executive positions, professional experiences, expertise and relevant trainings attended.	DIS, Items 4 and 5 https://philodrill.com/documents14/2023_pse_definitive_info_statement.pdf
Recommendation 8.4			
1. Company provides a clear disclosure of its policies and procedure for setting Board remuneration, including the level and mix of the same.	Compliant	Disclose or provide link/reference to the company policy and practice for setting board remuneration	Directors receive a per diem of P10,000.00 per month to defray their expenses in attending board meetings. Except for the entitlement to receive bonuses as determined by the management based on results of operations and to receive

			<p>additional remuneration under the provisions of the Company's Stock Appreciation Rights Plan, there are no other arrangements for compensation of Directors.</p> <p>See item 6 (Compensation of Directors and Officers)</p> <p>https://philodrill.com/documents14/2023_pse_definitive_info_statement.pdf</p>
2. Company provides a clear disclosure of its policies and procedure for setting executive remuneration, including the level and mix of the same.	Compliant	Disclose or provide link/reference to the company policy and practice for determining executive remuneration	<p>The Company's remuneration policy has three elements: fixed remuneration (what is paid to come to work), short-term variable remuneration (profit share, incentives and bonuses) and long-term incentives (SARs - a share in the capital value of the Company).</p>
3. Company discloses the remuneration on an individual basis, including termination and retirement provisions.	Compliant	Provide breakdown of director remuneration and executive compensation, particularly the remuneration of the CEO.	<p>The Company is compliant with the basic requirement of disclosure of D&O compensation under Item 10. Executive Compensation of the Annual Report</p> <p>https://philodrill.com/disclosures2023/OV_2023_0428_sec17a_annual_report_2022.pdf</p> <p>The Company believes that disclosure of individual remuneration and executive compensation aside from being a potential security risk will violate the trade secret as this involves salaries of key employees.</p> <p>The Company's termination and retirement provisions are contained in its Manual of Operations.</p>
Recommendation 8.5			
1. Company discloses its policies governing	Compliant	Disclose or provide reference/link to	Please see Annex I(c) of the Amended

<p>Related Party Transactions (RPTs) and other unusual or infrequently occurring transactions in their Manual on Corporate Governance.</p>		<p>company's RPT policies</p> <p>Indicate if the director with conflict of interest abstained from the board discussion on that particular transaction.</p>	<p>Revised MCG https://philodrill.com/disclosures2018/OV_2018_0529_sec_amended_revised_manual_corporate_governance.pdf</p>
<p>2. Company discloses material or significant RPTs reviewed and approved during the year.</p>	<p>Compliant</p>	<p>Provide information on all RPTs for the previous year or reference to a document containing the following information on all RPTs:</p> <ol style="list-style-type: none"> 1. name of the related counterparty; 2. relationship with the party; 3. transaction date; 4. type/nature of transaction; 5. amount or contract price; 6. terms of the transaction; 7. rationale for entering into the transaction; 8. the required approval (i.e., names of the board of directors approving, names and percentage of shareholders who approved) based on the company's policy; and 9. other terms and conditions 	<p>See note 16 of the AFS https://philodrill.com/disclosures2023/OV_2023_0428_sec17a_annual_report_2022.pdf</p>
<p>Supplement to Recommendation 8.5</p>			
<p>1. Company requires directors to disclose their interests in transactions or any other conflict of interests.</p>	<p>Compliant</p>	<p>Indicate where and when directors disclose their interests in transactions or any other conflict of interests.</p>	<p>Please see Disclosure and Policy Procedure in RPT Policy under Revised MCG, Annex I (c) https://philodrill.com/disclosures2018/OV_2018_0529_sec_amended_revised_manual_corporate_governance.pdf</p> <p>Material Related Party Transactions are</p>

			disclosed in Note 16 to the Company's 2022 Audited Consolidated Financial Statements. Please refer to https://philodrill.com/disclosures2023/OV_2023_0428_sec17a_annual_report_2022.pdf
Optional : Recommendation 8.5			
1. Company discloses that RPTs are conducted in such a way to ensure that they are fair and at arms' length.	Compliant	Provide link or reference where this is disclosed, if any	https://philodrill.com/documents14/ov_material_related_party_transactions_policy.pdf
Recommendation 8.6			
1. Company makes a full, fair, accurate and timely disclosure to the public of every material fact or event that occur, particularly on the acquisition or disposal of significant assets, which could adversely affect the viability or the interest of its shareholders and other stakeholders.	Compliant	Provide link or reference where this is disclosed	All material events involving the Company, its Board and Executive Officers are disclosed under SEC Form 17-C, i.e., within 5 days (SEC) and 10 min (PSE) from occurrence of the material event. Please see https://philodrill.com/3d2_sec_filings_2022.html
2. Board appoints an independent party to evaluate the fairness of the transaction price on the acquisition or disposal of assets.	Non-Compliant	Identify independent party appointed to evaluate the fairness of the transaction price Disclose the rules and procedures for evaluating the fairness of the transaction price, if any.	For the past five years, the Board has not appointed a third-party valuator since there has been no acquisition/disposition of assets. Other transaction/s entered into with related parties are considered arm's-length transactions and are priced based on prevailing market/commercial rates at the time of the transaction Please see Item 5 (10) https://philodrill.com/documents14/2023_pse_definitive_info_statement.pdf
Supplement to Recommendation 8.6			
1. Company discloses the existence, justification and details on shareholder	Compliant	Provide link or reference where these are disclosed.	There are no known agreements that may impact on the control, ownership and

agreements, voting trust agreements, confidentiality agreements, and such other agreements that may impact on the control, ownership, and strategic direction of the company.			strategic direction of the company
Recommendation 8.7			
1. Company's corporate governance policies, programs and procedures are contained in its Manual on Corporate Governance (MCG).	Compliant	Provide link to the company's website where the Manual on Corporate Governance is posted.	http://philodrill.com/2cg1_cg_manual.html
2. Company's MCG is submitted to the SEC and PSE.	Compliant		Please see 17-C Filings https://philodrill.com/3d2_sec_filings_2022.html
3. Company's MCG is posted on its company website.	Compliant		https://philodrill.com/disclosures2018/OV_2018_0529_sec_amended_revised_manual_corporate_governance.pdf
Supplement to Recommendation 8.7			
1. Company submits to the SEC and PSE an updated MCG to disclose any changes in its corporate governance practices.	Compliant	Provide proof of submission.	https://philodrill.com/disclosures2018/OV_2018_0529_sec_amended_revised_manual_corporate_governance.pdf Please see 17-C Filings https://philodrill.com/3d1_disclosures.html
Optional: Principle 8			
1. Does the company's Annual Report disclose the following information:		Provide link or reference to the company's Annual Report containing the said information.	https://philodrill.com/disclosures2023/OV_2023_0428_sec17a_annual_report_2022.pdf
a. Corporate Objectives	Compliant		https://philodrill.com/disclosures2023/OV_2023_0428_sec17a_annual_report_2022.pdf
b. Financial performance indicators	Compliant		https://philodrill.com/disclosures2023/OV_2023_0428_sec17a_annual_report_2022.pdf
c. Non-financial performance indicators	Compliant		https://philodrill.com/disclosures2023/OV_2023_0428_sec17a_annual_report_2022.pdf
d. Dividend Policy	Compliant		https://philodrill.com/disclosures2023/OV_2023_0428_sec17a_annual_report_2022.pdf

e. Biographical details (at least age, academic qualifications, date of first appointment, relevant experience, and other directorships in listed companies) of all directors	Compliant		https://philodrill.com/disclosures2023/OV_2023_0428_sec17a_annual_report_2022.pdf
f. Attendance details of each director in all directors meetings held during the year	Compliant		https://philodrill.com/disclosures2023/OV_2023_0428_sec17a_annual_report_2022.pdf
g. Total remuneration of each member of the board of directors	Compliant		https://philodrill.com/disclosures2023/OV_2023_0428_sec17a_annual_report_2022.pdf
2. The Annual Report contains a statement confirming the company's full compliance with the Code of Corporate Governance and where there is non-compliance, identifies and explains reason for each such issue.	Compliant	Provide link or reference to where this is contained in the Annual Report	https://philodrill.com/disclosures2023/OV_2023_0428_sec17a_annual_report_2022.pdf
3. The Annual Report/Annual CG Report discloses that the board of directors conducted a review of the company's material controls (including operational, financial and compliance controls) and risk management systems.	Compliant	Provide link or reference to where this is contained in the Annual Report	Pls. see note 22 of AFS https://philodrill.com/disclosures2023/OV_2023_0428_sec17a_annual_report_2022.pdf
4. The Annual Report/Annual CG Report contains a statement from the board of directors or Audit Committee commenting on the adequacy of the company's internal controls/risk management systems.	Compliant	Provide link or reference to where this is contained in the Annual Report	Pls. see note 22 of AFS https://philodrill.com/disclosures2023/OV_2023_0428_sec17a_annual_report_2022.pdf
5. The company discloses in the Annual Report the key risks to which the company is materially exposed to (i.e. financial, operational including IT, environmental, social, economic).	Compliant	Provide link or reference to where these are contained in the Annual Report	Pls. see note 22 of AFS https://philodrill.com/disclosures2023/OV_2023_0428_sec17a_annual_report_2022.pdf

Principle 9: The company should establish standards for the appropriate selection of an external auditor, and exercise effective oversight of the same to strengthen the external auditor's independence and enhance audit quality.

Recommendation 9.1			
1. Audit Committee has a robust process for approving and recommending the appointment, reappointment, removal, and fees of the external auditors.	Compliant	Provide information or link/reference to a document containing information on the process for approving and recommending the appointment, reappointment, removal and fees of the company's external auditor.	Pls. see Item 8 of AFS https://philodrill.com/disclosures2023/OV_2023_0428_sec17a_annual_report_2022.pdf
2. The appointment, reappointment, removal, and fees of the external auditor is recommended by the Audit Committee, approved by the Board and ratified by the shareholders.	Compliant	Indicate the percentage of shareholders that ratified the appointment, reappointment, removal and fees of the external auditor.	https://philodrill.com/minutes_asm/2022asm615.pdf
3. For removal of the external auditor, the reasons for removal or change are disclosed to the regulators and the public through the company website and required disclosures.	Compliant	Provide information on or link/reference to a document containing the company's reason for removal or change of external auditor.	This event has not occurred yet
Supplement to Recommendation 9.1			
1. Company has a policy of rotating the lead audit partner every five years.	Compliant	Provide information on or link/reference to a document containing the policy of rotating the lead audit partner every five years.	https://philodrill.com/documents14/2023_pse_definitive_info_statement.pdf
Recommendation 9.2			
1. Audit Committee Charter includes the Audit Committee's responsibility on: <ul style="list-style-type: none"> i. assessing the integrity and independence of external auditors; ii. exercising effective oversight to review and monitor the external auditor's independence and objectivity; and iii. exercising effective oversight to review and monitor the 	Compliant	Provide link/reference to the company's Audit Committee Charter	http://philodrill.com/documents14/2018_0503_audit_charter.pdf

effectiveness of the audit process, taking into consideration relevant Philippine professional and regulatory requirements.			
2. Audit Committee Charter contains the Committee's responsibility on reviewing and monitoring the external auditor's suitability and effectiveness on an annual basis.	Compliant	Provide link/reference to the company's Audit Committee Charter	Please see http://philodrill.com/documents14/2018_05_03_audit_charter.pdf
Supplement to Recommendations 9.2			
1. Audit Committee ensures that the external auditor is credible, competent and has the ability to understand complex related party transactions, its counterparties, and valuations of such transactions.	Compliant	Provide link/reference to the company's Audit Committee Charter	http://philodrill.com/documents14/2018_05_03_audit_charter.pdf
2. Audit Committee ensures that the external auditor has adequate quality control procedures.	Compliant	Provide link/reference to the company's Audit Committee Charter	http://philodrill.com/documents14/2018_05_03_audit_charter.pdf
Recommendation 9.3			
1. Company discloses the nature of non-audit services performed by its external auditor in the Annual Report to deal with the potential conflict of interest.	Compliant	Disclose the nature of non-audit services performed by the external auditor, if any.	External Auditor does not provide non-audit services. Pls. see Item 8 of AFS https://philodrill.com/disclosures2023/OV_2_023_0428_sec17a_annual_report_2022.pdf
2. Audit Committee stays alert for any potential conflict of interest situations, given the guidelines or policies on non-audit services, which could be viewed as impairing the external auditor's objectivity.	Compliant	Provide link or reference to guidelines or policies on non-audit services	External Auditor does not provide non-audit services. Pls. see Item 8 of AFS https://philodrill.com/disclosures2023/OV_2_023_0428_sec17a_annual_report_2022.pdf
Supplement to Recommendation 9.3			
1. Fees paid for non-audit services do not outweigh the fees paid for audit services.	Compliant	Provide information on audit and non-audit fees paid.	External Auditor does not provide non-audit services. Pls. see Item 8 of AFS https://philodrill.com/disclosures2023/OV_2_023_0428_sec17a_annual_report_2022.pdf
Additional Recommendation to Principle 9			
1. Company's external auditor is duly	Compliant	Provide information on company's	Please see Independent Auditor's Report

accredited by the SEC under Group A category.		external auditor, such as: 1. Name of the audit engagement partner; 2. Accreditation number; 3. Date Accredited; 4. Expiry date of accreditation; and 5. Name, address, contact number of the audit firm.	https://philodrill.com/disclosures2023/OV_2023_0428_sec17a_annual_report_2022.pdf
2. Company's external auditor agreed to be subjected to the SEC Oversight Assurance Review (SOAR) Inspection Program conducted by the SEC's Office of the General Accountant (OGA).		Provide information on the following: 1. Date it was subjected to SOAR inspection, if subjected; 2. Name of the Audit firm; and 3. Members of the engagement team inspected by the SEC.	

Principle 10: The company should ensure that the material and reportable non-financial and sustainability issues are disclosed.

Recommendation 10.1

1. Board has a clear and focused policy on the disclosure of non-financial information, with emphasis on the management of economic, environmental, social and governance (EESG) issues of its business, which underpin sustainability.	Compliant	Disclose or provide link on the company's policies and practices on the disclosure of non-financial information, including EESG issues.	The Company being a PLC is required to comply with the full disclosure approach in the reporting of non-financial matters that affect the business of the Company. Disclosures on EESG are provided in the reports submitted to the SEC
2. Company adopts a globally recognized standard/framework in reporting sustainability and non-financial issues.	Compliant	Provide link to Sustainability Report, if any. Disclose the standards used.	Please see Sustainability Report under https://philodrill.com/disclosures2023/OV_2023_0428_sec17a_annual_report_2022.pdf

Principle 11: The company should maintain a comprehensive and cost-efficient communication channel for disseminating relevant information. This channel is crucial for informed decision-making by investors, stakeholders and other interested users.

Recommendation 11.1

1. Company has media and analysts' briefings as channels of communication to	Non-Compliant	Disclose and identify the communication channels used by	The Company does not conduct regular media briefings since prior DOE Clearance
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ensure the timely and accurate dissemination of public, material and relevant information to its shareholders and other investors.		the company (i.e., website, Analyst's briefing, Media briefings /press conferences, Quarterly reporting, Current reporting, etc.). Provide links, if any.	is required before any information relating to our assets/reserves are made public. Other relevant information is provided to the stockholders and other stakeholders through the regular reports filed with the PSE and SEC, or otherwise posted in the Company's website
Supplemental to Principle 11			
1. Company has a website disclosing up-to-date information on the following:		link to company website	
a. Financial statements/reports (latest quarterly)	Compliant		http://philodrill.com/3d1_disclosures.html
b. Materials provided in briefings to analysts and media	Compliant		http://philodrill.com/invest.html
c. Downloadable annual report	Compliant		https://philodrill.com/disclosures2023/OV_2_023_0428_sec17a_annual_report_2022.pdf
d. F ASM and/or SSM	Compliant		https://philodrill.com/minutes_asm/2022asm615.pdf
e. Minutes of ASM and/or SSM	Compliant		https://philodrill.com/minutes_asm/2022asm615.pdf
f. Company's Articles of Incorporation and By-Laws	Compliant		https://philodrill.com/1h5_art_of_inc.html https://philodrill.com/1h6_by_laws.html
Additional Recommendation to Principle 11			
1. Company complies with SEC-prescribed website template.	Compliant		http://philodrill.com/index.html
Internal Control System and Risk Management Framework			
Principle 12: To ensure the integrity, transparency and proper governance in the conduct of its affairs, the company should have a strong and effective internal control system and enterprise risk management framework.			
Recommendation 12.1			
1. Company has an adequate and effective internal control system in the conduct of its business.	Compliant	List quality service programs for the internal audit functions.	Please see Internal Audit Charter http://philodrill.com/documents14/2018_05_24_internal_audit_charter.pdf

		Indicate frequency of review of the internal control system	
2. Company has an adequate and effective enterprise risk management framework in the conduct of its business.	Compliant	<p>Identify international framework used for Enterprise Risk Management</p> <p>Provide information or reference to a document containing information on:</p> <p>Company's risk management procedures and processes</p> <ol style="list-style-type: none"> 1. Key risks the company is currently facing 2. How the company manages the key risks <p>Indicate frequency of review of the enterprise risk management framework.</p>	<p>Please see note 21 of the Audited FS https://philodrill.com/disclosures2023/OV_2023_0428_sec17a_annual_report_2022.pdf and</p> <p>http://philodrill.com/documents14/2018_0523_enterprise_risk_management_framework.pdf</p>
Supplement to Recommendations 12.1			
1. Company has a formal comprehensive enterprise-wide compliance program covering compliance with laws and relevant regulations that is annually reviewed. The program includes appropriate training and awareness initiatives to facilitate understanding, acceptance and compliance with the said issuances.	Compliant	<p>Provide information on or link/reference to a document containing the company's compliance program covering compliance with laws and relevant regulations.</p> <p>Indicate frequency of review.</p>	<p>The Company maintains an enterprise-wide compliance program with laws and relevant regulations affecting the business, which is regularly reviewed. Employees are aware of the Company's policies on business and ethics, which are available in the website. Please see https://philodrill.com/2cg2_corp_policies.html; and https://philodrill.com/2cg5_code_of_ethics.html. Employees are updated electronically by email as new laws and regulations become effective. The HR sponsors trainings and information campaign seminars on new regulations</p>

			being implemented that impacts on the Company's business and operations.
Optional: Recommendation 12.1			
1. Company has a governance process on IT issues including disruption, cyber security, and disaster recovery, to ensure that all key risks are identified, managed and reported to the board.	Compliant	Provide information on IT governance process	All desktops have individually-installed software for their specific jobs. 2. Each desktop has Kaspersky Internet Security installed. 3. We have a local network with internet access. 4. We do not subscribe to cloud computing. We are not using software on the cloud. 5. We have offsite backup copies of main Exploration and Production data files. Exploration and Production is our main business. 6. We have also backup copies of the data-base in our office. When the main hard disk crashed, the second hard disk is in Raid (mirror) with the first hard disk, contained in a Network Area Storage system. 7. Some files are back-up in CD's and DVD's and external portable hard disks. 8. Most files are being printed or in hardcopies.
Recommendation 12.2			
1. Company has in place an independent internal audit function that provides an independent and objective assurance, and consulting services designed to add value and improve the company's operations.	Compliant	Disclose if the internal audit is in-house or outsourced. If outsourced, identify external firm.	Outsourced, please see http://philodrill.com/2cg1_corporate_governance.html

Recommendation 12.3			
1. Company has a qualified Chief Audit Executive (CAE) appointed by the Board.	Compliant	Identify the company's Chief Audit Executive (CAE) and provide information on or reference to a document containing his/her responsibilities.	http://philodrill.com/2cg1_corporate_governance.html Please see 12. 3 of the Amended Revised MCG https://philodrill.com/disclosures2018/OV_2018_0529_sec_amended_revised_manual_corporate_governance.pdf
2. CAE oversees and is responsible for the internal audit activity of the organization, including that portion that is outsourced to a third party service provider.	Compliant		Please see 12. 3 of the Amended Revised MCG https://philodrill.com/disclosures2018/OV_2018_0529_sec_amended_revised_manual_corporate_governance.pdf
3. In case of a fully outsourced internal audit activity, a qualified independent executive or senior management personnel is assigned the responsibility for managing the fully outsourced internal audit activity.	Compliant	Identify qualified independent executive or senior management personnel, if applicable.	The CFO administratively is on top of the works and functions of the Internal Auditor
Recommendation 12.4			
1. Company has a separate risk management function to identify, assess and monitor key risk exposures.	Compliant	Provide information on company's risk management function.	The separate risk management function is being undertaken by the Audit Committee, CRO, BOD and even that of the external auditor who identifies and discloses the Company's business risks and how to manage it in the Annual Financial Statements. All of these are management functions being done for the Company.
Supplement to Recommendation 12.4			
1. Company seeks external technical support in risk management when such competence is not available internally	Compliant	Identify source of external technical support, if any.	The Company's external auditor identifies and discloses the Company's business risks and how to manage it is disclosed in the Annual Financial Statements.
Recommendation 12.5			
1. In managing the company's Risk	Compliant	Identify the company's Chief Risk	Please see

Management System, the company has a Chief Risk Officer (CRO), who is the ultimate champion of Enterprise Risk Management (ERM).		Officer (CRO) and provide information on or reference to a document containing his/her responsibilities and qualifications/background.	http://philodrill.com/2cg1_corporate_governance.html
2. CRO has adequate authority, stature, resources and support to fulfill his/her responsibilities.	Compliant		Please see http://philodrill.com/2cg1_corporate_governance.html
Additional Recommendation to Principle 12			
1. Company's Chief Executive Officer and Chief Audit Executive attest in writing, at least annually, that a sound internal audit, control and compliance system is in place and working effectively.	Compliant	Provide link to CEO and CAE's attestation	Please see https://philodrill.com/documents14/2019_0604_confirmation_on_internal_control.pdf
Cultivating a Synergic Relationship with Shareholders			
Principle 13: The company should treat all shareholders fairly and equitably, and also recognize, protect and facilitate the exercise of their rights.			
Recommendation 13.1			
1. Board ensures that basic shareholder rights are disclosed in the Manual on Corporate Governance.	Compliant	Provide link or reference to the company's Manual on Corporate Governance where shareholders' rights are disclosed.	Please see Policy 13 https://philodrill.com/disclosures2018/OV_2018_0529_sec_amended_revised_manual_corporate_governance.pdf
2. Board ensures that basic shareholder rights are disclosed on the company's website.	Compliant	Provide link to company's website	Please see Policy 13 https://philodrill.com/disclosures2018/OV_2018_0529_sec_amended_revised_manual_corporate_governance.pdf
Supplement to Recommendation 13.1			
1. Company's common share has one vote for one share.	Compliant		Please see Item 4. Voting Securities and Principal Holders Thereof https://philodrill.com/documents14/2023_pse_definitive_info_statement.pdf
2. Board ensures that all shareholders of the same class are treated equally with respect to voting rights, subscription rights and transfer rights.	Compliant	Provide information on all classes of shares, including their voting rights if any.	Please see DIS, Items 2, 4 and 18 https://philodrill.com/documents14/2023_pse_definitive_info_statement.pdf

3. Board has an effective, secure, and efficient voting system.	Compliant	Provide link to voting procedure. Indicate if voting is by poll or show of hands.	See DIS item 18 https://philodrill.com/documents14/2023_pse_definitive_info_statement.pdf
4. Board has an effective shareholder voting mechanisms such as supermajority or "majority of minority" requirements to protect minority shareholders against actions of controlling shareholders.	Compliant	Provide information on shareholder voting mechanisms such as supermajority or "majority of minority", if any.	Please see Item 4. Voting Securities and Principal Holders Thereof https://philodrill.com/documents14/2023_pse_definitive_info_statement.pdf
5. Board allows shareholders to call a special shareholders' meeting and submit a proposal for consideration or agenda item at the AGM or special meeting.	Compliant	Provide information on how this was allowed by board (i.e., minutes of meeting, board resolution)	While this is allowed under the Revised MCG, see 13.1(c), it has not happened before.
6. Board clearly articulates and enforces policies with respect to treatment of minority shareholders.	Compliant	Provide information or link/reference to the policies on treatment of minority shareholders	http://philodrill.com/documents14/2017_manual_on_corporate_governance.pdf
7. Company has a transparent and specific dividend policy.	Compliant	Provide information on or link/reference to the company's dividend Policy. Indicate if company declared dividends. If yes, indicate the number of days within which the dividends were paid after declaration. In case the company has offered scrip-dividends, indicate if the company paid the dividends within 60 days from declaration	The company's dividend policy is dependent on 2 things: (1) retained earnings and (2) availability of cash. It has declared cash dividends from 2010 to 2016. However, due to the downturn of oil price in 2016 and the natural decline of production volume, the Company has not realize enough profit to declare any dividends in 2019. Dividends are payable within 30 days from record date. Please see Dividend declarations http://philodrill.com/invest.html
Optional: Recommendation 13.1			
1. Company appoints an independent party to count and/or validate the votes at the Annual Shareholders' Meeting.	Compliant	Identify the independent party that counted/validated the votes at the ASM, if any.	All voting shares in all ASMs are validated by stock transfer agent who is always present in the meeting. In the history of the Company, there has been no occasion to

			count the votes on any matter submitted for approval as all previous approvals were all unanimous. Even elections have always been unanimous without dissensions. The board minutes can attest to this.
Recommendation 13.2			
1. Board encourages active shareholder participation by sending the Notice of Annual and Special Shareholders' Meeting with sufficient and relevant information at least 28 days before the meeting.	Compliant	<p>Indicate the number of days before the annual stockholders' meeting or special stockholders' meeting when the notice and agenda were sent out</p> <p>Indicate whether shareholders' approval of remuneration or any changes therein were included in the agenda of the meeting.</p> <p>Provide link to the Agenda included in the company's Information Statement (SEC Form 20-IS)</p>	<p>The Notice will be first sent to stockholders at least one (1) month prior to the date of the Meeting in accordance with the Company's By-Laws. However, this is already made available to the public at least 60 days prior to the date of the meeting, upon submission of the Preliminary Information Statement to the SEC, and the Information Statement together with the accompanying documents are uploaded on the Company's website.</p> <p>Please see http://philodrill.com/3d1_disclosures.html</p>
Supplemental to Recommendation 13.2			
1. Company's Notice of Annual Stockholders' Meeting contains the following information:		Provide link or reference to the company's notice of Annual Shareholders' Meeting	
a. The profiles of directors (i.e., age, academic qualifications, date of first appointment, experience, and directorships in other listed companies)	Compliant		<p>These info are available on the Company's SEC Form 20-IS https://philodrill.com/documents14/2023_pse_definitive_info_statement.pdf</p>
b. Auditors seeking appointment/re-appointment	Compliant		<p>These info are available on the Company's SEC Form 20-IS https://philodrill.com/documents14/2023_pse_definitive_info_statement.pdf</p>
c. Proxy documents	Compliant		<p>These info are available on the Company's SEC Form 20-IS https://philodrill.com/documents14/2023_pse_definitive_info_statement.pdf</p>

			se definitive info statement.pdf
Optional: Recommendation 13.2			
1. Company provides rationale for the agenda items for the annual stockholders meeting		Provide link or reference to the rationale for the agenda items	
Recommendation 13.3			
1. Board encourages active shareholder participation by making the result of the votes taken during the most recent Annual or Special Shareholders' Meeting publicly available the next working day.	Compliant with the SEC requirement	Provide information or reference to a document containing information on all relevant questions raised and answers during the ASM and special meeting and the results of the vote taken during the most recent ASM/SSM.	The Minutes of the Annual Stockholders' Meeting are available on the Company's website within 5 days from date of meeting http://philodrill.com/3d4_stockholders_meeting_minutes.html
2. Minutes of the Annual and Special Shareholders' Meetings were available on the company website within five business days from the end of the meeting.	Compliant	Provide link to minutes of meeting in the company website. Indicate voting results for all agenda items, including the approving, dissenting and abstaining votes. Indicate also if the voting on resolutions was by poll. Include whether there was opportunity to ask question and the answers given, if any	http://philodrill.com/3d4_stockholders_meeting_minutes.html
Supplement to Recommendation 13.3			
1. Board ensures the attendance of the external auditor and other relevant individuals to answer shareholders questions during the ASM and SSM.	Compliant	Indicate if the external auditor and other relevant individuals were present during the ASM and/or special meeting	Yes, the External Auditors are always present during Annual Stockholders' Meeting
Recommendation 13.4			
1. Board makes available, at the option of a shareholder, an alternative dispute mechanism to resolve intra-corporate	Compliant	Provide details of the alternative dispute resolution made available to resolve intra-corporate disputes	Please see Annex I, CG Policies (m)

disputes in an amicable and effective manner.			
2. The alternative dispute mechanism is included in the company's Manual on Corporate Governance.	Compliant	Provide link/reference to where it is found in the Manual on Corporate Governance	Please see Annex I, CG Policies (m)
Recommendation 13.5			
1. Board establishes an Investor Relations Office (IRO) to ensure constant engagement with its shareholders.	Compliant	Disclose the contact details of the officer/office responsible for investor relations, such as: 1. Name of the person 2. Telephone number 3. Fax number 4. E-mail address	http://philodrill.com/invest.html
2. IRO is present at every shareholder's meeting.	Compliant	Indicate if the IRO was present during the ASM.	The Company's Transfer Agent, CFO and VP for Exploration are always present during the ASM to address any investor concern.
Supplemental Recommendations to Principle 13			
1. Board avoids anti-takeover measures or similar devices that may entrench ineffective management or the existing controlling shareholder group	Compliant	Provide information on how anti-takeover measures or similar devices were avoided by the board, if any.	Company has NO anti-takeover measures and any stockholder and stockholders' group with sufficient number of shares can obtain the election of members of the BOD.
2. Company has at least thirty percent (30%) public float to increase liquidity in the market.	Compliant	Indicate the company's public float.	As of December 31, 2022 Public Ownership percentage is at 46.62% https://philodrill.com/3d5_disc_pse_2023.html
Optional: Principle 13			
1. Company has policies and practices to encourage shareholders to engage with the company beyond the Annual Stockholders' Meeting		Disclose or provide link/reference to policies and practices to encourage shareholders' participation beyond ASM	Company website contains a form for submitting queries to the Company anytime. Please see https://philodrill.com/contact_us.html
2. Company practices secure electronic voting in absentia at the Annual		Disclose the process and procedure for secure electronic voting in	Electronic voting in absentia is secured because only those who signified their

Shareholders' Meeting.		absentia, if any.	intention to attend the meeting virtually get a link to the virtual meeting where they can exhibit their votes live during the virtual meeting, All other stockholders vote by way of proxy sent within the time prescribed in the form sent by the Company beforehand. Please see https://philodrill.com/documents14/2020_a_sm_guidelines_remote_attendance.pdf
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Duties to Stakeholders

Principle 14: The rights of stakeholders established by law, by contractual relations and through voluntary commitments must be respected. Where stakeholders' rights and/or interests are at stake, stakeholders should have the opportunity to obtain prompt effective redress for the violation of their rights.

Recommendation 14.1

1. Board identifies the company's various stakeholders and promotes cooperation between them and the company in creating wealth, growth and sustainability.	Compliant	Identify the company's shareholder and provide information or reference to a document containing information on the company's policies and programs for its stakeholders.	Please see http://philodrill.com/2cg3_corp_soc_responsibilities.html
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Recommendation 14.2

1. Board establishes clear policies and programs to provide a mechanism on the fair treatment and protection of stakeholders.	Compliant	Identify policies and programs for the protection and fair treatment of company's stakeholders	Please see https://philodrill.com/documents14/2023_pse_definitive_info_statement.pdf http://philodrill.com/2cg2_corp_policies.html
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Recommendation 14.3

1. Board adopts a transparent framework and process that allow stakeholders to communicate with the company and to obtain redress for the violation of their rights.	Compliant	Provide the contact details (i.e., name of contact person, dedicated phone number or e-mail address, etc.) which stakeholders can use to voice their concerns and/or complaints for possible violation of their rights.	Please see http://philodrill.com/contact_us.html http://philodrill.com/documents14/ov_whistle_blower_policy.pdf
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		Provide information on whistleblowing policy, practices and procedures for stakeholders	
Supplement to Recommendation 14.3			
1. Company establishes an alternative dispute resolution system so that conflicts and differences with key stakeholders is settled in a fair and expeditious manner.	Compliant	Provide information on the alternative dispute resolution system established by the company.	See ADM http://philodrill.com/documents14/2018_05_25_alternative_dispute_mechanism.pdf
Additional Recommendations to Principle 14			
1. Company does not seek any exemption from the application of a law, rule or regulation especially when it refers to a corporate governance issue. If an exemption was sought, the company discloses the reason for such action, as well as presents the specific steps being taken to finally comply with the applicable law, rule or regulation.	Compliant	Disclose any requests for exemption by the company and the reason for the request.	The Company has not sought any exemptions at this point
2. Company respects intellectual property rights.	Compliant	Provide specific instances, if any.	Proprietary information on exploration and/or production projects, including research data are kept confidential and are not disclosed to third parties without the written consent/approval of the Joint Venture Partners and the DOE.
Optional: Principle 14			
1. Company discloses its policies and practices that address customers' welfare		Identify policies, programs and practices that address customers' welfare or provide link/reference to a document containing the same.	
2. Company discloses its policies and practices that address supplier/contractor selection procedures	Compliant	Identify policies, programs and practices that address supplier/contractor selection procedures or provide link/reference to a document containing the same.	Company undertakes service contracts in behalf of the consortium and all policies/practices on supplier/contractor selection are approved by the consortium collectively. Company as operator of the

			<p>consortium merely implements those policies/practices in behalf of the consortium.</p> <p>Policies/practices on supplier/contractor selections for regular office items follow only one general policy: best quality for the least cost.</p>
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Principle 15: A mechanism for employee participation should be developed to create a symbiotic environment, realize the company's goals and participate in its corporate governance processes.

Recommendation 15.1

1. Board establishes policies, programs and procedures that encourage employees to actively participate in the realization of the company's goals and in its governance.	Compliant	Provide information on or link/reference to company policies, programs and procedures that encourage employee participation.	<p>In addition to paying a fair wage, the Company grants incentives for creative ideas and efforts that lead to increased productivity. Employees are entitled to profit share, incentives and bonuses and long-term incentives such as SARs. Employees are likewise given regular trainings for capacity building</p> <p>These programs are designed to show employees that they are appreciated and recognize their involvement in the business. It also boosts their morale and motivates the staff to continue a high level of productivity and creativity.</p>
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Supplement to Recommendation 15.1

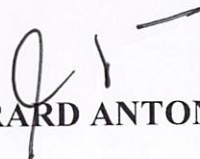
1. Company has a reward/compensation policy that accounts for the performance of the company beyond short-term financial measures.	Compliant	Disclose if company has in place a merit-based performance incentive mechanism such as an employee stock option plan (ESOP) or any such scheme that awards and incentivizes employees, at the same time aligns their interests with those of the	<p>The Company implements an Annual Performance Evaluation System. The results of which is used as basis for the merit increase in salaries of employees.</p> <p>Moreover, long-term incentives such as Stock Appreciation Rights (SARs) are given</p>
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		shareholders.	to employees and directors This represents their share in the capital value of the Company
2. Company has policies and practices on health, safety and welfare of its employees.	Compliant	Disclose and provide information on policies and practices on health, safety and welfare of employees. Include statistics and data, if any.	http://philodrill.com/documents14/ov_policy_on_hstw.pdf see also pp 28-29 of Sustainability Report https://philodrill.com/disclosures2022/OV_2022_0513_sec17a_annual_report_2021.pdf
3. Company has policies and practices on training and development of its employees.	Compliant	Disclose and provide information on policies and practices on training and development of employees. Include information on any training conducted or attended.	http://philodrill.com/documents14/ov_policy_on_hstw.pdf
Recommendation 15.2			
1. Board sets the tone and makes a stand against corrupt practices by adopting an anti-corruption policy and program in its Code of Conduct.	Compliant	Identify or provide link/reference to the company's policies, programs and practices on anti-corruption	Please see Code of Ethics http://philodrill.com/documents14/2018_0524_code_of_ethics.pdf
2. Board disseminates the policy and program to employees across the organization through trainings to embed them in the company's culture.	Compliant	Identify how the board disseminated the policy and program to employees across the organization	The same is uploaded on the Company's website
Supplement to Recommendation 15.2			
1. Company has clear and stringent policies and procedures on curbing and penalizing employee involvement in offering, paying and receiving bribes.	Compliant	Identify or provide link/reference to the company policy and procedures on penalizing employees involved in corrupt practices. Include any finding of violations of the company policy.	As per Company's Procedures Manual, Section 5, Sub-section 5.3 (Offenses and Punitive Action) Offering, Paying and Receiving bribes are considered as Grave Offenses that merit serious disciplinary action.
Recommendation 15.3			
1. Board establishes a suitable framework for whistleblowing that allows employees to freely communicate their concerns about	Compliant	Disclose or provide link/reference to the company whistle-blowing policy and procedure for employees.	http://philodrill.com/documents14/ov_whistle_blower_policy.pdf

illegal or unethical practices, without fear of retaliation		Indicate if the framework includes procedures to protect the employees from retaliation. Provide contact details to report any illegal or unethical behavior.	
2. Board establishes a suitable framework for whistleblowing that allows employees to have direct access to an independent member of the Board or a unit created to handle whistleblowing concerns.	Compliant		http://philodrigill.com/documents14/ov_whistle_blower_policy.pdf
3. Board supervises and ensures the enforcement of the whistleblowing framework.	Compliant	Provide information on how the board supervised and ensured enforcement of the whistleblowing framework, including any incident of whistleblowing.	http://philodrigill.com/documents14/ov_whistle_blower_policy.pdf
Principle 16: The company should be socially responsible in all its dealings with the communities where it operates. It should ensure that its interactions serve its environment and stakeholders in a positive and progressive manner that is fully supportive of its comprehensive and balanced development.			
Recommendation 16.1			
1. Company recognizes and places importance on the interdependence between business and society, and promotes a mutually beneficial relationship that allows the company to grow its business, while contributing to the advancement of the society where it operates.	Compliant	Provide information or reference to a document containing information on the company's community involvement and environment-related programs.	http://philodrigill.com/2cg3_corp_soc_responsibilities.html
Optional: Principle 16			
1. Company ensures that its value chain is environmentally friendly or is consistent with promoting sustainable development	Compliant	Identify or provide link/reference to policies, programs and practices to ensure that its value chain is environmentally friendly or is consistent with promoting sustainable development.	All Company projects are undertaken with prior environmental studies, clearances, information/education campaign, and compliant with all rules of government regulatory agencies and local governments.
2. Company exerts effort to interact positively with the communities in which it operates		Identify or provide link/reference to policies, programs and practices to	Company continuously exerts effort to positively interact with the communities in

		interact positively with the communities in which it operates.	which it operates. Please refer to https://philodrill.com/2cg3_corp_soc_responsibilities.html for CSR programs the Company has undertaken
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SIGNATURE PAGE



GERARD ANTON S. RAMOS

Chairman



NICASIO I. ALCANTARA

Independent Director



HONORIO A. POBLADOR III

Independent Director



ADRIAN S. ARIAS

Corporate Secretary



JOSEPHINE L. ILAS

Compliance Officer

ACKNOWLEDGEMENT

BEFORE ME, a Notary Public for and in the City of MANDALUYONG CITY personally appeared:

NAME	TIN NO.
Gerard Anton S. Ramos
Nicasio I. Alcantara
Honorio A. Poblador III
Adrian S. Arias
Josephine L. Ilas

MAY 30 2023

SUBSCRIBED AND SWORN to before me this _____ day of _____ in
affiants exhibited to me their competent proof of identity, TIN ID as stated above.

MANDALUYONG CITY

NOTARY PUBLIC



ATTY. JAMES R. ABUGAN
Notary Public

APPT. NO. 0442-23 Until 12-31, 2024
IBP No. 180334 Nov. 23, 2022 Rizal Chapter
Roll No. 26890 Lifetime
MCLE No. VII-0020184 until 4/14/2025
TIN No. 116-239-956
PTR No. 5105663 01/09/2023
Rm. 314 J&B Bldg., 251 EDSA,
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