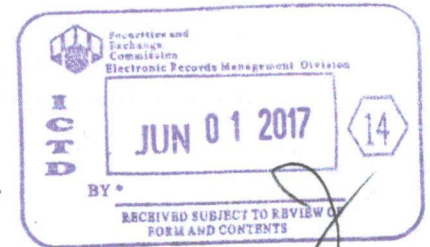


SECURITIES AND EXCHANGE COMMISSION

SEC FORM – ACGR

ANNUAL CORPORATE GOVERNANCE REPORT



1. Report is filed for the year – 2016
2. Exact Name of Registrant as specified in its Charter – APEX MINING CO., INC.
3. 3304B West Tower, PSE Centre, Exchange Road, Ortigas Center, Pasig City
Address of Principal Office

1605
Postal Code
4. SEC Identification Number – 40621
5. (SEC Use Only)
Industry Classification Code
6. BIR Tax Identification Number - 000 284 168
7. Telephone Nos. - +632 706-2805
Issuer's telephone number, including area code
8. Not Applicable
Former name or former address, if changed from the last report.

Table of Contents

A.	BOARD MATTERS	3
1.	Board of Directors	3
a.	Composition of the Board	3
b.	Corporate Governance Policy/ies.	3
c.	Review and Approval of Vision and Vision.....	4
d.	Directorship in ther Companies	4
e.	Shareholding in the Company.....	6
2.	Chairman and CEO	6
3.	Plan For Succession Of Ceo/Managing Director/President And Top Key Positions.....	7
4.	Other Executive, Non-Executive and Independent Directors.....	7
5.	Changes in the Board of Directors	10
6.	Orientation and Education Program.....	13
B.	CODE OF BUSINESS CONDUCT & ETHICS	18
1.	Policies	18
2.	Dissemination of the Code.....	19
3.	Compliance with the Code.....	20
4.	Related Party Transactions	20
a.	Policies and Procedures:	20
b.	Conflict of Interest	21
5.	Family, Commercial and Contractual Relations	21
6.	Alternative Dispute Resolution	22
C.	BOARD MEETINGS AND ATTENDANCE	22
1.	Schedule of meetings.....	22
2.	Details of Attendance of Directors:.....	23
3.	Separate Meeting of Non-Executive Directors	23
4.	Quorum.....	23
5.	Access to Information	23
6.	External Advice.....	25
7.	Change/s in existing policies	25
D.	REMUNERATION MATTERS.....	25
1.	Remuneration Process	25
2.	Remuneration Policy and Structure for Executive and Non-Executive Directors.....	26
3.	Aggregate Remuneration.....	26
4.	Stock Rights, Options and Warrants	27
5.	Remuneration of Management	28
E.	BOARD COMMITTEES.....	28
1.	Number of Members, Functions and Responsibilities	28
2.	Committee Members	30
3.	Changes in Committee Members	33
4.	Work Done and Issues Addressed.....	34
5.	Committee Program.....	34
F.	RISK MANAGEMENT SYSTEM.....	35
1.	Statement on Effectiveness of Risk Management System	35
2.	Risk Policy.....	35
3.	Control System Set Up	36
G.	INTERNAL AUDIT AND CONTROL	37
1.	Internal Control System	37

2.	Internal Audit	38
a.	Role, Scope and Internal Audit Function	38
b.	Appointment and/or Removal of the Internal Auditor.....	39
c.	Reporting Relationship with the Audit Committee.....	39
d.	Resignation, Re-assignment and Reasons.....	39
e.	Progress against Plans, Issues, Findings and Examination Trends.....	39
f.	Audit Control Policies and Procedures.....	40
g.	Mechanism and Safeguards.....	43
H.	ROLE OF STAKEHOLDERS	43
I.	DISCLOSURE AND TRANSPARENCY	50
1.	Ownership Structure	50
2.	Does the Annual Report disclose the following:.....	51
3.	External Auditor’s fee	51
4.	Medium of Communication	51
5.	Date of release of audited financial report:.....	52
6.	Company Website	52
7.	Disclosure of RPT.....	52
J.	RIGHTS OF STOCKHOLDERS	53
1.	Right to participate effectively in Annual/Special Stockholders’ Meetings.....	53
2.	Treatment of Minority Stockholders	58
a.	State the company’s policies with respect to the treatment of minority stockholders.	58
b.	Do minority stockholders have a right to nominate candidates for board of directors? ...	58
K.	INVESTORS RELATIONS PROGRAM	58
L.	CORPORATE SOCIAL RESPONSIBILITY INITIATIVES.....	60
M.	BOARD, DIRECTOR, COMMITTEE AND CEO APPRAISAL.....	62
N.	INTERNAL BREACHES AND SANCTIONS	62

Note: All changes & updates for year 2016 are in italics and underlined for easy reference.

A. BOARD MATTERS

1. Board of Directors

Number of Directors per Articles of Incorporation	Seven (7)
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Actual number of Directors for the year	Seven (7)
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a. Composition of the Board

Complete the table with information on the Board of Directors (as of December 31, 2016):

Director's Name	Type [Executive (ED), Non-Executive (NED) or Independent Director (ID)]	If nominee, identify the principal	Nominator in the last election (if ID, state the relationship with the nominator)	Date first elected	Date last elected (if ID, state the number of years served as ID)	Elected when (Annual /Special Meeting)	No. of years served as director (<u>as December 31, 2016</u>)
Ramon Y. Sy	ED		<u>Walter Brown</u>	October 21, 2013 BOD Mtg	<u>June 30, 2016</u>	Annual Meeting	3 yrs 6 mos
Walter W. Brown	ED		<u>Ramon Sy</u>	October 21, 2013 BOD Mtg	<u>June 30, 2016</u>	Annual Meeting	3 yrs 6 mos
Modesto B. Bermudez	ED		<u>Walter Brown</u>	June 16, 2014 Annual Stockholders' Mtg	<u>June 30, 2016</u>	Annual Meeting	2 yrs 6 mos
Graciano P. Yumul, Jr.	ED		<u>Walter Brown</u>	July 20, 2012 BOD Mtg	<u>June 30, 2016</u>	Annual Meeting	4 yrs 6 mos
Noel V. Tanglao	ED		<u>Walter Brown</u>	July 12, 2013 BOD Mtg	<u>June 30, 2016</u>	Annual Meeting	3 yrs 6 mos
Dennis A. Uy	ID		<u>Walter brown (No relation)</u>	March 19, 2013 BOD Mtg	<u>June 30, 2016 ID for 3 yrs 9 mos</u>	Annual Meeting	3 yrs 9 mos
Joselito H. Sibayan	ID		<u>Ramon Sy (No relation)</u>	June 16, 2014 Annual Stockholders' Mtg	<u>June 30, 2016 ID for 2 yrs 6 mos</u>	Annual Meeting	2 yrs 6 mos

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

The following are the policies adopted by the Board as stated in the Company's Revised Manual on Corporate Governance (CG Manual), relative to the treatment of shareholders, respect for the rights of minority shareholders and other stakeholders, disclosure duties and Board responsibilities:

- Article 6
 - A. The Board shall respect the rights of the stockholders as provided for in the Corporation Code, namely:
 - (i) Right to vote on all matters that require their consent or approval;
 - (ii) Pre-emptive right to all stock issuances of the corporation;
 - (iii) Right to inspect corporate books and records;
 - (iv) Right to information;
 - (v) Right to dividends; and
 - (vi) Appraisal right.
 - B.
 - The Board should be transparent and fair in the conduct of the annual and special stockholders' meetings of the corporation.
 - The stockholders should be encouraged to personally attend such meetings. If they cannot attend, they should be apprised ahead of time of their right to appoint a proxy. The exercise of that right shall not be unduly restricted and any doubt about the validity of a proxy should be resolved in the stockholder's favor.
 - It is the duty of the Board to promote the rights of the stockholders, remove impediments to the exercise of those rights and provide an adequate avenue for them to seek timely redress for breach of their rights.
 - Accurate and timely information should be made available to the stockholders to enable them to make a sound judgement on all matters brought to their attention for consideration or approval.
 - All stockholders should be treated equally or without discrimination.

c. **How often does the Board review and approve the vision and mission?**

The Board conducts a yearly review of the Company's vision and mission statements.

d. **Directorship in Other Companies**

(i) **Directorship in the Company's Group¹**

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

Director's Name	Corporate Name of the Group Company	Type of Directorship (Executive, Non-Executive, Independent). Indicate if director is also the Chairman.
Ramon Y. Sy	- Monte Oro Resources & Energy, Inc - Itogon Suyoc Resources, Inc.	Executive Non-executive
Walter W. Brown	- Monte Oro Resources & Energy, Inc - Itogon Suyoc Resources, Inc.	Non-executive Non-executive, <i>Chairman</i>
<u>Graciano P. Yumul, Jr.</u>	- <u>Itogon Suyoc Resources, Inc.</u>	<u>Non-executive</u>
<u>Modesto B. Bermudez</u>	- <u>Itogon Suyoc Resources, Inc.</u>	<u>Executive</u>

¹ The Group is composed of the Company as parent, its subsidiaries, associates and joint ventures.

(ii) Directorship in Other Listed Companies

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

Director's Name	Name of Listed Company	Type of Directorship
<u>Ramon Y. Sy</u>	<u>Asia United Bank Corporation</u>	<u>Non-Executive</u>
Walter W. Brown	A. Brown Company, Inc.	Executive
<u>Joselito H. Sibayan</u>	<u>SM Prime Holdings, Inc</u>	<u>Non-Executive</u>
<u>Dennis A. Uy</u>	<u>Phoenix Petroleum Phils., Inc.</u>	<u>Executive</u>
	<u>2Go Group, Inc.</u>	<u>Executive</u>

(iii) Relationship within the Company and its Group

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

Director's Name	Name of the Significant Shareholder	Description of the relationship
N/A		
N/A		
N/A		

(iv) Has the company set a limit on the number of board seats in other companies (publicly listed, ordinary and companies with secondary license) that an individual director or CEO may hold simultaneously? In particular, is the limit of five board seats in other publicly listed companies imposed and observed? If yes, briefly describe other guidelines:

Although the Company's CG Manual provides that the Board may consider the adoption of guidelines on the number of directorships its members can hold in stock and non-stock corporations, no limit has been set currently. The Board believes that its directors have the capacity to diligently and efficiently perform their duties and responsibilities in all of the boards that they serve and that these are not being compromised by their current number of board seats.

	Guidelines	Maximum Number of Directorships in other companies
Executive Director	N/A	N/A
Non-Executive Director	N/A	N/A
CEO	N/A	N/A

e. Shareholding in the Company

Complete the following table on the members of the company's Board of Directors who directly and indirectly own shares in the company: (Note: In certain cases, the shares may be held in a broker account in the name of the Director. This is classified as direct only for purposes of this report)

Name of Director	Number of Direct shareholdings <i>as of December 31, 2016</i>	Number of Indirect shares / Through (name of record owner)	% of Capital Stock
Ramon Y. Sy	44,598,312	0	0.72%
Walter W. Brown	83,590,280	0	1.34%
Modesto B. Bermudez	1	0	0.00%
Graciano P. Yumul, Jr.	1,000	0	0.00%
Noel V. Tanglao	1	0	0.00%
Dennis A. Uy	1	0	0.00%
Joselito H. Sibayan	299	0	0.00%
Total	128,189,894	0	2.06%

2. Chairman and CEO

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

Yes

No

Identify the Chairman and CEO:

Chairman of the Board	Ramon Y. Sy
CEO/President	Walter W. Brown

- b. Roles, Accountabilities and Deliverables

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

	Chairman	Chief Executive Officer
Role	<p>Ensure that the meetings of the Board are held in accordance with the by-laws or as the Chairman may deem necessary.</p> <p>Supervise the preparation of the agenda of the meeting in coordination with the Corporate Secretary, taking in consideration the suggestions of the President, Management and Directors.</p> <p>Maintain qualitative and timely lines of communication and information between the Board and Management.</p> <p>Assist in ensuring compliance with the Manual on Corporate Governance.</p>	<p>In addition to the regular duties imposed by the Board upon the CEO, he shall:</p> <p>In the absence of the Chairman, preside in all meetings of the Board of Directors.</p> <p>Act as temporary Chairman at/ and call to order all meetings of the Stockholders of the Company.</p> <p>He shall have general supervision of the business affairs and property of the Company, and over its officers and employees.</p>

	Chairman	Chief Executive Officer
Accountabilities	<p>Adherence to the principles, standards, and requirements of good corporate governance.</p> <p>A strategic planner, identifying annual needs of the Board and planning accordingly.</p> <p>Responsible for the Board's composition, performance and development.</p> <p>Hiring and overseeing of independent advisors, as needed.</p> <p>Implementation of an effective succession plan.</p>	<p>Ensure that all orders and resolutions of the Board are implemented and carried out in orderly manner.</p> <p>Provide full support to the operation through proper information dissemination to the Board.</p> <p>Assist in the selection and evaluation of Board members.</p> <p>Ensure Management and Board have up-to-date information regarding Company affairs.</p>
Deliverables	<p>Long term business strategy and vision for the Company.</p> <p>Availability of important corporate information and events to all stakeholders.</p> <p>Annual business objectives and priorities.</p>	<p>Regular operations meeting to address any issues and concerns.</p> <p>Implementation of the Corporate Governance Code in all levels of the organization.</p> <p>Improve operating <i>and safety</i> performance. Recruit and support new board members,</p> <p>Comprehensive annual report of the business and state of the Company, for the stockholders and other stakeholders.</p>

3. Explain how the board of directors plans for the succession of the CEO/Managing Director/President and the top key management positions?

The Board understands the need to ensure that the Board and executive management are always well provided with the right people in terms of skills and experience to deliver the Company's strategy. Board composition is regularly reviewed to ensure the Board is refreshed progressively. Factors considered include length of tenure, background, experience, including industry knowledge, and diversity.

The Board *through* its Nomination Committee is responsible for both executive and non-executive director succession planning and *makes the* recommendation for new appointments to the Board.

The Board considers the executive vice president and the senior vice presidents of the Company as possible successors of the President/CEO.

4. Other Executive, Non-Executive and Independent Directors

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

The Company does not have a board diversity policy. As a mining company, the Company finds it essential at its current stage (when it is rehabilitating and expanding its operations in Maco Mines and expanding its operations with the acquisition of Itoqon Suyuc Resources Inc. (ISRI) that its board be composed mostly of people with mining background, and finance fund raising back ground. Diversity of experience is not a priority yet.. As stated in its CG Manual, (Article 3.F.2.a.), to ensure a high standard

of best practice for the corporation, its stockholders, and other stakeholders, the Board implements a process for the selection of directors who can add value and contribute independent judgment to the formulation of sound corporate strategies and policies.

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

At the moment, the Board has no Non-Executive Director. What is important at this stage is the technical knowledge and experience in mining and in fund raising.

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

	Executive	Non-Executive	Independent Director
Role	The President shall be the chief executive officer of the Company.	A director's office is one of the trust and confidence. A director should act in the best interest of the corporation in a manner characterized by transparency, accountability and fairness. He should also exercise leadership, prudence and integrity in directing the corporation towards sustained progress.	
Accountabilities	<ul style="list-style-type: none"> In the absence of the Chairman of the Board, preside at all meetings of the Board of Directors. Acts as temporary Chairman at and call to order all meetings of the stockholders of the Company. He shall have general supervision of the business affairs and property of the Company, and over its several officers and employees 	<ul style="list-style-type: none"> Conduct fair business transactions with the corporation, and ensure that his personal interest does not conflict with the interests of the corporation. Devote the time and attention necessary to properly and effectively perform his duties and responsibilities. Act judiciously. Exercise independent judgment. Have a working knowledge of the statutory and regulatory requirements that affect the corporation, including its articles of incorporation and by-laws, the rules and regulations of the Commission and, where applicable, the requirements of relevant regulatory agencies. Observe confidentiality. To ensure the continuing soundness, effectiveness and adequacy of the Corporation's control environment. 	
Deliverables	<ul style="list-style-type: none"> He shall see that all orders and resolutions of the Board of Directors are carried into effect. The President shall submit to the Board of Directors as soon as may be after the close of each fiscal year, and to the stockholders of each annual meeting a complete report of the operations of the Company for the preceding year, and the state of its affairs. 	<ul style="list-style-type: none"> Implement a process for the selection of directors who can add value and contribute independent judgment to the formulation of sound corporate strategies and policies. Appoint competent, professional, honest and highly-motivated management officers. Adopt an effective succession planning program for Management. Provide sound strategic policies and guidelines to the corporation on major capital expenditures. Establish programs that can sustain its long-term viability and strength. Periodically evaluate and monitor the implementation of such policies and strategies, including business plans, operating budgets and Management's overall performance. Ensure the corporations faithful compliance with all applicable laws, regulations and best business practices. Establish and maintain an investor relations program that will keep the stockholders informed of important developments in the corporation. If feasible, the corporations CEO or chief financial officer shall exercise oversight responsibility over this program. Identify the sectors in the community in which the corporation operates or are directly affected by its operations, and formulate a clear policy of accurate, timely and effective communication with them. 	

	Executive	Non-Executive	Independent Director
			<ul style="list-style-type: none"> • Adopt a system of check and balance within the Board. A regular review of the effectiveness of such system should be conducted to ensure the integrity of the decision making and reporting processes at all times. There should be a continuing review of the corporations internal control system in order to maintain its adequacy and effectiveness. Identify key risk areas and performance indicators and monitor these factors with due diligence to enable the corporation to anticipate and prepare for possible threats to its operational and financial viability. • Formulate and implement policies and procedures that would ensure the integrity and transparency of related party transactions between and among the corporations and its parent company, joint ventures, subsidiaries, associates. Affiliates, major stockholders, officers, and directors, and including their spouses, children and dependent siblings and parents, and of interlocking directors relationships by members of the Board. • Constitute an Audit Committee and such other committees it deems necessary to assist the Board in the performance of its duties and responsibilities. • Establish and maintain an alternative dispute resolution system in the corporation that can amicably settle conflicts or differences between the corporation and its stockholders, and the corporation and third parties, including the regulatory authorities. • Meet at such times or frequency as may be needed. The minutes of such meetings should be duly recorded. Notice, quorum and voting requirements for the meeting, including attendance by teleconference facility, shall be subject to the requirements of By-laws, the Corporation Code and applicable regulations of the Securities and Exchange Commission. Independent views during Board meetings should be encouraged and given due consideration. • Keep the activities and decisions of the Board within its authority under the articles of incorporation and by-laws, and in accordance with the existing laws, rules and regulations. • Appoint a Compliance Officer who shall have the rank of at least vice president, In the absence of such appointment, the Corporate Secretary, preferably a lawyer, shall act as compliance Officer.

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

Independent director is defined as a person who, apart from his fees and shareholdings, is independent of management and free from any business or other relationship which could, or could reasonably be perceived to, materially interfere with his exercise of independent judgment in carrying out his responsibilities as a director in any corporation that meets the requirements of Section 17.2 of the Securities Regulation Code and includes, among others, any person who:

- i. Is not a director or officer or substantial stockholder of the corporation or of its related companies or any of its substantial shareholders (other than as an independent director of any of the foregoing);
- ii. Is not a relative of any director, officer or substantial shareholder of the corporation, any of its related companies or any of its substantial shareholders. For this purpose, relatives includes spouse, parent, child, brother, sister, and the spouse of such child, brother or sister;
- iii. Is not acting as a nominee or representative of a substantial shareholder of the corporation, any of its related companies or any of its substantial shareholders;

- iv. Has not been employed in any executive capacity by that public company, any of its related companies or by any of its substantial shareholders within the last five (5) years;
- v. Is not retained as professional adviser by that public company, any of its related companies or any of its substantial shareholders within the last five (5) years, either personally or through his firm;
- vi. Has not engaged and does not engage in any transaction with the corporation or with any of its related companies or with any of its substantial shareholders, whether by himself or with other persons or through a firm of which he is a partner or a company of which he is a director or substantial shareholder, other than transactions which are conducted at arms length and are immaterial or insignificant.

The Company’s election of its Independent Directors is in accordance with SEC Memorandum Circular No. 16, Series of 2002.

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

Yes. The Company’s term limit for Independent Directors is in accordance with SEC Memorandum Circular No.9 Series of 2011, which states in part that Independent Directors (ID) should not exceed the five (5) year term limit. After a term of five years, an ID can serve for another five years after a “cooling off” period of two (2) years provided, that during such period, the ID concerned has not engaged in any activity that under existing rules disqualifies a person from being elected as ID in the same company.

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

a. Resignation/Death/Removal

Indicate any changes in the composition of the Board of Directors that happened during the period (2016):

Name	Position	Date of Cessation	Reason
None			

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

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

Procedure	Process Adopted	Criteria
a. Selection/Appointment		
(i) Executive Directors	The Nominations Committee screens the Directors named for election. The Nominations Committee determinates	The criteria for the election and appointment of for all directors in general are enumerated in

Procedure	Process Adopted	Criteria
	<p>that the candidates possess all the qualifications and none the disqualifications as a directors or independent director.</p> <p>The seven (7) directors shall be stockholders and shall be elected annually by the stockholders representing majority of the outstanding capital stock for a term of one (1) year, and shall serve until the election and qualification of their successors.</p> <p>The election of the board of directors for the current fiscal year will be taken up and all stockholders have the right to cumulate their votes in favor of their chosen nominees for director in accordance with Section 24 of the Corporation Code. The total number of votes cast by such stockholder should not exceed the number of shares owned by him as shown in the books of the corporation multiplied by the whole number of directors to be elected.</p> <p>Any vacancy in the board of directors other than removal or expiration of the term may be filled by a majority vote of the remaining members at a meeting called for that purpose if they still constitute a quorum, and the director or directors do chosen shall serve for unexpired term.</p>	<p>Article 3.D. of the Company's CG Manual.</p>
(ii) Non-Executive Directors	<p>The process adopted is same as stated above.</p>	<p>The criteria for the election and appointment of for all directors in general are enumerated in Article 3.D. of the Company's CG Manual.</p>
(iii) Independent Directors	<p>The nomination and election of independent director shall be in accordance with Section 38, as amended of Republic Act 8799 or the Securities Regulation Code.</p> <p>The process adopted is the same as stated above.</p>	<p>Corporation's election of its Independent Directors is in accordance with SEC Memorandum Circular No.16, Series of 2002.</p>
b. Re-appointment		
(i) Executive Directors	<p>The process adopted for re-appointment is the same as the above.</p>	<p>The Board observes the same criteria enumerated in Article 3.D. of the Company's CG Manual provided that the candidate has not engaged in any activity under existing rules which disqualifies a him from being re-appointed as ED in the company.</p>
(ii) Non-Executive Directors	<p>The process adopted for re-appointment is the same as the above.</p>	

Procedure	Process Adopted	Criteria
(iii) Independent Directors	Re-appointment of ID is in accordance with SEC Memorandum Circular No.9 Series of 2011. The process adopted for re-appointment is the same as the above.	
c. Permanent Disqualification		
(i) Executive Directors	Any vacancy in the board of directors due to permanent disqualification may be filled by a majority vote of remaining members thereof at a meeting called for that purpose if they still constitute a quorum, and the director or directors so chosen shall serve for the unexpired term.	Grounds for permanent disqualification for all directors in general are enumerated in Article 3.E.1 of the Company's CG Manual.
(ii) Non-Executive Directors	The process adopted is same as above.	Grounds for permanent disqualification for all directors in general are enumerated in Article 3.E.1 of the Company's CG Manual.
(iii) Independent Directors	The process adopted is same as above.	Grounds for permanent disqualification for all directors in general are enumerated in Article 3.E.1 of the Company's CG Manual.
d. Temporary Disqualification		
(i) Executive Directors	Any vacancy in the board of directors due to temporary disqualification may be filled by a majority vote of remaining members at a meeting called for that purpose if they still constitute a quorum, and the director or directors so chosen shall serve for the unexpired term.	Grounds for temporary disqualification for all directors in general are enumerated in Article 3.E.2 of the Company's CG Manual.
(ii) Non-Executive Directors	The process adopted is same as above.	Grounds for temporary disqualification for all directors in general are enumerated in Article 3.E.2 of the Company's CG Manual.
(iii) Independent Directors	The process adopted is same as above.	SEC Memorandum Circular no. 9 Series of 2011 states that after serving for a total of 10 years, the ID can no longer be elected as such in the same company any time in the future. Grounds for temporary disqualification for all directors in general are enumerated in Article 3.E.2 of the Company's CG Manual.
e. Removal		
(i) Executive Directors	Section 2 of the Amended By-laws of the Company provides: Officers shall be elected by each new Board at the first meeting after its election. Every officer other than the Chairman and the president of the board who may be removed or suspended for reasonable or just cause, shall be subject to removal at any time by the	

Procedure	Process Adopted	Criteria
	Board of Directors, but all officers, unless removed, shall hold office until their successors are appointed. If any vacancy shall occur among the officers of the Company, such vacancy shall be filled by the Board of Directors.	
(ii) Non-Executive Directors	The process adopted is same as above.	
(iii) Independent Directors	The process adopted is same as above.	
f. Re-instatement		
(i) Executive Directors	The process adopted is same as above.	
(ii) Non-Executive Directors	The process adopted is same as above.	
(iii) Independent Directors	The process adopted is same as above.	
g. Suspension		
(i) Executive Directors	The process adopted is same as above.	
(ii) Non-Executive Directors	The process adopted is same as above.	
(iii) Independent Directors	The process adopted is same as above.	

Voting Results in the 2016 Annual Stockholders Meeting (AGM) held on 30 June 2016 follows:

Name of Director	Votes Received	Per Cent to Total Outstanding Shares
Ramon Y. Sy	<u>4,861,153,573</u>	<u>78.1%</u>
Walter W. Brown	<u>4,861,153,573</u>	<u>78.1%</u>
Modesto B. Bermudez	<u>4,861,153,573</u>	<u>78.1%</u>
Graciano P. Yumul, Jr.	<u>4,861,153,573</u>	<u>78.1%</u>
Noel V. Tanglao	<u>4,861,153,573</u>	<u>78.1%</u>
Dennis A. Uy	<u>4,861,153,573</u>	<u>78.1%</u>
Joselito H. Sibayan	<u>4,861,153,573</u>	<u>78.1%</u>

6. Orientation and Education Program

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

The Company does not have a *formal* orientation program for new directors. However, the Chairman and the Board have a responsibility to ensure that first-time directors are given proper briefing and on-site orientation to be able to discharge their duties and roles as directors of the Company.

The Board assures that new directors are given opportunity for mine site visit and tour in order for them to gain familiarity with the business environment and the actual operations, and meet the

middle management and the other employees of the Company.

Orientation of new directors usually includes briefing on Company operations, current events and reports, corporate structure, policies, business plans and objectives.

- b. State any in-house training and external courses attended by Directors and Senior Management² for the past three (3) years.

Name of Director/Officer	Date of Training	Program	Name of training institution/ Sponsor
<u>Rosemarie F. Padilla</u> <u>(VP-Assistant Resident Manager for Finance)</u>	<u>April 3-4, 2014</u>	<u>Mini MBA for HR Professionals, Essentials of HR Management</u>	<u>Ariva Academy</u>
	<u>April, 2014</u>	<u>5-S Housekeeping Orientation</u>	<u>Apex Mining Company Inc.</u>
	<u>April, 2014</u>	<u>MS Excel and Outlook Refresher Course</u>	<u>Apex Mining Company Inc.</u>
	<u>Nov. 25, 2014</u>	<u>SAP Business Presentation & Orientation</u>	<u>Fasttrack</u>
	<u>Sep. 17, 2015</u>	<u>Risk Management & Assessment Seminar</u>	<u>Apex Mining Company Inc.</u>
	<u>Sep. 22, 2015</u>	<u>Geology 101</u>	<u>Apex Mining Company Inc.</u>
	<u>Sep. 24, 2015</u>	<u>Mining 101</u>	<u>Apex Mining Company Inc.</u>
	<u>Oct. 1, 2015</u>	<u>Safety 101</u>	<u>Apex Mining Company Inc.</u>
	<u>Oct. 6, 2015</u>	<u>Environment 101</u>	<u>Apex Mining Company Inc.</u>
	<u>Oct. 8, 2015</u>	<u>Community Relations 101</u>	<u>Apex Mining Company Inc.</u>
	<u>Oct. 22, 2015</u>	<u>Civil Works 101</u>	<u>Apex Mining Company Inc.</u>
	<u>Oct. 29, 2015</u>	<u>Human Resources 101</u>	<u>Apex Mining Company Inc.</u>
	<u>Nov. 3, 2015</u>	<u>Legal 101</u>	<u>Apex Mining Company Inc.</u>
	<u>Feb 10-11, 2016</u>	<u>ISO 14001 Series 2015</u>	<u>Apex Mining Company Inc.</u>
	<u>Nov. 24, 2016</u>	<u>Recent Trends on Environmental Science cum Chemistry</u>	<u>Apex Mining Company Inc.</u>
	<u>Mar. 16, 2016</u>	<u>Nutrition 101</u>	<u>Apex Mining Company Inc.</u>
	<u>May 23-24, 2016</u>	<u>Behavioral Based Safety Awareness</u>	<u>Apex Mining Company Inc.</u>
	<u>July 13-14, 2016</u>	<u>Google Seminar</u>	<u>IP Converge Inc.</u>
<u>Dec. 5, 2016</u>	<u>Corporate Governance</u>	<u>SGV and Company</u>	
<u>Jan. 25-26, 2017</u>	<u>ISO 9001</u>	<u>Apex Mining Company Inc.</u>	
<u>Mar 29, 2017</u>	<u>Corporate Governance Round Table Discussion</u>	<u>Securities Exchange Commission</u>	

² Senior Management refers to the CEO and other persons having authority and responsibility for planning, directing and controlling the activities of the company.

Name of Director/Officer	Date of Training	Program	Name of training institution/ Sponsor
<u>Gil A. Marvilla</u> (SVP -Resident Manager of Maco Mines)	<u>Sep. 17, 2015</u>	<u>Risk Management & Assessment Seminar</u>	<u>Apex Mining Company Inc.</u>
	<u>Feb. 10-11, 2016</u>	<u>ISO 14001 Series 2015</u>	<u>Apex Mining Company Inc.</u>
	<u>May 23-24, 2016</u>	<u>Behavioral Based Safety Awareness</u>	<u>Apex Mining Company Inc.</u>
	<u>Nov. 24, 2016</u>	<u>Recent Trends on Metallurgical Engineering & Related Topics</u>	<u>Apex Mining Company Inc.</u>
	<u>Nov. 24, 2016</u>	<u>Dam Engineering and Setting, Water Resources, Structural Study</u>	<u>Apex Mining Company Inc.</u>
<u>Renato N. Migrino</u> (Treasurer, Chief Information Officer)	<u>Nov. 12, 2015</u>	<u>Corporate Governance Orientation Program</u>	<u>Institute of Corporate Directors</u>
	<u>Nov. 10, 2016</u>	<u>Corporate Governance: Board Effectiveness Best Practices</u>	<u>Center for Global Best Practices (CGBP), EDSA Shangri-la, Mandaluyong City</u>

c. Continuing education programs for directors: programs and seminars and roundtables attended during the year.

Name of Director/Officer	Date of Training	Program	Name of training institution/ Sponsor
<u>Walter W. Brown</u> (Executive Director, President & CEO)	<u>January 7-8, 2014</u>	<u>MORE-PMHI-Apex Technical Seminar</u>	<u>UP National Institute of Geological Sciences, UP Diliman</u>
	<u>July 7, 2014</u>	<u>Corporate Governance Seminar</u>	<u>Philippines Securities Consultancy Corporation (PhilSECC)</u>
	<u>Dec 11-12, 2014</u>	<u>MORE-Apex In-house Technical Seminar</u>	<u>UP National Institute of Geological Sciences, UP Diliman</u>
	<u>Aug. 27, 2015</u>	<u>Corporate Governance Orientation Program</u>	<u>Institute of Corporate Directors (ICD)</u>
<u>Graciano P. Yumul, Jr.</u> (Executive Director, EVP for Geology, Exploration & Operations)	<u>January 7-8, 2014</u>	<u>MORE-PMHI-Apex Technical Seminar</u>	<u>Monte Oro Resources & Energy, Inc. (MOREI), Prime Metroline Holdings (PMHI) and Apex Mining (AMCI)</u>
	<u>February 7, 2014,</u>	<u>Participant, Seminar on "Exploration Targeting for Porphyry Copper and Epithermal Deposits"</u>	<u>National Institute of Geological Sciences, UP Diliman</u>
	<u>March 26-27, 2014,</u>	<u>Participant, 81st General Membership Assembly</u>	<u>National Research Council of the Philippines, Manila Hotel, Manila</u>
	<u>April 4, 2014</u>	<u>Participant, AMCI Technical Session on Geology</u>	<u>AMCI Training Center, Masara, Maco, Compostela Valley,</u>
	<u>September 19-28, 2014</u>	<u>Presenter, School on the Move (Lecture Series)</u>	<u>JICA, National Institute of Geological Sciences, UP Diliman</u>

Name of Director/Officer	Date of Training	Program	Name of training institution/ Sponsor
	<u>December 9-10, 2014</u>	<u>Participant, Annual Geological Convention</u>	<u>Geological Society of the Philippines, Hotel Intercon, Makati City, Philippines</u>
	<u>February 5-7, 2015</u>	<u>Presenter/Resource Speaker, Mining, Geology and Metallurgical National Students' Conference</u>	<u>University of Southeastern Philippines, Davao</u>
	<u>February 12-13, 2015</u>	<u>Participant, Crust-Mantle Evolution in Active Arcs</u>	<u>UP-NIGS-RWG, Sequoia Hotel, Quezon City</u>
	<u>July 25-29, 2015</u>	<u>Participant, 5th Asia Africa Mineral Resources Conference</u>	<u>UP Diliman, Quezon City, Philippines</u>
	<u>October 26-27, 2015</u>	<u>4th International Geosciences Correlation Programme (IGCP) Project 589 Technical Symposium, Bangkok, Thailand</u>	<u>International Geosciences Programme (IGCP)</u>
	<u>November 15-18, 2015</u>	<u>Participant, 62nd Annual National Mine Safety and Safety Conference</u>	<u>CAP-John Hay Trade and Cultural Center Baquio City</u>
	<u>December 8-9, 2015</u>	<u>Participant, Annual Geological Convention</u>	<u>Geological Society of the Philippines, Hotel Intercontinental, Makati City, Philippines</u>
	<u>January 25-26, 2016</u>	<u>Participant and Organizing Committee, Hunt for Ore Deposits: Emerging Trends</u>	<u>UP-NIGS-RWG, Grand Regal Hotel, Davao City</u>
		<u>Presenter, – Department of Science & Technology Speakers Bureau “Educating the Youth in Responsible and Sustainable Mining”,</u>	<u>National Academy of Science and Technology, Compostela Valley</u>
	<u>June 9, 2016</u>	<u>Distinguished Corporate Governance Speaker Series</u>	<u>Institute of Corporate Directors</u>
	<u>June 10, 2016</u>	<u>Philippine Mining Luncheon</u>	<u>Philippine Mining Club</u>
	<u>September 23, 2016</u>	<u>Presenter, 22nd Annual Mining Symposium,.</u>	<u>Mindanao Association of Mining Engineers, Inc., SM Lanang Premier, Davao City</u>
	<u>October 3, 2016</u>	<u>Presenter, 2nd International Conference & 6th National Tri-Level Conference of Teachers and Educators</u>	<u>METROBANK – Network of Outstanding Teachers & Educators, Century Park Hotel, Pasay City</u>
	<u>October 27-28, 2016</u>	<u>Presenter, 5th International Symposium of the IGCP 589</u>	<u>UNESCO, Yangon, Myanmar</u>
	<u>October 25-November 2, 2016</u>	<u>5th International Conference on the International Geosciences Correlation Programme (IGCP) Project 589, Yangon, Myanmar</u>	<u>Myanmar Earthquake Committee, Myanmar Engineering Society (MEC-MES)</u>
	<u>Nov 15-18, 2016</u>	<u>Presenter, 63rd Annual National Mine Safety and Environment Conference</u>	<u>PMSEA, , CAP John Hay Trade and Cultural Center, Baquio City</u>
	<u>December 13-14, 2016</u>	<u>Presenter, Annual Geological Convention</u>	<u>Geological Society of the Philippines, Dusit Thani Hotel, Makati City, Philippines</u>

Name of Director/Officer	Date of Training	Program	Name of training institution/ Sponsor
<u>Modesto B. Bermudez</u> <i>(Executive Director, SVP for Projects and Development)</i>	<u>January 7-8, 2014</u>	<u>MORE-PMHI-Apex Technical Seminar</u>	<u>Monte Oro Resources & Energy, Inc. (MOREI), Prime Metroline Holdings (PMHI) and Apex Mining (AMCI)</u>
	<u>April 4, 2014</u>	<u>AMCI Technical Session on Geology</u>	<u>AMCI Training Center, Masara, Maco, Compostela Valley,</u>
	<u>November 11, 2014</u>	<u>Detailed Engineering Design of Maco Tailings Management Facility (MTMF)</u>	<u>Maco Mines, Compostela Valley</u>
	<u>December 11-12, 2014</u>	<u>2nd MORE-AMCI Technical Seminar: "Exploration, development and operations: New insights, innovations and practices"</u>	<u>Monte Oro Resources & Energy, Inc. and Apex Mining Co., Inc.</u>
	<u>February 12-13, 2015</u>	<u>Crust-Mantle Evolution in Active Arcs</u>	<u>UP-NIGS-RWG, Sequoia Hotel, Quezon City</u>
	<u>June 10, 2016</u>	<u>Philippine Mining Luncheon</u>	<u>Philippine Mining Club</u>
	<u>October 15, 2015</u>	<u>The SEC-PSE Corporate Governance Forum 2015</u>	<u>Makati Business Club, Grand Ballroom, InterContinental Manila</u>
	<u>November 15-18, 2015</u>	<u>62nd Annual National Mine Safety and Safety Conference</u>	<u>CAP-John Hay Trade and Cultural Center Baquio City</u>
	<u>November 10, 2016</u>	<u>Corporate Governance: Board Effectiveness Best Practices</u>	<u>Center for Global Best Practices (CGBP), EDSA Shangri-la, Mandaluyong City</u>
	<u>Nov 15-18, 2016</u>	<u>63rd Annual National Mine Safety and Environment Conference</u>	<u>PMSEA, , CAP John Hay Trade and Cultural Center, Baquio City</u>
<u>April 3, 2017</u>	<u>2017 Corporate Governance: Going Forward</u>	<u>Center for Training and Development, Tower Club, Philamlife Tower, Makati City</u>	
<u>Dennis A. Uy</u>	<u>March 11, 2015</u>	<u>Corporate Governance Seminar</u>	<u>Risk, Opportunities, Assessment and Management (ROAM), Inc., Shangri-la Rm, Marco Polo Davao</u>
	<u>March 18, 2016</u>	<u>Corporate Governance Seminar</u>	<u>Risk, Opportunities, Assessment and Management (ROAM), Inc., Phoenix Corporate Headquarters, Lanang, Davao City</u>
	<u>March 15, 2017</u>	<u>Corporate Governance Seminar</u>	<u>Risk, Opportunities, Assessment and Management (ROAM), Inc., Phoenix Corporate Headquarters, Lanang, Davao City</u>
<u>Joselito H. Sibayan</u>	<u>Feb. 24, 2014</u>	<u>Exclusive Corporate Governance</u>	<u>Institute for Corporate Directors (ICD)</u>
	<u>Aug. 5, 2015</u>	<u>Strategic IT Governance; Fraud, Whistleblowing, Anti-bribery and Anti-Corruption; and Financial Reporting</u>	<u>Institute for Corporate Directors (ICD)</u>
	<u>Aug. 3, 2016</u>	<u>Fraud, Whistleblowing, ABC with Cyber Risk, Boards in Crisis with Eindhoven Case</u>	<u>Institute for Corporate Directors (ICD)</u>

B. CODE OF BUSINESS CONDUCT & ETHICS

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

Business Conduct & Ethics	Directors	Senior Management	Employees
(a) Conflict of Interest	<p><u>All employees are expected to act in the best interest of the Company.</u></p> <p><u>Under the Company's conflict of interest policy, all transactions, which are or may have the potential of, being deemed as Conflict of Interest transactions are prohibited. All business decisions must not be motivated by personal considerations and other relationships that can interfere with their independent judgment.</u></p> <p><u>In case of conflict, the policy requires the director, senior management and employees to disclose any actual or potential instances and/or situations where they may have a Conflict of Interest or the appearance of a Conflict of Interest as soon as they become aware of such actual or potential instances and/or situations.</u></p>		
(b) Conduct of Business and Fair Dealings	<p><u>All employees must act with the highest degree of integrity at all times whether internally or externally. Directors, officers and employees must avoid taking unfair advantage of anyone through manipulations, concealment, and abuse of privileged information, misrepresentation of material facts or any unfair dealing practices, and must deal fairly with the customers, service providers, suppliers, contractors and co-employees.</u></p> <p><u>In addition, all directors are required to report to the Compliance Officer their dealings in Company shares within two (2) business days from the date of the transaction. The Company shall then report the director's dealings in Company shares within three (3) business days from date of transaction to the PSE.</u></p>		
(c) Receipt of gifts from third parties	<p>Employees must not seek or solicit any gifts or other benefits for personal or individual use from the Company's actual or potential business partners or suppliers. Employees or a member of their immediate family must not accept gifts or entertainment of a value that may appear to or tend to influence business decisions or compromise independent judgment. Gifts or cash or cash value vouchers shall not be accepted from AMCI's business associates under any circumstance.</p>		
(d) Compliance with Laws & Regulations	<p>The Company is committed to comply and adhere with all government laws, rules, and regulations. As such all employees are expected to do the same. Employees are mandated to educate themselves of the statutes of the land, be it local or national, and to seek the assistance of the in-house legal department <u>or external legal counsel</u> when necessary or appropriate.</p> <p><u>Regulatory and legal compliance issues raised by regulators are handled by the relevant departments with the assistance of in-house or external legal counsel, as necessary.</u></p> <p>The Company's policy is not to pay, offer to pay or promise to give anything of value, directly or indirectly, to any party, government or otherwise, for the purpose of obtaining or retaining or securing any improper advantage in connection with the Company's business.</p>		
(e) Respect for Trade Secrets/Use of Non-public Information	<p>Employees should maintain all confidential information in strict confidence, unless authorized by the Company. Confidential information includes, among other things, any non-public information relating to the Company, its business, financial performance, prospects, any other non-public information provided by a third party intended to be used solely for business purpose. The employee's obligation to safeguard confidential information continues even after retirement or other end of employment.</p> <p><u>Directors and officers are reminded of the black out in trading of Apex shares when they are in possession of Material Non-Public Information and two trading days after such Material Non-Public Information is disclosed.</u></p>		

Business Conduct & Ethics	Directors	Senior Management	Employees
(f) Use of Company Funds, Assets and Information	<p>All employees must do their best to protect the Company's assets from loss, damage, theft, misuse, and waste, including efficient use of one's time at work, equipment, vehicles, computers and software, trading and bank accounts, company information and most of all, its reputation and name.</p> <p>The Company-provided facilities such as telephone, email, internet, and other electronic provisions are for business purposes. Personal communication should be kept to a minimum. Employees should exercise extraordinary care and prudence in the incurring of operational expenses, and must ensure that such expenses are kept to their most reasonable levels.</p>		
(g) Employment, Labor Laws and Policies	<p>The <u>Company Code of Conduct</u> is not the sole reference used for the administration of employee discipline. The Philippine Labor Code, applicable policies e.g. Code of Conduct, Company Memorandum Circulars and regulatory provisions shall also be used to provide support and direction for cases not covered in the policy.</p> <p>The Company mandates the directors, officers, and all employees of the company to act in accordance with the highest standards of personal and professional integrity in all aspects of their activities and to comply with all applicable labor laws, regulations and company policies. Integrity must never be compromised; either for personal benefit or for Company's purported benefit. In accepting a position with the Company, an employee becomes accountable for compliance with the Code of Conduct and with Company Memorandum Circulars.</p>		
(h) Disciplinary action	<p><u>The Company has no policy under which circumstances a director may be subject to disciplinary action.</u></p> <p><u>Non-Executive and Independent Directors are not employees of the Company. Erring directors may be removed only in accordance with the Corporation Code and may be disqualified from being re-elected.</u></p>	<p>The Company will pursue its goals through safe work practices; conduct its activities honestly and ethically and treat people with respect and dignity. To provide guidelines to attain this goal, a Code of Conduct is created.</p> <p>The principal purpose of the Code of Conduct is to provide employees with a working guide to understand the day-to-day management of Human Resources policies and practices. It is also designed to give employees a general summary describing the Company's Code of Conduct. The Company however reserves the right to change, modify, delete, deviate from, or add policies and procedures.</p>	
(i) Whistle Blower	<p><u>There is no Whistle Blower policy at the moment. However, under the Code of Conduct policy, retaliation or discrimination, whether direct or indirect and in any form, against any directors, officers or employees who reports any violation of the Code of Conduct honestly and in good faith, shall not be tolerated.</u></p>		
(j) Conflict Resolution	<p><u>The Board is yet to establish a dispute resolution mechanism to resolve issues among the members of the Board, as we have not experienced any such dispute as would necessitate such mechanism.</u></p>	<p><u>Conflicts are resolved using the guidelines of the Grievance Policy and the Company's Code of Conduct. The Company is committed to provide a culture of respect and transparency in dealing with its Employees. The Grievance Policy establishes the prompt resolution of conflicts among Employees in an orderly manner and fair treatment. A grievance Committee is created to exert all efforts to resolve any complaint/ dispute as soon as possible.</u></p>	

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

Yes. The Company Code of Conduct policy have been properly disseminated to all levels of the organization. Printed copies of the manual are provided to each employee and are available at the Human Resource Office.

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

Based on the Code of Conduct Policy, the Company endeavours to implement full compliance across all levels of the organization. Implementation and monitoring are done through memo issuances, notices to explain, grievance procedure and in-house hearings. Employees are encouraged to file a report at the HR Department or Office of the VP Resident Manager for any employee infraction of the Code of Conduct policy.

1. The Human Resources (HR) and Administration (Admin) are jointly responsible in ensuring and leading in the compliance and adherence to the Code of Conduct, and they shall do so in a fair, firm, just and consistent manner.
2. The Company expects all employees to act in full compliance with the policies set forth and in a manner consistent with the highest ethical standards. Failure to observe these policies may result in corrective action, up to and including termination of employment.
3. Retaliation or discrimination, whether direct or indirect and in any form, against any directors, officers or employees who report any violation of the Code of Conduct honestly and in good faith, shall not be tolerated.

4. Related Party Transactions

a. Policies and Procedures:

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

Related Party Transactions	Policies and Procedures
(1) Parent Company	<u>Transactions with related parties are properly approved and are disclosed in the Company's external reports and financial statements.</u>
(2) Joint Ventures	- same -
(3) Subsidiaries	- same -
(4) Entities Under Common Control	- same -
(5) Substantial Stockholders	- same -
(6) Officers including spouse/children/siblings/parents	NA
(7) Directors including spouse/children/siblings/parent	NA
(8) Interlocking director relationship of Board of Directors	NA

b. Conflict of Interest

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

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

None.

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

(ii) Mechanism

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

	Directors/Officers/Significant Shareholders
Company and Group	<p>The Company's Revised Manual on Corporate Governance provides (under Duties and Functions of the Board) Article 3. G. (i):</p> <ul style="list-style-type: none"> • <u>The director should conduct fair business transactions and ensure that his personal interest does not conflict with the interest of the Company.</u> • <u>The basic principle to be observed is that a director should not use his position to profit or gain benefit for himself and/or his related interests.</u> • <u>If an actual or potential conflict of interest arise, the director should fully and immediately disclose it and should not participate in the decision-making process.</u> • <u>A director who has a continuing conflict of interest should seriously considering resigning from his position.</u> • <u>A conflict of interest shall be considered material if the director's personal or business interest is antagonistic to that of the corporation, or stands to acquire or gain financial advantage at the expense of the Company.</u>

5. Family, Commercial and Contractual Relations

a. Indicate, if applicable, any relation of a family,³ commercial, contractual or business nature that exists between the holders of significant equity (5% or more), to the extent that they are known to the Company:

Names of Related Significant Shareholders	Type of Relationship	Brief Description of the Relationship
N/A		
N/A		
N/A		

³Family relationship up to the fourth civil degree either by consanguinity or affinity.

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

Names of Related Significant Shareholders	Type of Relationship	Brief Description
N/A		
N/A		
N/A		

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

The Company is not aware of, and has no reason to believe that there exist, any shareholder agreement that relates to or may have an impact on the control, ownership and strategic direction of the Company.

Name of Shareholders	% of Capital Stock affected (Parties)	Brief Description of the Transaction
N/A		

6. Alternative Dispute Resolution

Describe the alternative dispute resolution system adopted by the Company for the last three (3) years in amicably settling conflicts or differences between the corporation and its stockholders, and the corporation and third parties, including regulatory authorities:

	Alternative Dispute Resolution System
Corporation & Stockholders	<p>The Company's Revised Manual on Corporate Governance provides (under Duties and Functions of the Board) Article 3.F.2 (j):</p> <ul style="list-style-type: none"> The Board shall establish and maintain an alternative dispute resolution system in the corporation that can amicably settle conflicts or differences between the corporation and its stockholders, and the corporation and third parties, including the regulatory authorities. <u>But we have had no dispute with any shareholders as would necessitate such mechanism. Disputes with 3rd parties and regulators are dealt with in accordance with legal processes provided by law, because an alternative dispute resolution mechanism requires consent of all the parties to a dispute.</u>
Corporation & Third Parties	
Corporation & Regulatory Authorities	

C. BOARD MEETINGS AND ATTENDANCE

1. Are Board of Directors' meetings scheduled before or at the beginning of the year?
-

Yes. A schedule of meetings for the entire year is approved before the beginning of each year.

2. Attendance of Directors (for the year 2016):

Board	Name	Date of Election	No. of Meetings Held during the year	No. of Meetings Attended	%
Chairman	Ramon Y. Sy	<u>June 30, 2016</u>	<u>5</u>	<u>5</u>	<u>100%</u>
Member	Walter W. Brown	<u>June 30, 2016</u>	<u>5</u>	<u>5</u>	<u>100%</u>
Member	Modesto B. Bermudez	<u>June 30, 2016</u>	<u>5</u>	<u>5</u>	<u>100%</u>
Member	Graciano P. Yumul, Jr.	<u>June 30, 2016</u>	<u>5</u>	<u>5</u>	<u>100%</u>
Member	Noel V. Tanglao	<u>June 30, 2016</u>	<u>5</u>	<u>5</u>	<u>100%</u>
Independent	Dennis A. Uy	<u>June 30, 2016</u>	<u>5</u>	<u>3</u>	<u>60%</u>
Independent	Joselito H. Sibayan	<u>June 30, 2016</u>	<u>5</u>	<u>5</u>	<u>100%</u>

3. Do non-executive directors have a separate meeting during the year without the presence of any executive? If yes, how many times?

No because we have no non-executive directors and our independent directors do not see the need for this separate meeting.

4. Is the minimum quorum requirement for Board decisions set at two-thirds of board members? Please explain.

No, a quorum is the presence of a majority of the members of the Board.

5. Access to Information

a. How many days in advance are board papers⁴ for board of directors meetings provided to the board?

Normally, materials for BOD meetings are sent out at least a day before the meeting since majority of the Board are executive directors.

b. Do board members have independent access to Management and the Corporate Secretary?

Yes, The Company's CG Manual provides that members of the Board be given independent access to Management and the Corporate Secretary.

c. State the policy of the role of the Company secretary. Does such role include assisting the Chairman in preparing the board agenda, facilitating training of directors, keeping directors updated regarding any relevant statutory and regulatory changes, etc.?

SECTION 9 of the Articles of Incorporation states:

The Secretary shall issue notices of all meetings, shall keep minutes of all meetings, shall have charge of the seal and the corporate books, and shall make such report and perform such other duties as are incident to this office or are properly required of him by the Board of Directors.

⁴*Board papers consist of complete and adequate information about the matters to be taken in the board meeting. Information includes the background or explanation on matters brought before the Board, disclosures, budgets, forecasts and internal financial documents.*

ARTICLE 3.L of the CG Manual states:

The Corporate Secretary, who should be a Filipino citizen and a resident of the Philippines, is an officer of the corporation. He should –

- (i) Be responsible for the safekeeping and preservation of the integrity of the minutes of the meetings of the Board and its committees, as well as the other official records of the corporation;
- (ii) Be loyal to the mission, vision and objectives of the corporation;
- (iii) Work fairly and objectively with the Board, Management and Stockholders and other stakeholders;
- (iv) Have appropriate administrative and interpersonal skills;
- (v) If he is not at the same time the corporation’s legal counsel, be aware of the laws, rules and regulations necessary in the performance of his duties and responsibilities;
- (vi) Have a working knowledge of the operations of the corporation;
- (vii) Inform the members of the Board, in accordance with the bylaws, of the agenda of their meetings and ensure that the members have before them accurate information that will enable them to arrive at intelligent decisions on matters that require their approval;
- (viii) Attend all Board meetings, except when justifiable causes, such as, illness, death in the immediate family and serious accidents, prevent him from doing so;
- (ix) Ensure that all Board procedures, rules and regulations are strictly followed by the members; and
- (x) If he is also the Compliance Officer, perform all the duties and responsibilities of the said officer as provided for in this Code.

d. Is the Company secretary trained in legal, accountancy or company secretarial practices? Please explain should the answer be in the negative.

Yes, the Corporate Secretary is a member of the Philippine Bar with many years of experience in corporate law and corporate secretary practice, and has sufficient understanding of finance and accounting.

e. Committee Procedures

Disclose whether there is a procedure that Directors can avail of, to enable them to get information necessary to be able to prepare in advance for the meetings of different committees:

Yes No

Committee	Details of the procedures
Executive	<u>Directors request for advance information from management and meet with the Company and staff from time to time for updates on operating, finance, and other corporate matters.</u>
Audit	
Nomination	
Remuneration	
Others (specify)	

6. External Advice

Indicate whether or not a procedure exists whereby directors can receive external advice and, if so, provide details:

Directors of the Company may receive external advice when the circumstances so warrant.

Procedures	Details
<i><u>The Board, as a whole, may decide to seek external advice on legal or technical matters. This is discussed at a Board meeting and consensus is reached on whether external advice must be obtained.</u></i>	<i><u>The Board either designates a committee of directors or a senior officer to choose an independent consultant and to formulate the objectives and parameters of the study and the desired end product or deliverables.</u></i>

7. Change/s in existing policies

Indicate, if applicable, any change/s introduced by the Board of Directors (during its most recent term) on existing policies that may have an effect on the business of the company and the reason/s for the change:

Existing Policies	Changes	Reason
<i><u>NONE. The Company is in the process of reviewing and amending its Manual of Corporate Governance to take into account the recommendations of SEC in SEC MC 19-2016.</u></i>		

D. REMUNERATION MATTERS

1. Remuneration Process

Disclose the process used for determining the remuneration of the CEO and the four (4) most highly compensated management officers:

Process	CEO	Top 4 Highest Paid Management Officers
(1) Fixed remuneration	<i><u>Determined by the Compensation Committee</u></i>	<i><u>Determined by the Compensation Committee</u></i>
(2) Variable remuneration	<i><u>N/A</u></i>	<i><u>N/A</u></i>
(3) Per diem allowance	<i><u>There are no per diems, other than for attendance at meetings paid to all directors including CEO as previously approved by the Board.</u></i>	<i><u>N/A</u></i>

Process	CEO	Top 4 Highest Paid Management Officers
(4) Bonus	<u>As may be determined by the Board.</u>	<u>As may be determined by the Board.</u>
(5) Stock Options and other financial instruments	N/A	N/A
(6) Others (specify)	N/A	N/A

2. Remuneration Policy and Structure for Executive and Non-Executive Directors

Disclose the Company's policy on remuneration and the structure of its compensation package. Explain how the compensation of Executive and Non-Executive Directors is calculated.

	Remuneration Policy	Structure of Compensation Packages	How Compensation is Calculated
Executive Directors	<u>Remuneration of executive director and other officers must be competitive and at a level that will attract and retain talent and motivate them to continue their efforts in contributing to the long-term success of the Company.</u>	<u>Two components:</u> <u>(1) Fixed basic salary;</u> <u>(2) Bonus, as may be determined by the Board.</u>	<u>As determined by the Compensation Committee.</u>
Non-Executive Directors	<u>Have no fixed remuneration other than per diem for attendance at Board meetings.</u>	<u>Have no fixed remuneration other than per diem for attendance at Board meetings.</u>	<u>As determined by the Board.</u>

Do stockholders have the opportunity to approve the decision on total remuneration (fees, allowances, benefits-in-kind and other emoluments) of board of directors? Provide details for the last three (3) years.

Remuneration Scheme	Date of Stockholders' Approval
<u>The Company does not have a remuneration scheme for directors other than the per diem for attendance at board meetings.</u>	N/A

3. Aggregate Remuneration

Complete the following table on the aggregate remuneration accrued during the most recent year:

Remuneration Item	Executive Directors	Non-Executive Directors (other than independent directors)	Independent Directors
(a) Fixed Remuneration	<u>P 68.9 M</u>	N/A	N/A
(b) Variable Remuneration	N/A	N/A	N/A
(c) Per diem Allowance	<u>P 2.6 M</u>	N/A	<u>P 0.8 M</u>

(d) Bonuses	N/A	N/A	N/A
(e) Stock Options and/or other financial instruments	N/A	N/A	N/A
(f) Others (Specify)	N/A	N/A	N/A
Total	<u>P71.5 M</u>	N/A	<u>P0.8 M</u>

Other Benefits	Executive Directors	Non-Executive Director (other than independent directors)	Independent Directors
(a) Advances	N/A	N/A	N/A
(b) Credit granted	N/A	N/A	N/A
(c) Pension Plan/s Contributions	N/A	N/A	N/A
(d) Pension Plans, Obligations incurred	N/A	N/A	N/A
(e) Life Insurance Premium	P27,000	N/A	N/A
(f) Hospitalization Plan	Amount as needed	N/A	N/A
(g) Car Plan	N/A	N/A	N/A
(h) Others (Specify)	P304,000	N/A	P122,000
Total	P331,000	-----	P122,000

4. Stock Rights, Options and Warrants

a. Board of Directors

Complete the following table, on the members of the company's Board of Directors who own or are entitled to stock rights, options or warrants over the company's shares:

Director's Name	Number of Direct Option/Rights/Warrants	Number of Indirect Option/Rights/Warrants	Number of Equivalent Shares	Total % from Capital Stock
N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A

b. Amendments of Incentive Programs

Indicate any amendments and discontinuation of any incentive programs introduced, including the criteria used in the creation of the program. Disclose whether these are subject to approval during the Annual Stockholders' Meeting:

Incentive Program	Amendments	Date of Stockholders' Approval
N/A	N/A	N/A

5. Remuneration of Management

Identify the five (5) members of management who are not at the same time executive directors and indicate the total remuneration received during the financial year 2016:

Name of Officer/Position	Total Remuneration
<i>Gil Marvilla – SVP Resident Manager</i>	<u>P 34.4 M</u>
<i>Rodolfo Ramos – VP Assistant Resident Manager for Operations</i>	
<i>Renato N. Migrino – Treasurer</i>	
<i>Rosemarie Padilla – VP Assistant Manager for Finance</i>	
<i>Rossana Parica – Corporate Secretary</i>	

E. BOARD COMMITTEES

1. Number of Members, Functions and Responsibilities

Provide details on the number of members of each committee, its functions, key responsibilities and the power/authority delegated to it by the Board:

Committee	No. of Members			Committee Charter	Functions	Key Responsibilities	Power
	Executive Director (ED)	Non-executive Director or (NED)	Independent Director (ID)				
Executive	N/A	N/A	N/A	N/A			
Audit	1		2	Committee Charter to be formalized.	<p>Assist the Board in the performance of its oversight responsibility for the financial reporting process, system of internal control, audit process, and monitoring of compliance with applicable laws, rules and regulations;</p> <ul style="list-style-type: none"> • Provide oversight over management’s activities in managing credit, market, liquidity, operational, legal and other risks of the corporation. This function shall include regular receipt from Management of information on risk exposures and risk management activities. • Perform oversight functions over the corporation’s internal and external auditors. It should ensure that the internal and external auditors act independently from other and that both auditors are given unrestricted access to all records, properties and personnel to enable them to perform their respective audit functions; • Review the annual internal audit plan to ensure its conformity with the objectives of the corporation. The plan shall include the audit scope, resources and budget necessary to implement it; • Prior to the commencement of the audit, discuss with the external auditor the nature, scope, resources and budget necessary to implement it; 		

Committee	No. of Members			Committee Charter	Functions	Key Responsibilities	Power
	Executive Director (ED)	Non-executive Director or (NED)	Independent Director (ID)				
					<ul style="list-style-type: none"> • Prior to the commencement of the audit, discuss with the external auditor the nature, scope, and expenses of the audit, and ensure proper coordination if more than one audit firm is involved in the activity to secure proper coverage and minimize duplication of efforts; • Organize an internal audit department, and consider the appointment of an independent internal auditor and the terms and conditions of its engagement and removal; • Monitor and evaluate the adequacy and effective of the Corporation's internal control system, including financial reporting control and information technology security; • Review the reports submitted by the internal and external auditors; • Review the quarterly, half year and annual financial statements before their submission to the Board, with particular focus on the following matters: <ul style="list-style-type: none"> a) Any change/s in accounting policies and practices b) Major judgmental areas c) Significant adjustments resulting from the audit d) Going concern assumptions e) Compliance with accounting standards f) Compliance with tax, legal and regulatory requirements. • Coordinate, monitor and facilitate compliance with laws, rules and regulations; • Evaluate and determinate the non-audit work, if any, of the external auditor, and review periodically the non-audit fees paid to the external auditor in relation to their significance to the total annual income of the external auditor and to the corporation's overall consultancy expenses. The committee shall disallow any non-audit work that will conflict with his duties as an external auditor or may pose a threat to his independence. The non-audit work, if allowed, should be disclosed in the corporation's annual report; • Establish and identify the reporting line of the Internal Auditor to enable him to properly fulfill his duties and responsibilities. He shall functionally report directly to the Audit Committee. • The Audit Committee shall ensure that, in the performance of the work of the Internal Auditor, he shall be free from interference from the outside parties. 		
Nomination	2		1	Committee Charter to be formalized.	A Nomination Committee, which may be composed of at least three (3) members and one whom should be an independent director, to review and evaluate the qualifications of all persons nominated to the Board and other		

Committee	No. of Members			Committee Charter	Functions	Key Responsibilities	Power
	Executive Director (ED)	Non-executive Director or (NED)	Independent Director (ID)				
					appointments that require Board approval, and to assess the effectiveness of the Board's processes and procedures in the election or replacement of directors;		
Remuneration	2		1	Committee charter to be formalized	A compensation or Remuneration Committee, which maybe composed of at least three (3) members and one of whom should be an independent director, to establish a formal and a transparent procedure for developing a policy on remuneration of directors and officers to ensure that their compensation is consistent with the corporation's culture, strategy and the business environment in which it operates.		
Others	N/A	N/A	N/A	N/A	N/A	N/A	N/A

2. Committee Members

Number of Meetings held and attended, as of December 31 2016:

a. Executive Committee

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman	<u>N/A</u>					
Member (ED)	<u>N/A</u>					
Member (NED)	<u>N/A</u>					
Member (ID)	<u>N/A</u>					
Member	<u>N/A</u>					

b. Audit Committee

Office	Name	Date of Appointment in 2016	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee since Initial Appointment
Chairman	Dennis A. Uy (ID)	<u>June 30, 2016</u>	2	1	<u>50%</u>	<u>1 yr 10 mos.</u>
Member (ED)	Noel V. Tanglao	<u>June 30, 2016</u>	2	2	100%	<u>1 yr 10 mos.</u>
Member (NED)	N/A	N/A				
Member (ID)	Joselito H. Sibayan	<u>June 30, 2016</u>	2	2	<u>100%</u>	<u>1 yr 10 mos.</u>
Member	N/A	N/A				

Disclose the profile or qualifications of the Audit Committee members.

- (1) DENNIS A. UY, Independent Director, Chairman of Audit Committee
Mr. Dennis A. Uy was elected as Director of the Company last March 19, 2013. He is the founder of Phoenix Petroleum Philippines, Inc. (PPPI) and has served as President and CEO since its inception. He is the Chairman and President of Phoenix Petroleum Holdings, Inc., the holding company of PPPI, and Udenna Corporation, the ultimate parent company of PPPI; and recently a Director and President of 2Go Group, Inc. He is also the Chairman of F2 Logistics, Phoenix Philippines Foundation, Inc., and Udenna Foundation, Inc. He is a member of the Young Presidents Organization-Philippine Chapter and the Philippine Business for Social Progress. Mr. Uy is the Honorary Consul of Kazakhstan to the Philippines since November 2011. He is a graduate of De La Salle University with a degree in Business Management.

- (2) NOEL V. TANGLAO, Director; EVP-Corporate Services (up to March 31, 2017)
Aside from general management, Mr. Noel V. Tanglao, a Chemical Engineer, was involved at Petron Corporation with the different trades such as energy, both conventional and renewable, downstream petroleum industry, procurement and logistics, information technology, distribution, retail and non-fuel business of Petron such as convenience store retailing, quick serve restaurants and other retailing formats. He served as President of Lift Logistics Resources, Inc., Vice President for Business Development of the Leonio Group of Companies and Managing Director of Rising Stars Philippines. He has also been the General Manager of Petron Marketing Corporation, Petron Freeport Corporation and Retail Trade. Mr. Tanglao at one time was President of Apex. Currently he is Apex's Executive Vice President for Corporate Services.

- (3) JOSELITO H. SIBAYAN, Independent Director
Mr. Joselito H. Sibayan became Independent Director of the Company last June 16, 2014. He is the President and CEO of Mabuhay Capital Corporation, a firm which provides financial advisory services and capital raising solutions to its clients. Prior to forming Mabuhay Capital, he was Vice-Chairman of Investment Banking-Philippines and the Philippine Country Manager for Credit Suisse First Boston. He has spent almost three decades in investment banking. He is concurrently an Independent Director of SM Prime Holdings, Inc., a publicly listed company, and Director of Philippine Postal Savings Bank. He obtained his Masters degree from the University of California in Los Angeles and his BS Chemical Engineering from De La Salle University-Manila..

Describe the Audit Committee's responsibility relative to the external auditor.

The Company's CG Manual provides:

(i) The Audit Committee shall consist of at least three (3) directors, who shall preferably have accounting and finance backgrounds, one of whom shall be an independent director and another with audit experience. The Chairman of the Audit Committee should be an independent director.

The committee shall have the following functions:

a) Assist the Board in the performance of its oversight responsibility for the financial reporting process, system of internal control, audit process, and monitoring of compliance with applicable laws, rules and regulations;

b) Provide oversight over Management's activities in managing credit, market, liquidity, operational, legal and other risks of the corporation. This function shall include regular receipt from Management of information on risk exposures and risk management activities;

c) Perform oversight functions over the corporation's internal and external auditors. It should ensure that the internal and external auditors act independently from each other, and that both auditors are given unrestricted access to all records, properties and personnel to enable them to perform their respective audit functions;

d) Review the annual internal audit plan to ensure its conformity with the objectives of the corporation. The plan shall include the audit scope, resources and budget necessary to implement it;

e) Prior to the commencement of the audit, discuss with the external auditor the nature, scope and expenses of the audit, and ensure proper coordination if more than one audit firm is involved in the activity to secure proper coverage and minimize duplication of efforts;

f) Organize an internal audit department, and consider the appointment of an independent internal auditor and the terms and conditions of its engagement and removal;

g) Monitor and evaluate the adequacy and effectiveness of the corporation's internal control system, including financial reporting control and information technology security;

h) Review the reports submitted by the internal and external auditors;

i) Review the quarterly, half-year and annual financial statements before their submission to the Board, with particular focus on the following:

- Any change/s in accounting policies and practices
- Major judgmental areas
- Significant adjustments resulting from the audit
- Going concern assumptions
- Compliance with accounting standards
- Compliance with tax, legal and regulatory requirements.

j) Coordinate, monitor and facilitate compliance with laws, rules and regulations;

k) Evaluate and determine the non-audit work, if any, of the external auditor, and review periodically the non-audit fees paid to the external auditor in relation to their significance to the total annual income of the external auditor and to the corporation's overall consultancy expenses. The committee shall disallow any non-audit work that will conflict with his duties as an external auditor or may pose a threat to his independence. The non-audit work, if allowed, should be disclosed in the corporation's annual report;

l) Establish and identify the reporting line of the Internal Auditor to enable him to properly fulfill his duties and responsibilities. He shall functionally report directly to the Audit Committee.

The Audit Committee shall ensure that, in the performance of the work of the Internal Auditor, he shall be free from interference by outside parties.

c. Nominations Committee

Office	Name	Date of Appointment in 2016	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee since Initial Appointment
Chairman	Ramon Y. Sy	<u>June 30, 2016</u>	<u>1</u>	<u>1</u>	<u>100%</u>	<u>1 yr 3 mos</u>
Member (ED)	Walter W. Brown	<u>June 30, 2016</u>	<u>1</u>	<u>1</u>	<u>100%</u>	<u>1 yr 3 mos</u>
Member (NED)	N/A					
Member (ID)	Joselito H. Sibayan	<u>June 30, 2016</u>	<u>1</u>	<u>1</u>	<u>100%</u>	<u>1 yr 9 mos</u>
Member						

d. Remuneration Committee

Office	Name	Date of Appointment in 2016	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee since Initial Appointment
Chairman	Ramon Y. Sy	<u>June 30, 2016</u>	1	1	100%	<u>1 yr 9 mos.</u>
Member (ED)	Noel V. Tanglao	<u>June 30, 2016</u>	1	0	0%	<u>1 yr 9 mos.</u>
Member (NED)	N/A					
Member (ID)	Dennis A. Uy	<u>June 30, 2016</u>	1	0	0%	<u>1 yr 9 mos.</u>
Member (ID)	N/A					

e. Others

Provide the same information on all other committees constituted by the Board of Directors:

Finance Committee

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman	N/A					
Member (ED)	N/A					
Member (ID)	N/A					
Member (NED)	N/A					
Member (NED)	N/A					

3. Changes in Committee Members

Indicate any changes in committee membership that occurred during the year and the reason for the changes:

Name of Committee	Name	Reason
Executive	N/A	
Audit	N/A	
Nomination	N/A	
Remuneration	N/A	
Others (specify)	N/A	

4. Work Done and Issues Addressed

Describe the work done by each committee and the significant issues addressed as of report date of current year.

Name of Committee	Work Done	Issues Addressed
Executive	N/A	N/A
Audit	<u>Reviewed and discussed quarterly unaudited financial statements, audited annual financial statements and analysis of financial condition and results of operations. Approved the overall scope and audit plans of the external auditors, effectiveness of the external audit function and recommended for approval the re-appointments of the current external auditors.</u>	<u>Recoverability of deferred exploration and mine development costs, and the estimation of ore reserves.</u>
Nominations	Reviewed and evaluated the qualifications of all persons nominated to the Board.	<u>The qualifications of nominees pursuant to the requirements of the Securities & Exchange Commission for both regular and independent director nominees.</u>
Remuneration	<u>Reviewed and evaluated for updating the existing compensation package of Company officers.</u>	<u>Consolidation of compensation being received from subsidiaries to that from the parent company.</u>
Others (specify)	N/A	N/A

5. Committee Program

Provide a list of programs that each committee plans to undertake to address relevant issues in the improvement or enforcement of effective governance for the coming year.

Name of Committee	Planned Programs	Issues to be Addressed
Executive	N/A	N/A
Audit	<u>Review and evaluation of the Audit Plan of the External Auditors for the ensuing year.</u>	<u>As may be reported by the External Auditors.</u>
Nominations	<u>Review and evaluation of the qualifications of the nominees to the Company's Board for the ensuing year.</u>	<u>The qualifications of nominees pursuant to the requirements of the Securities & Exchange Commission for both regular and independent director nominees.</u>
Remuneration	<u>Review and evaluation of existing compensation package of Company officers for any need of updating.</u>	<u>Whether compensation is consistent with the current operation's status viz-a-vis other companies in the mining industry.</u>
Others (specify)		

F. RISK MANAGEMENT SYSTEM

1. Disclose the following:

a. Overall risk management philosophy of the Company;

All risks are to be identified and properly managed, including ensuring a safe workplace for the employees and identifying potential environmental threats and other hazards to operations based on world standards and best practices.

b. A statement that the directors have reviewed the effectiveness of the risk management system and commenting on the adequacy thereof;

In Note 28 of the Company's Audited Financial Statements for the year ended December 31, 2016 it is stated that the BOD reviews and approves policies for managing the financial risks faced by the Company such as credit risk, liquidity risk, foreign currency risk, and commodity price risk. Through the Board meetings the Company Directors also review the operating, environmental, safety and other risks that the Company's operations are exposed to.

c. Period covered by the review

Calendar year 2016.

d. How often the risk management system is reviewed and the directors' criteria for assessing its effectiveness

The risk and safety review is conducted as part of regular Board meetings.

e. Where no review was conducted during the year, an explanation why not?

Not applicable.

2. Risk Policy

a. Company

Give a general description of the Company's risk management policy, setting out and assessing the risk/s covered by the system (ranked according to priority), along with the objective behind the policy for each kind of risk:

Risk Exposure	Risk Management Policy	Objective
Liquidity	<u>Proper utilization of available funds, bank credit lines and other potential sources of financing.</u>	<u>To maintain a balance between continuity of funding and flexibility through their optimum use.</u>
Security	<u>Provide personal safety to all of the Company's employees and staff, and to provide security to the Company's assets and properties.</u>	<u>To deploy well trained security personnel and establish/maintain effective intelligence and communication systems.</u>
Energy shortage	<u>Plan for optimum and efficient power and energy consumption, and assure power supply for operating needs of the mines.</u>	<u>To negotiate long-term contracts with various power producers, and adequately maintain the stand-by power units of the mines.</u>
Supply chain	<u>Develop adequate pool of suppliers that can provide competitive, reliable and steady source of supplies.</u>	<u>To expand supplier base from both local and international sources that can provide supplies at reasonable and competitive pricing as and when needed by the Company.</u>

b. Group

Give a general description of the Group's risk management policy, setting out and assessing the risk/s covered by the system (ranked according to priority), along with the objective behind the policy for each kind of risk:

Risk Exposure	Risk Management Policy	Objective
Same as above		
Same as above		
Same as above		
Same as above		

c. Minority Shareholders

Indicate the principal risk of the exercise of controlling shareholders' voting power.

Risk to Minority Shareholders
N/A

3. Control System Set Up

a. Company

Briefly describe the control systems set up to assess, manage and control the main issue/s faced by the company:

On a regular basis, the Company reviews and assesses the various risks it faces. Regular reports are submitted to management, and communication lines among the different departments put in place to monitor, address, and take necessary actions to resolve the risks.

Risk Exposure	Risk Assessment (Monitoring and Measurement Process)	Risk Management and Control (Structures, Procedures, Actions Taken)
<u>Liquidity</u>	<u>Cash management and planning systems</u>	<u>Daily cash reports, monthly cash programs, annual operating and cash flow budgets, and payable accounts analyses.</u>
<u>Security</u>	<u>Security briefings with management and central safety and health committee meetings</u>	<u>Deployment of well-trained security personnel and intelligence consultants, and establishment of structured monitoring and control systems with all of the Company departments and staff.</u>
<u>Energy shortage</u>	<u>Daily report of power consumption and forecast usage viz-a-viz the regular monitoring of available energy supply for minesite operations</u>	<u>The Power Generation Department of the mine has in place institutionalized monitoring, reporting and data gathering systems to address current and future power needs. It also manages the Company's stand-by power generating capacity as backup supply in case of power shortage.</u>
<u>Supply chain</u>	<u>Comprehensive list of suppliers being maintained for supply needs.</u>	<u>Contacts with accredited suppliers is being maintained and accounts kept moving to provide reliable and adequate supply of materials and parts as and when needed.</u>

b. Group

Briefly describe the control systems set up to assess, manage and control the main issue/s faced by the Company:

Risk Exposure	Risk Assessment (Monitoring and Measurement Process)	Risk Management and Control (Structures, Procedures, Actions Taken)
Please see discussion above	Please see discussion above	Please see discussion above

c. Committee

Identify the committee or any other body of corporate governance in charge of laying down and supervising these control mechanisms, and give details of its functions:

Committee/Unit	Control Mechanism	Details of its Functions
<u>Audit Committee</u>	<u>Audit of the Company's financial accounts.</u>	<u>Assist the Board in the performance of its oversight responsibility for the financial reporting process, system of internal control, audit process, and monitoring of compliance with applicable laws, rules and regulations.</u>
<u>Management Committee</u>	<u>Regular operations review</u>	<u>Identify and monitor key risk areas and performance indicators.</u>
<u>Various organizational units</u>	<u>Check and balance</u>	<u>Implement check and balance in the Company's systems and procedures to assure effectiveness of internal control and compliance to good corporate governance practices.</u>

G. INTERNAL AUDIT AND CONTROL

1. Internal Control System

Disclose the following information pertaining to the internal control system of the Company:

a. Explain how the internal control system is defined for the Company

Internal control has been defined in the Company's Manual on Corporate Governance under Article I.(i) as the system for the accomplishment of the corporation's objectives, the efficient operations of its business, the reliability of its financial reporting, and the faithful compliance with applicable laws, regulations, and internal rules.

b. A statement that the directors have reviewed the effectiveness of the internal control system and whether they consider them effective and adequate;

Through the Statement of Management's Responsibility for Financial Statements, and the Independent Auditors' Report which the Board reviews and approves, the Board of Directors have correspondingly reviewed and considered that the Company's internal control systems are effective and adequate.

- c. Period covered by the review;

Calendar year 2016.

- d. How often are the internal controls reviewed and what are the directors' criteria for assessing the effectiveness of the internal control system;

Review of internal control is done regularly from time to time at least once a year.

Article 3.H. of the Company's Manual on Corporate Governance states the criteria by which the Board assesses the effectiveness of the internal control system as such where: (a) the Company is properly and effectively managed and supervised; (b) Management actively manages and operates the Company in a sound and prudent manner; (c) the organizational and procedural controls are supported by effective management information and risk management reporting system; and (d) there is independent audit mechanism to monitor the adequacy and effectiveness of the Company's governance, operations, and information systems, including the reliability and integrity of financial and operational information, the effectiveness and efficiency of operations, the safeguarding of assets, and compliance with laws, rules and regulations, and contracts.

- e. Where no review was conducted during the year, an explanation why not?

Not applicable as a review was conducted during the year.

2. Internal Audit

- a. Role, Scope and Internal Audit Function

Give a general description of the role, scope of internal audit work and other details of the internal audit function.

Role	Scope	Indicate whether In-house or Outsource Internal Audit Function	Name of Chief Internal Auditor/Auditing Firm	Reporting process
Internal Audit is established to provide the Board of Directors and Management, in general, and the Audit Committee, in particular, with independent and objective assurance and consulting services on AMCI's governance, risk, management and control processes. (Internal Audit Charter)	To assess if AMCI's governance, risk management, and governance processes are adequately designed and functioning effectively to achieve its vision mission and strategic objectives IA covers the following areas: 1. Strategic objectives are achieved. 2. Resources are procured and used effectively, efficiently and economically. 3. Assets are safeguarded from losses, damages or ultimately obsolescence. 4. Employees act in accordance with, policies procedures, contracts and applicable laws and regulations. 5. Significant financial, operating and management information are reliable, accurate and timely.	1. In-house but may outsource some audit engagements that require competencies not found within IA. 2. Will also coordinate with other assurance providers within (Quality Group, Safety etc.) and outside		IA reports to the Audit Committee.

Role	Scope	Indicate whether In-house or Outsource Internal Audit Function	Name of Chief Internal Auditor/Auditing Firm	Reporting process
	6. Significant risk exposures are identified, assessed and managed according to the risk appetite approved by the Board. 7. Governance processes that ensure the promotion of appropriate ethics and values within AMCI and ensure effective organizational performance management and accountability.	AMCI (external auditors)		

- b. Do the appointment and/or removal of the Internal Auditor or the accounting /auditing firm or corporation to which the internal audit function is outsourced require the approval of the audit committee?

Yes, the Internal Audit Committee has the responsibility to organize the Internal Audit Department and appointment of an independent internal auditor and the terms and conditions of his engagement and removal. (Revised Manual on Corporate Governance, Article 3.K.(i)(f))

- c. Discuss the internal auditor’s reporting relationship with the Audit Committee. Does the internal auditor have direct and unfettered access to the board of directors and the Audit and Risk Committees and to all records, properties and personnel?

Yes, the Internal Audit has to submit its reports to the Audit Committee under the Company’s Revised Manual on Corporate Governance (Article 3.K.h.)

The Internal Audit is also under the supervision of the Board which require the Internal Audit to report to any level in the organization including the Board that will allow the internal audit activity to fulfill its mandate. (Article 3.H. iii.)

Both Internal and External Audit are given unrestricted access to all records, properties and personnel to enable them to perform their respective audit functions. (Revised Manual on Corporate Governance, Article 3.K.i.c.).

- d. Resignation, Re-assignment and Reasons

Disclose any resignation/s or re-assignment of the internal audit staff (including those employed by the third-party auditing firm) and the reason/s for them.

Name of Audit Staff	Reason
N/A	

- e. Progress against Plans, Issues, Findings and Examination Trends

State the internal audit’s progress against plans, significant issues, significant findings and examination trends.

Progress Against Plans	N/A
Issues⁵	N/A
Findings⁶	N/A
Examination Trends	N/A

f. Audit Control Policies and Procedures

Disclose all internal audit controls, policies and procedures that have been established by the Company and the result of an assessment as to whether the established controls, policies and procedures have been implemented under the column “Implementation.”

Policies & Procedures	Implementation
A. Safety Department	
<u>Company Safety rules and regulation</u>	<u>Implemented</u>
<u>MINE RESCUE AND EXPLORATION OPERATION</u>	<u>Implemented</u>
<u>FIRE EMERGENCY RESPONSE</u>	<u>Implemented</u>
<u>SAFETY INSPECTION</u>	<u>Implemented</u>
<u>INCIDENT INVESTIGATION REPORTING</u>	<u>Implemented</u>
<u>INDUSTRIAL ACCIDENT STATISTIC REPORT</u>	<u>Implemented</u>
<u>TRAFFIC RULES AND REGULATIONS</u>	<u>Implemented</u>
<u>SAFETY AND HEALTH POLICY</u>	<u>Implemented</u>
<u>CONDUCT OF COMPANY MEETINGS</u>	<u>Implemented</u>
<u>OFF THE JOB SAFETY</u>	<u>Implemented</u>
<u>DOCUMENT CASCADING</u>	<u>Implemented</u>
<u>CENTRAL FOLLOW-UP SYSTEM</u>	<u>Implemented</u>
<u>CSEPC</u>	<u>Implemented</u>
<u>VISITORS WAIVER</u>	<u>Implemented</u>
<u>FIRE EXTINGUISHER ISSUANCE , MAINTENANCE AND INSPECTION</u>	<u>Implemented</u>
<u>USE OF FULL FACE CRASH HELMET WHEN RIDING MOTORBIKES</u>	<u>Implemented</u>
<u>FIRST AID STATION AND / OR</u>	<u>Implemented</u>
<u>UNDERGROUND SAFE ESCAPE WAY / EXIT DURING EMERGENCIES</u>	<u>Implemented</u>
<u>UNDERGROUND EMERGENCY COMMUNICATION SYSTEM</u>	<u>Implemented</u>
<u>EMERGENCY RESPONSE TEAM SET UP</u>	<u>Implemented</u>
<u>REVISION OF PPE ISSUANCE SYSTEM</u>	<u>Implemented</u>
<u>GUIDELINES ON EMPLOYEES, CONTRACTORS,AND VISITORS PPE AND PROPER ATTIRE UPON ENTERING THE GATE</u>	<u>Implemented</u>
<u>RIDING ON THE PICK-UP TRAY BACK IS NOT ALLOWED</u>	<u>Implemented</u>
<u>COMPANY MOTORCYCLE</u>	<u>Implemented</u>
<u>ACCIDENT / INCIDENT REPORTING</u>	<u>Implemented</u>
<u>UNAUTHORIZED DRIVING</u>	<u>Implemented</u>
<u>STRICT IMPLEMENTATIN OF HOT WORK PERMIT</u>	<u>Implemented</u>
<u>ELECTRICAL PLAN</u>	<u>Implemented</u>
<u>PROPER INCIDENT / ACCIDENT REPORTING</u>	<u>Implemented</u>
<u>USE OF SIREN</u>	<u>Implemented</u>
<u>WEARING OF CORRECT PPE IN OPERATION AREA AND ADMIN OFFICE</u>	<u>Implemented</u>
<u>PROPER CARE AND USE OF COMPANY ISSUED PPE</u>	<u>Implemented</u>
<u>SETTING THE NUMBER OF MOTOR BIKE RIDERS TO ONLY 2PERSONS</u>	<u>Implemented</u>

⁵ “Issues” are compliance matters that arise from adopting different interpretations.

⁶ “Findings” are those with concrete basis under the company’s policies and rules.

Policies & Procedures	Implementation
<u>PROHIBITING SMOKING INSIDE COMPANY-OWNED OR RENTED VEHICLES</u>	<u>Implemented</u>
<u>PENALTIES FOR VIOLATION OF SAFETY RULES AND REGULATIONS AND COMMON SAFETY AND HEALTH PRACTICES WHILE ON THE JOB</u>	<u>Implemented</u>
<u>IMPLEMENTATION OF WEARING OF CRASH HELMET</u>	<u>Implemented</u>
<u>DEPARTMENT SAFETY COORDINATORS</u>	<u>Implemented</u>
<u>LOADING AND UNLOADING STATIONS</u>	<u>Implemented</u>
<u>SAFETY HANBOOK CASCADING</u>	<u>Implemented</u>
<u>NEWLY HIRED EMPLOYEES SAFETY AWARENESS INDUCTION</u>	<u>Implemented</u>
<u>COMPANY AUTHORIZED DRIVERS AND OPERATORS RESTRICTION</u>	<u>Implemented</u>
<u>MINE TOUR FOR NON EMPLOYEE RELATED</u>	<u>Implemented</u>
<u>PROHIBITING OF TRANSFER ORR MOBILIZATION OF UG EQUIPMENT DURING NIGHT TIME AT SURFACE ROAD</u>	<u>Implemented</u>
<u>PROPER HANDLING OF EMPTY SODIUM CYANIDE CONTAINERS (CRATES)</u>	<u>Implemented</u>
<u>EMERGENCY RESPONSE PROCEDURE ON TAILINGS DAM</u>	<u>Implemented</u>
<u>PROHIBITING CIGARETTE SMOKING UG</u>	<u>Implemented</u>
<u>DRILLIN AND BLASTING CYCLE</u>	<u>Implemented</u>
<u>PROHIBITING COOKING AT WORKING AREAS</u>	<u>Implemented</u>
<u>VEHICLE AND EQUIPMENT INSPECTION</u>	<u>Implemented</u>
<u>PROHIBITING CIGARETTE SMOKING AT NON DESIGNATED SMOKING AREA MILL COMPLEX</u>	<u>Implemented</u>
<u>MOTORBIKES POLICY</u>	<u>Implemented</u>
<u>NO-PPE-NO-ENTRY/WORK POLCY</u>	<u>Implemented</u>
<u>NO ENTRY NO ID POLICY IN UNDERGROUND</u>	<u>Implemented</u>
<u>PERSONAL PROTECTIVE EQUIPMENT POLICY</u>	<u>Implemented</u>
<u>GUIDELINES ON UNDERGROUND HOLE OUT, EXCAVATIONS MONITORING AND SLOPE MINING OPERATIONS</u>	<u>Implemented</u>
<u>GUIDELINES ON WORKING AT THE UNDERGROUND FACE OF TRACKLESS AND CONVENTIONAL AREA</u>	<u>Implemented</u>
<u>ADDENDUM ON THE MOTORBIKE POLICY</u>	<u>Implemented</u>
<u>NO SMOKING POLICY IN UNDERGROUND AND MILL COMPLEX AND DESIGNATED SMOKING AREA IN SURFACE FACILITIES</u>	<u>Implemented</u>
<u>COVER-ALL AND SWEATSHIRT ISSUANCE POLICY 2016</u>	<u>Implemented</u>
<u>GUIDELINES IN DRIVING/ OPERATING A COMPANY VEHICLES/EQUIPMENT</u>	<u>Implemented</u>
<u>GUIDELINES ON SIREN INSTALLED IN THE MILL COMPOUND</u>	<u>Implemented</u>
<u>REQUIREMENT FOR COMMENCEMENT OF ANY ENGINEERING PROJECT</u>	<u>Implemented</u>
<u>REITERATION MEMO-REPORTING OF VEHICULAR ACCIDENT THAT HAPPENED OUTSIDE OF COMPANY PREMISES INVOLVING COMPANY OWNED VEHICLE/EQUIPMET</u>	<u>Implemented</u>
<u>REITERATION MEMO-REPORTING & INVESTIGATION PROTOCOL ON EQUIPMENT/SERVICE VECHILE PROPERTY DAMAGE</u>	<u>Implemented</u>
<u>REITERATION MEMO- VEHICLE/EQUIPMENT SAFETY STANDARDS</u>	<u>Implemented</u>
<u>ALCOHOL TESTING</u>	<u>Implemented</u>
<u>REVISION OF PERSONAL PROTECTIVE EQUIPMENT (PPE) SYSTEM OF ISSUANCE FOR 2016</u>	<u>Implemented</u>
<u>REITARATION AND ADDENDUM MEMO- PRESERVATION OF ACCIDENT/ INCIDENT SCENE</u>	<u>Implemented</u>
<u>RE-ORIENTATION AND REFRESHER COURSE ON SAFETY AT WORK FOR UNDERGROUND WORKERS</u>	<u>Implemented</u>
<u>REITERATION MEMO- PROCEDURES PRIOR AND AFTER ENTERING/WORKING/VISITING UNDERGROUND WORKING AREA</u>	<u>Implemented</u>
<u>ADDENDUM ON PERSONAL PROTECTIVE EQUIPMENT (PPE) SYSTEM OF ISSUANCE FOR 2016</u>	<u>Implemented</u>
<u>ADHERENCE TO AND STRICT IMPLEMENTATION OF COMPANY'S TRAFFIC RULES AND REGULATION, POLICIES AND MEMORANDUMS ON ORE HAULING, EQUIPMENT AND OTHER RELATED HERETO</u>	<u>Implemented</u>

Policies & Procedures	Implementation
<u>REITERATION MEMO-DRILLING AND BLASTING CYCLE/MININGCYCLE</u>	<u>Implemented</u>
<u>CONTRADICTING AND /OR SUPERSEDING SAFETY OFFICER'S ORDER</u>	<u>Implemented</u>
<u>PROPER LOGGING IN/OUT BEFORE AND AFTER VISITING RAMP 2 WORKING AREA</u>	<u>Implemented</u>
<u>MEMORANDUM PROHIBITING USE OF MOBILE COMMUNICATION DEVICES WHILE DRIVING, AND OTHER FORMS OF DISTRACTED DRIVING</u>	<u>Implemented</u>
<u>LONG UNDERGROUND DRIVES WITHOUT ALTERNATIVE ACCESS OR ESCAPE ROUTE</u>	<u>Implemented</u>
<u>GUIDELINES DURING FLASH FLOODS; HEAVY RAIN AND LANDSLIDE EMERGENCY PROTOCOL</u>	<u>Implemented</u>
<u>ISSUANCE OF PERSONAL PROTECTIVE EQUIPMENT TO CONTRACTORS</u>	<u>Implemented</u>
<u>REVISED GUIDELINES ON TOOLBOX MEETING AT THE MINESITE</u>	<u>Implemented</u>
<u>RE-ORIENTATION AND REFRESHER COURSE ON INCIDENT AWARENESS AND EMERGENCY PREPAREDNESS FOR MILL AND SURFACE WORKERS</u>	<u>Implemented</u>
<u>CONSTRUCTION OF PASSABLE RAISE/ALTERNATE ACCESS EVERY 200 METERS DISTANCE HORIZONTAL DRIVE</u>	<u>Implemented</u>
<u>SOP ON CONVENTIONAL RAISE TIMBER INSTALLATION</u>	<u>Implemented</u>
<u>TRACKLESS STOPING CUTTING AND BACKFILLING CYCLE</u>	<u>Implemented</u>
<u>ORGANIC/NON-ORGANIC SECURITY GUARDS DUTIES AND RESPONSIBILITIES ON SAFETY ASPECT</u>	<u>Implemented</u>
<u>BOILER PRE-START CHECK-UP</u>	<u>Implemented</u>
<u>SETTING OF AIRCONDITION UNITS</u>	<u>Implemented</u>
<u>MANAGEMENT TRAINING</u>	<u>Implemented</u>
<u>CONDUCT COMPANY MEETING</u>	<u>Implemented</u>
<u>LEADERSHIP AND ADMINISTRATION</u>	<u>Implemented</u>
<u>CENTRAL SAFETY, ENVIRONMENT, AND PRODUCTIVITY COUNCIL - CSEPC</u>	<u>Implemented</u>
<u>HIRING AND PLACEMENT PROCESS</u>	<u>Implemented</u>
<u>DOCUMENT CASCADING</u>	<u>Implemented</u>
<u>SAFETY MEETINGS</u>	<u>Implemented</u>
<u>OFF-THE-JOB SAFETY</u>	<u>Implemented</u>
B. Environment Department	
<u>Environmental Policy</u>	<u>Implemented</u>
<u>Waste Management Policy</u>	<u>Implemented</u>
<u>Protection of Wildlife within Tenement</u>	<u>Implemented</u>
<u>Spill Prevention, Containment, and Control Plan at the Mill</u>	<u>Implemented</u>
C. Community Relations	
<u>SDMP MINING RELATED COURSE SCHOLARSHIP PROGRAM</u>	<u>Implemented</u>
<u>SDMP NON-MINING RELATED COURSE SCHOLARSHIP PROGRAM</u>	<u>Implemented</u>
<u>ADOPT-A-SCHOOL PROGRAM (Elementary & High School)</u>	<u>Implemented</u>
<u>SCHOLARSHIP AGREEMENT (AMCI-CITE ITP Scholarship)</u>	<u>Implemented</u>
<u>MEMORANDUM OF AGREEMENT (Bayanihan Para Sa Karunungan Program)</u>	<u>Implemented</u>
<u>MEMORANDUM OF AGREEMENT (Repair/ Rehab of Half-way Home and Construction of Infirmary Hospital Extension Building in Elizalde)</u>	<u>Implemented</u>
D. Office of the Resident Manager	
<u>Amendments to Company Policy on Drugs and Alcohol</u>	<u>Implemented</u>
<u>Guidelines on Command Responsibility, Accountability and the Three (3) Strike Rule</u>	<u>Implemented</u>
<u>Amendments to Sec. E.21 of the Company Code of Conduct</u>	<u>Implemented</u>
<u>Multiple Violations of the Code of Conduct / Safety Rules</u>	<u>Implemented</u>
E. Training Department	
<u>Required Return Service After Attending Training</u>	<u>Implemented</u>
<u>Student Summer Training Program</u>	<u>Implemented</u>
<u>Cadet Training Program</u>	<u>Implemented</u>
<u>OJT Program for Technicians</u>	<u>Implemented</u>
<u>Required Return Service After Attending Events</u>	<u>Implemented</u>

Policies & Procedures	Implementation
<u>Memo on Retention and Transfer of Learning</u>	<u>Implemented</u>
F. Medical Department	
<u>Medical, Dental and Hospitalization Benefit (Policy)</u>	<u>Implemented</u>
<u>Policy in Dispensing of Free Medicine</u>	<u>Implemented</u>
<u>Ambulance Policy</u>	<u>Implemented</u>
<u>Apex Medical Clinic Change of physician Consultation Timing (Memo)</u>	<u>Implemented</u>
<u>TB (Tuberculosis) in the Workplace, Treatment, Prevention and Control Policy</u>	<u>Implemented</u>
<u>Drugs and Alcohol Policy</u>	<u>Implemented</u>
<u>Amendment of Sick Leave Policy</u>	<u>Implemented</u>
<u>Change of Maintenance Medicine Timing (Memo)</u>	<u>Implemented</u>

g. Mechanism and Safeguards

State the mechanism established by the Company to safeguard the independence of the auditors, financial analysts, investment banks and rating agencies (example, restrictions on trading in the Company's shares and imposition of internal approval procedures for these transactions, limitation on the non-audit services that an external auditor may provide to the Company):

Auditors (Internal and External)	Financial Analysts	Investment Banks	Rating Agencies
<p><u>(1) Internal Audit is mandated to report directly to the Audit Committee and to the Board as may be required.</u></p> <p><u>(2) The Audit Committee evaluates and determines the non-audit work, if any, of the External Auditor and periodically reviews the non-audit fees paid. The Committee shall disallow any non-audit work that will conflict with his duties as an external auditor or may pose a threat to his independence. (Revised Manual on Corporate Governance Item 3.K.I.k.)</u></p> <p><u>(3) The External Auditors are required to make a statement of independence in the Auditors' report covering the Company's audited financial statements.</u></p>	N/A	N/A	N/A

h. State the officers (preferably the Chairman and the CEO) who will have to attest to the Company's full compliance with the SEC Code of Corporate Governance. Such confirmation must state that all directors, officers and employees of the Company have been given proper instruction on their respective duties as mandated by the Code and that internal mechanisms are in place to ensure compliance.

The President & CEO, together with an Independent Director, attest to the Company's compliance with the SEC Code of Corporate Governance through the Corporate Governance Guidelines for Listed Companies Disclosure Template submitted annually to the PSE.

H. ROLE OF STAKEHOLDERS

1. Disclose the company's policy and activities relative to the following:

	Policy	Activities
Customers' welfare	<u>The Company conducts fair and transparent dealings with customer/ buyer.</u>	<u>Timely and close coordination between Apex and the refinery for every shipment. Dealings are based on terms of the contract with the refinery who may act as the buyer of the Company's production.</u>
Supplier/contractor selection practice	<u>The Company conducts fair and transparent dealings with suppliers and contractors.</u>	<u>The Company is always fair and forthright in its dealings with suppliers and contractors, practicing honest bidding, timely payment and strict adherence to the terms of the contract / purchase order.</u>
Environmentally friendly value-chain	<u>As a socially and environmentally responsible Company, Apex Mining upholds an environmental mission for the continuous improvement of its operations, the faithful compliance with all laws, legislations and other regulations, and the promotion of environmental awareness and protection among its workers at all levels.</u>	<p><u>Environmental activities for the Company's mine sites include the following:</u></p> <ol style="list-style-type: none"> <u>1. Land Resources Management</u> <ul style="list-style-type: none"> <u>- Maintains thousands of various seedlings at the Mangrove and Central nurseries.</u> <u>- Planted seedlings over disturbed areas.</u> <u>- Regular hauling of domestic wastes.</u> <u>- desilting of various creeks and ponds.</u> <u>- maintenance of drainage canals</u> <u>- construction of riprapping/ gabioning to stabilize slopes and riverbanks.</u> <u>2. Water Resources Management</u> <ul style="list-style-type: none"> <u>- Tailings pond operations and maintenance to make sure environmental standards are met.</u> <u>- Construction of clearwater diversion.</u> <u>- Detoxification of tailings pond</u> <u>- Collection of wastes and used oil for proper disposal.</u>
Community interaction	<p><u>The Company recognizes the desires and aspirations of the local communities and indigenous people hosting its projects, and respects their cultural practices. The Company commits to act responsibly and obey the applicable laws, in order to minimize the impact of projects on the environment, protect the health and safety of people directly affected by its activities, and ensure that communities receive the real benefits from operations.</u></p> <p><u>Among the Company's Missions toward this end are:</u></p> <ul style="list-style-type: none"> <u>• Indigenous peoples relations sustained and maintained.</u> <u>• World standard safety and health practices demonstrated, looking after the employees, their health and well-being.</u> <u>• Outstanding external relationships is sustained with partners from various groups through proper stakeholder engagement.</u> 	<p><u>The Company strives and continues to be a strategic partner with its host and neighboring communities as evidenced by the different programs under the Social Development and Management Program (SMDP) for the Company's Maco Gold Mine, Campostela Valley, Mindanao.</u></p> <p><u>The Company created the acronym H.E.L.P.S which stands for Health and Medical programs, Educational Support, Livelihood Program, Public Infrastructure programs, and Socio-Cultural and Religious Support. It is AMCI's program for the development of host and neighboring communities (DHNC) mandated by DAO 2010-21.</u></p> <ol style="list-style-type: none"> <u>1. Maintenance and support for Community Health Centers</u> <ul style="list-style-type: none"> <u>- Financial support to health centers.</u> <u>- Free medical check-ups and medicines to local patients.</u> <u>- Free ambulance transport services for patients who needed to be transferred to tertiary hospitals.</u> <u>- Free medical missions and health-related activities (medical/ dental outreach programs, blood-letting, and circumcisions).</u> <u>2. Education</u>

	Policy	Activities
		<ul style="list-style-type: none"> - <u>13 schools adopted in the mining community.</u> - <u>Granted scholarships to local students covering tuition and other school fees</u> - <u>Augmented teachers' salaries</u> - <u>Donated materials and volunteered for Brigada Eskwela to improve school facilities</u> - <u>Donated school bags and supplies to thousands of elementary students.</u> - <u>Sponsorship and financial support to deserving college students, technical and vocational students, teachers, and other professionals.</u> <p><u>4. Livelihood programs</u></p> <ul style="list-style-type: none"> - <u>Conducted livelihood programs which provided employments and income to host communities.</u> - <u>Partnered with community organizations such as Farmers Association, Rural Workers' Association, and Women's Association. Beneficiaries are mandated to undergo organizational and enhancement trainings.</u> - <u>Other livelihood programs include: catering services, tables and chairs rental, crash helmet rental, contractual manpower services, aggregates supply, and ventilation tube production.</u> <p><u>5. Public Infrastructure</u></p> <ul style="list-style-type: none"> - <u>Developed a relocation site for families residing in host barangays.</u> - <u>Provided houses complete with facilities and amenities.</u> - <u>Cash for work public infrastructure maintenance program for the locals (street sweeping, roadside vegetation clearing, brushing, drainage maintenance, pulot-bakal, etc.)</u> <p><u>6. Information, Education, and Communication Program</u></p> <ul style="list-style-type: none"> - <u>Provided equipment for efficient barangay service and information delivery.</u> - <u>Sponsored student-trainees for mining and non-mining courses from different schools around the country.</u> <p><u>7. Socio-cultural and Religious Support</u></p> <ul style="list-style-type: none"> - <u>Constructed a parish church.</u> - <u>Other projects include financial support for anniversary events, wedding activities, nutrition programs, assistance to general constituency, blood-letting, and town fiesta celebrations.</u>
Anti-corruption programmes and procedures?	<u>Under the Company's Code of Conduct, employees and members of their families are not allowed to accept gifts, personal loans, entertainment or other special considerations of value from an individual, supplier or organization doing business with the Company that may appear to influence or tend to influence business decisions or compromise independent judgment.</u>	<u>Employees are regularly reminded that the Company discourages any acceptance of gifts and tokens from suppliers and other 3rd parties especially during Christmas Season.</u>

	Policy	Activities
Safeguarding creditors' rights	<u>Creditors' rights are safeguarded and valid financial obligations of the Company to its creditors are honored.</u>	<u>The rights of major creditors are safeguarded by publicly disclosing all material information, such as earnings results and risk exposures relating to loan covenants. The Company's disclosures, controls, and procedures also include periodic reports to the public such as the latest certified financial statements, among others. The Company releases press reports on the Company's operating and financial results.</u>

2. Does the company have a separate corporate responsibility (CR) report/section or sustainability report/section?

Yes. The Company's annual report contains separate sections for corporate social responsibility, environmental programs, and community development projects.

3. Performance-enhancing mechanisms for employee participation.

a. What are the company's policy for its employees' safety, health, and welfare?

The Company promotes safety, non-discrimination, environmental awareness, and commitment in the workplace. It likewise supports programs that promote the development and potential of its employees as well as encourage transparency, professionalism, and accountability. These are embodied in the Company's Mission and Vision.

- All risk are identified and being managed - To provide safe workplace for the employees, regular inspection is done within the tenement and identified potential hazards are being addressed and remedied.
- An outstanding mining image is maintained - The Company wants to maintain its image in a way that it ensures to employ high caliber employees who will work productively to meet the corporate vision.
- Five star systems are supported - The goal is to be known as a responsible mining company practicing five star systems standards.
- World standard safety and health practices are demonstrated - The Company looks after its employees, their health and well-being, taking all possible steps to ensure they have a safe working environment and remain fit and healthy.
- A high performance one team is demonstrated - The Company is set out to provide the education, training, safe working conditions, safety awareness, environmental care, health programs and employment conditions to allow its employees to grow.

b. Show data (add safety performance chart) relating to health, safety and welfare of its employees.

The Company has on-going programs for health, safety and welfare of its employees and dependents, which include medical/ hospital services, medicine allowance and assistance, housing allowance, meal/ rice allowance, life and accident insurance, shuttle service, and a retirement plan. The Safety Department ensures the safety of the employees by managing the safety programs of the Company.

Data on medical/hospital services provided to employees and dependents, which amounted to P18 million for 2016, follow:

<u>Number of medical consultations</u>	-	<u>10,121</u>
<u>Medical procedures performed</u>	-	<u>494</u>
<u>Incidents of maintenance/follow-ups</u>	-	<u>1,571</u>

Data on safety performance of the mine for 2016 follow:

<u>Frequency rate representing fatal and non-fatal loss time accidents per million manhours worked</u>	-	<u>1</u>
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<u>Severity rate representing days lost per million manhours worked</u>	-	<u>2,712</u>
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<u>Incident rate representing total incidents per million manhours worked</u>	-	<u>10</u>
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c. State the company's training and development programmes for its employees. Show the data.

2016 Training and Development Programs

Level	Program Title	Runs	Date/s of Session	Total Attendance
<u>A. CY 2016 Training and Development Programs (Internal)</u>				
<u>Rank&file</u>	<u>Values Orientation</u>	<u>5</u>	<u>January 8-9, 14, 15 & 28, 2016</u>	<u>124</u>
<u>Rank&file</u>	<u>Maintenance 101</u>	<u>1</u>	<u>January 13, 2016</u>	<u>2</u>
<u>Supervisor</u>	<u>Maintenance 101</u>	<u>1</u>	<u>January 13, 2016</u>	<u>8</u>
<u>Rank&file</u>	<u>Tailings Management Facility 101</u>	<u>1</u>	<u>January 15, 2016</u>	<u>3</u>
<u>Supervisor</u>	<u>Tailings Management Facility 101</u>	<u>1</u>	<u>January 15, 2016</u>	<u>12</u>
<u>Rank&file</u>	<u>Values Orientation</u>	<u>3</u>	<u>February 6, 10 & 24, 2016</u>	<u>47</u>
<u>Manager</u>	<u>Nutrition 101</u>	<u>1</u>	<u>February 9, 2016</u>	<u>3</u>
<u>Supervisor</u>	<u>Nutrition 101</u>	<u>1</u>	<u>February 9, 2016</u>	<u>12</u>
<u>Rank&file</u>	<u>Values Orientation</u>	<u>4</u>	<u>March 4, 14, 22 & 30, 2016</u>	<u>164</u>
<u>Rank&File</u>	<u>Fire Safety Training</u>	<u>1</u>	<u>March 4-6, 2016</u>	<u>62</u>
<u>Supervisor</u>	<u>Fire Safety Training</u>	<u>1</u>	<u>March 4-6, 2016</u>	<u>22</u>
<u>Supervisor</u>	<u>Counseling 101</u>	<u>1</u>	<u>March 18, 2016</u>	<u>10</u>
<u>Manager</u>	<u>Counseling 101</u>	<u>1</u>	<u>March 18, 2016</u>	<u>2</u>
<u>Supervisor</u>	<u>HR 101 (Hiring 101)</u>	<u>1</u>	<u>March 16, 2016</u>	<u>15</u>
<u>Manager</u>	<u>HR 101 (Hiring 101)</u>	<u>1</u>	<u>March 16, 2016</u>	<u>1</u>
<u>Rank&file</u>	<u>Values Orientation</u>	<u>6</u>	<u>April 4, 5, 12, 18, 25 & 27, 2016</u>	<u>160</u>

Level	Program Title	Runs	Date/s of Session	Total Attendance
<u>Rank&File</u>	<u>Google Seminar</u>	<u>2</u>	<u>July 13, 14, 2016</u>	<u>6</u>
<u>Supervisor</u>	<u>Google Seminar</u>	<u>2</u>	<u>July 13, 14, 2016</u>	<u>23</u>
<u>Supervisor</u>	<u>Supervisory Development Program</u>	<u>1</u>	<u>October 29, Nov. 5 & 12, 2016</u>	<u>20</u>
<u>Rank&File</u>	<u>Enhancing Internal Customer Service</u>	<u>3</u>	<u>October 19, 21 & 26, 2016</u>	<u>47</u>
<u>Supervisor</u>	<u>In-company Trainers' Training</u>	<u>1</u>	<u>September 5-8 2016</u>	<u>18</u>
<u>Manager</u>	<u>In-company Trainers' Training</u>	<u>1</u>	<u>September 5-8 2016</u>	<u>1</u>
<u>Rank&File</u>	<u>Values Orientation</u>	<u>1</u>	<u>November 11, 2016</u>	<u>77</u>
<u>Supervisor</u>	<u>Enhancing Internal Customer Service</u>	<u>1</u>	<u>November 18, 2016</u>	<u>7</u>
<u>Rank&File</u>	<u>Enhancing Internal Customer Service</u>	<u>1</u>	<u>November 18, 2016</u>	<u>2</u>
<u>Supervisor</u>	<u>Supervisory Development Program</u>	<u>2</u>	<u>November 19, 26 & Dec 10, 2016</u>	<u>15</u>
<u>Rank&File</u>	<u>Values for Safety Training</u>	<u>4</u>	<u>November 8, Dec 14, 15 & 23, 2016</u>	<u>220</u>
<u>B. CY 2016 Training and Development Programs (External)</u>				
<u>Supervisor</u>	<u>5th PSME Mindanao Regional Conference</u>	<u>1</u>	<u>February 12-13, 2016</u>	<u>2</u>
<u>Supervisor</u>	<u>Safety Awareness w/ Behavior-based safety</u>	<u>1</u>	<u>May 23-24, 2016</u>	<u>3</u>
<u>Supervisor</u>	<u>IIEE MID Year Convention</u>	<u>1</u>	<u>May 26-28, 2016</u>	<u>2</u>
<u>Supervisor</u>	<u>IECEP 66th National Mid Year Convention</u>	<u>1</u>	<u>May 18- 20, 2016</u>	<u>1</u>
<u>Supervisor</u>	<u>Infrared Thermography Certification Course</u>	<u>1</u>	<u>May 30- June 03, 2016</u>	<u>1</u>
<u>Supervisor</u>	<u>Infrays Seminar Workshop Series</u>	<u>1</u>	<u>March 17-18, 2016</u>	<u>1</u>
<u>Supervisor</u>	<u>Radiation Safety Course sealed in industrial devices</u>	<u>1</u>	<u>May 30- June 03, 2016</u>	<u>2</u>
<u>Supervisor</u>	<u>Mining Conference</u>	<u>1</u>	<u>May 23-24, 2016</u>	<u>8</u>
<u>Supervisor</u>	<u>HR 101 & 102</u>	<u>1</u>	<u>June 30, 2016</u>	<u>2</u>
<u>Supervisor</u>	<u>Mastering Pump Operation</u>	<u>1</u>	<u>October 3-5, 2016</u>	<u>2</u>
<u>Supervisor</u>	<u>GEOCONference</u>	<u>1</u>	<u>December 13-14, 2016</u>	<u>10</u>
<u>Supervisor</u>	<u>41st IIEE National Annual Convention</u>	<u>1</u>	<u>November 23-26, 2016</u>	<u>2</u>
<u>Supervisor</u>	<u>Basic Therapy Training</u>	<u>1</u>	<u>October 25-27, 2016</u>	<u>1</u>
<u>Supervisor</u>	<u>PSME 64TH National Convention</u>	<u>1</u>	<u>September 18, 2016</u>	<u>1</u>
<u>Supervisor</u>	<u>Basic Occupational Safety Training</u>	<u>1</u>	<u>September 18-23, 2016</u>	<u>2</u>
<u>Manager</u>	<u>Safety Awareness w/ Behavior-based safety</u>	<u>1</u>	<u>May 23-24, 2016</u>	<u>2</u>
<u>Manager</u>	<u>Mastering Pump Operation</u>	<u>1</u>	<u>October 3-5, 2016</u>	<u>1</u>
<u>Manager</u>	<u>GEOCONference</u>	<u>1</u>	<u>December 13-14, 2016</u>	<u>2</u>
<u>Manager</u>	<u>Basic Course in Occupational Medicine</u>	<u>1</u>	<u>Nov. 22- 29, 2016</u>	<u>1</u>

Level	Program Title	Runs	Date/s of Session	Total Attendance
<u>Manager</u>	<u>Mandatory Continuing Legal Education</u>	<u>1</u>	<u>December 1-2, 2016</u>	<u>3</u>
<u>Manager</u>	<u>41st IIEE National Annual Convention</u>	<u>1</u>	<u>November 23-26, 2016</u>	<u>1</u>
<u>Supervisor</u>	<u>5th PSME Mindanao Regional Conference</u>	<u>1</u>	<u>February 12-13,2016</u>	<u>2</u>
<u>Supervisor</u>	<u>Safety Awareness w/ Behavior-based safety</u>	<u>1</u>	<u>May 23-24, 2016</u>	<u>3</u>
<u>Supervisor</u>	<u>IIEE MID Year Convention</u>	<u>1</u>	<u>May 26-28, 2016</u>	<u>2</u>
<u>Supervisor</u>	<u>IECEP 66th National Mid Year Convention</u>	<u>1</u>	<u>May 18- 20, 2016</u>	<u>1</u>
<u>Supervisor</u>	<u>Infrared Thermography Certification Course</u>	<u>1</u>	<u>May 30- June 03, 2016</u>	<u>1</u>
<u>Supervisor</u>	<u>Infrays Seminar Workshop Series</u>	<u>1</u>	<u>March 17-18, 2016</u>	<u>1</u>
<u>Supervisor</u>	<u>Radiation Safety Course sealed in industrial devices</u>	<u>1</u>	<u>May 30- June 03, 2016</u>	<u>2</u>
<u>Supervisor</u>	<u>Mining Conference</u>	<u>1</u>	<u>May 23-24, 2016</u>	<u>8</u>
<u>Supervisor</u>	<u>HR 101 & 102</u>	<u>1</u>	<u>June 30, 2016</u>	<u>2</u>
<u>Supervisor</u>	<u>Mastering Pump Operation</u>	<u>1</u>	<u>October 3-5, 2016</u>	<u>2</u>
<u>Supervisor</u>	<u>GEOCONFERENCE</u>	<u>1</u>	<u>December 13-14, 2016</u>	<u>10</u>
<u>Supervisor</u>	<u>41st IIEE National Annual Convention</u>	<u>1</u>	<u>November 23-26, 2016</u>	<u>2</u>
<u>Supervisor</u>	<u>Basic Therapy Training</u>	<u>1</u>	<u>October 25-27, 2016</u>	<u>1</u>
<u>Supervisor</u>	<u>PSME 64TH National Convention</u>	<u>1</u>	<u>September 18, 2016</u>	<u>1</u>
<u>Supervisor</u>	<u>Basic Occupational Safety Training</u>	<u>1</u>	<u>September 18-23, 2016</u>	<u>2</u>
<u>Manager</u>	<u>Safety Awareness w/ Behavior-based safety</u>	<u>1</u>	<u>May 23-24, 2016</u>	<u>2</u>
<u>Manager</u>	<u>Mastering Pump Operation</u>	<u>1</u>	<u>October 3-5, 2016</u>	<u>1</u>
<u>Manager</u>	<u>GEOCONFERENCE</u>	<u>1</u>	<u>December 13-14, 2016</u>	<u>2</u>
<u>Manager</u>	<u>Basic Course in Occupational Medicine</u>	<u>1</u>	<u>Nov. 22- 29, 2016</u>	<u>1</u>
<u>Manager</u>	<u>Mandatory Continuing Legal Education</u>	<u>1</u>	<u>December 1-2, 2016</u>	<u>3</u>
<u>Manager</u>	<u>41st IIEE National Annual Convention</u>	<u>1</u>	<u>November 23-26, 2016</u>	<u>1</u>

- d. State the company's reward/compensation policy that accounts for the performance of the company beyond short-term financial measures

The compensation and benefits philosophy of the Company is aimed at paying for performance to promote motivation among employees to reward for collective and individual performance based on the achievement of their collective and individual objectives designed to cascade the strategic goals of the Company.

4. What are the company's procedures for handling complaints by employees concerning illegal (including corruption) and unethical behavior? Explain how employees are protected from retaliation.

Complaints concerning employee illegal and unethical behavior are handled following the Company's policy on grievance resolution and Code of Conduct Manual, where prompt resolution in an orderly manner and fair treatment in the investigation of the complaint are followed and applied.

A written discovery report or complaint is first submitted to the concerned authorities in the Company when thereafter investigation is conducted where the parties involved are given the chance to submit evidence in defense of their side. An evaluation of the facts and a hearing of the case by a committee is made and a recommendation on the appropriate action of the Company is submitted to the deciding authority for final approval within the prescribed time allowed where a written appeal for reconsideration may be filed.

By ensuring a fair and speedy evaluation of the case or complaint, the employees are provided protection from unwarranted retaliation.

I. DISCLOSURE AND TRANSPARENCY

1. Ownership Structure

a. Holding 5% direct shareholding or more as of December 31, 2016:

Shareholder	Number of Shares	Percent	Beneficial Owner
Prime Metroline Holdings, Inc.	2,511,329,207	40.32%	direct
PCD Nominee Corp.	2,425,458,620	38.95%	Indirect
Monte Oro Resources & Energy Inc.	564,730,109	9.07%	direct
Lakeland Village Holdings, Inc.	474,613,599	7.62%	direct
Devoncourt Estates, Inc.	423,904,339	6.81%	direct

Beneficial ownership of the Company's senior management as of December 31 2016:

Name of Senior Management	Number of Direct shares	Number of Indirect shares / Through (name of record owner)	% of Capital Stock
Ramon Y. Sy	44,598,406	none	0,72%
Walter W. Brown	83,590,578	none	1.34%
Modesto B. Bermudez	1	none	0,00%
Graciano P. Yumul, Jr.	1,000	none	0,00%
Noel V. Tanglao	1	none	0.00%
Silverio Benny J. Tan	20,010,000	none	0.32%
TOTAL	148,199,986		

2. Does the Annual Report disclose the following:

Key risks		<u>Yes</u>
Corporate objectives		<u>Yes</u>
Financial performance indicators		<u>Yes</u>
Non-financial performance indicators		<u>Yes</u>
Dividend policy	<i>(The Company does not have this policy)</i>	<u>No</u>
Details of whistle-blowing policy	<i>(The Company does not have this policy)</i>	<u>No</u>
Biographical details (at least age, qualifications, date of first appointment, relevant experience, and any other directorships of listed companies) of directors/commissioners		<u>Yes</u>
Training and/or continuing education programme attended by each director/commissioner	<i>(Not required)</i>	<u>No</u>
Number of board of directors/commissioners meetings held during the year	<i>(Not required)</i>	<u>No</u>
Attendance details of each director/commissioner in respect of meetings held	<i>(Not required)</i>	<u>No</u>
Details of remuneration of the CEO and each member of the board of directors/commissioners		<u>Yes</u>

Should the Annual Report not disclose any of the above, please indicate the reason for the non-disclosure.

3. External Auditor's fee

Name of auditor	Audit Fee	Non-audit Fee
Sycip Gorres Velayo & Co. (SGV)	<u>P3.3M</u>	<u>None</u>

4. Medium of Communication

List down the mode/s of communication that the company is using for disseminating information.

- Company website - www.apexmines.com
- PSE website - Reports, announcements and disclosures are uploaded to the website of the Philippine Stock Exchange (www.pse.com.ph)
- Print media - Press statements or publications are published in major newspapers of national circulation
- Postal mail - Apex Mining Co., Inc.
3304B West Tower, PSE Centre, Exchange Road
Ortigas Center, Pasig City, Philippines
(indicated in the Company's website and letterheads)
- Telephone - Tel: +63 2 706-2805/06
Fax: +63 2 706-2804
- email address - investorrelations@apexmining.com

5. Date of release of audited financial Report

The 2016 Audited Financial Statements report was submitted on May 2, 2017 and was posted in the Company's website the following day.

6. Company Website

Does the company have a website disclosing up-to-date information about the following?

Business operations	Yes
Financial statements/reports (current and prior years)	Yes
Materials provided in briefings to analysts and media (<i>No briefing has been conducted in 2016</i>)	N/A
Shareholding structure	Yes
Group corporate structure	Yes
Downloadable annual report	Yes
Notice of AGM and/or EGM	Yes
Company's constitution (company's by-laws, memorandum and articles of association)	Yes

Should any of the foregoing information be not disclosed, please indicate the reason thereto.

7. Disclosure of RPT

The disclosure on the Company's related party transactions is in Note 15 of the Notes to the Audited Consolidated Financial Statements for the year-ended December 31, 2016, as follows:

RPT	Relationship	Nature	Outstanding Value
<i>Due to related parties</i>	<i>Stockholders</i>	<i>Working capital advances</i>	<i>P2,507,262</i>
<i>Due from related parties</i>	<i>Stockholder</i>	<i>Working capital advances</i>	<i>P978,230,761</i>

When RPTs are involved, what processes are in place to address them in the manner that will safeguard the interest of the company and in particular of its minority shareholders and other stakeholders?

For related party transactions, as for all of the Company's other transactions, arm's length basis is followed. Appropriate Board approval is obtained before the transaction is done, considering that the Company's interest and therefore also that of the minority and other stockholders are protected. The transactions are also disclosed by the Company in its reports as may be necessary.

J. RIGHTS OF STOCKHOLDERS

1. Right to participate effectively in and vote in Annual/Special Stockholders' Meetings

a. Quorum

Give details on the quorum required to convene the Annual/Special Stockholders' Meeting as set forth in its By-laws.

Quorum Required	Section 5 of the Company's By-Laws – Quorum in any annual or special meeting of the stockholders shall consist of stockholders representing either in person or by proxy, a majority of the subscribed capital stock of the corporation, entitled to vote at such meeting except as otherwise specially provided by law or in the Articles of Incorporation. In the absence of a quorum, the stockholders attending or represented at the time and place at which such meeting shall have been called, or to which it may have been adjourned, or any officer entitled to preside at such meeting or to act as Secretary thereof, may adjourn such meeting for a period not exceeding thirty (30) days.
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b. System Used to Approve Corporate Acts

Explain the system used to approve corporate acts.

System Used	<u>Manual tabulation of proxies submitted by the shareholders (done by Stock Transfer Agent)</u>
Description	<p><u>(1) At least 15 business days prior to each shareholders' meeting, the Company provides all shareholders of record with the materials for the meeting, including a proxy form that enumerates all items on the Agenda and provides a space for each item for the shareholder to indicate "Yes," "No," or "Abstain." Brokers and custodian banks are likewise provided with a number of copies for shares held under PCD accounts.</u></p> <p><u>(2) Proxies are tabulated.</u></p> <p><u>(3) A motion is made and seconded for the approval of each item on the agenda requiring the vote of the shareholders. The votes are announced based on the proxy tabulation.</u></p> <p><u>(4) The Chairman inquires whether there are any objections from the shareholders present. If there are no objections, the Chairman declares the motion carried and the corporate act approved. If there are objections, the Chairman requests the Corporate Secretary to record the objection and proceed to approve the corporate acts. Please note that prior to the meeting, the votes per agenda item have been tallied.</u></p>

c. Stockholders' Rights

List any Stockholders' Rights concerning Annual/Special Stockholders' Meeting that differ from those laid down in the Corporation Code.

Stockholders' Rights under The Corporation Code	Stockholders' Rights not in The Corporation Code
	<i>None.</i>

Dividends

The Company has not declared any dividend within the past three years.

There is no restriction that would limit the Company's ability to pay dividends.

Declaration Date	Record Date	Payment Date
N/A	N/A	

d. Stockholders' Participation

1. State, if any, the measures adopted to promote stockholder participation in the Annual/Special Stockholders' Meeting, including the procedure on how stockholders and other parties interested may communicate directly with the Chairman of the Board, individual directors or board committees. Include in the discussion the steps the Board has taken to solicit and understand the views of the stockholders as well as procedures for putting forward proposals at stockholders' meetings.

Measures Adopted	Communication Procedure
Sending of Notice of Annual Stockholder's Meeting fifteen (15) business days prior to stockholders' meeting. The Notice of Meeting includes date, time, venue and agenda of the meeting, the record date of stockholders entitled to vote, and the date and place of proxy validation.	Mailing of Notice of Meeting, Agenda, Information Statement, and Annual Report to each stockholder. In addition, relevant information are posted and published in the following media: <ul style="list-style-type: none"> • PSE website • Company website • Newspapers of general circulation
Each share entitles the holder to one vote that may be exercised in person or by proxy at shareholder meetings, including the Annual Stockholders' Meeting. Shareholders have the right to ask for information, propose, and vote on corporate acts in accordance with the relevant provisions of the Corporation Code.	During the Stockholders meeting, for each item in the agenda, the Chairman opens the floor for any questions that the stockholders may have. Any other person entitled by the law, may take the floor on the matters under discussion, making observations, asking for information, and make proposals for the Company's consideration.

2. State the company policy of asking shareholders to actively participate in corporate decisions regarding:
 - a. Amendments to the Company's constitution
 - b. Authorization of additional shares
 - c. Transfer of all or substantially all assets, which in effect results in the sale of the company

The Company adopts the relevant provisions of the Corporation Code with regard to obtaining shareholders' approval on above matters.

3. Does the company observe a minimum of 21 business days for giving out of notices to the AGM where items to be resolved by shareholders are taken up?
 - a. Date of sending out notices: June 9, 2016
 - b. Date of the Annual/Special Stockholders' Meeting: June 30, 2016

4. State, if any, questions and answers during the Annual/Special Stockholders' Meeting.

The questions and answers are recorded in the Minutes of the Stockholders' meeting.

5. Result of Annual/Special Stockholders' Meeting's Resolutions

The Company's 2016 Annual Stockholders' Meeting was held on 30 June 2016 with the following results:

Resolution	Approving	Dissenting	Abstaining
Approval of minutes of previous stockholders' meeting	<u>78.1%</u>		
Approval of annual reports and Audited Financial Statements for the year 2015	<u>78.1%</u>		
Ratification and approval of acts of the Board of Directors and executive officers	<u>78.1%</u>		
Election of Directors	<u>78.1%</u>		
Appointment of Sycip, Gorres Velayo & Co. as independent auditors	<u>78.1%</u>		

6. Date of publishing of the result of the votes taken during the most recent AGM for all resolutions:

The results of the June 30, 2016 Annual Stockholders' Meeting were covered by a report dated as the same date, announced through the PSE Edge System on July 1, 2016.

e. Modifications

State, if any, the modifications made in the Annual/Special Stockholders' Meeting regulations during the most recent year and the reason for such modification:

Modifications	Reason for Modification
N/A	
N/A	

f. Stockholders' Attendance

(i) Details of Attendance in the Annual/Special Stockholders' Meeting Held:

Type of Meeting	Names of Board members / Officers present	Date of Meeting	Voting Procedure (by poll, show of hands, etc.)	% of SH Attending in Person	% of SH in Proxy	Total % of SH attendance
Annual	Ramon Y. Sy Water W. Brown Noel Tanglao Graciano P. Yumul, Jr. Joselito H. Sibayan Modesto B. Bermudez Rosanna A. Parica Silverio Benny Tan Renato N. Migrino	<u>June 30, 2016</u>	<u>Upon motion duly approved.</u>	<u>2%</u>	<u>76%</u>	<u>78%</u>
Special	None.					

- (ii) Does the company appoint an independent party (inspectors) to count and/or validate the votes at the ASM/SSMs?

There is a Committee of Inspectors composed of the Company's Corporate Secretary, and official representatives from the Company's external auditors, SGV & Co., and stock transfer agent, Banco De Oro Unibank, Inc. Stock & Transfer Agent.

- (iii) Do the company's common shares carry one vote for one share? If not, disclose and give reasons for any divergence to this standard. Where the company has more than one class of shares, describe the voting rights attached to each class of shares.

Yes, the Company's common shares carry one vote for every one share.

g. Proxy Voting Policies

State the policies followed by the company regarding proxy voting in the Annual/Special Stockholders' Meeting.

	Company's Policies
Execution and acceptance of proxies	<p>Proxy voting is provided for in the Company's By-Laws and in the Corporation Code, which state as follows:</p> <p>Sec.58. The Corporate code:</p> <p>Proxies. Stockholders and members may vote in person or by proxy in all meetings of stockholders or members. Proxies shall in writing, signed by stockholder or member and filed before the scheduled meeting with the corporate secretary. Unless otherwise provided in the proxy, it shall be valid only for meeting for which it is intended. No proxy shall be valid and effective for a period longer than five (5) years at any one time.</p> <p>Section 6. By-Laws:</p> <p>Stockholders may vote or all meetings in person or by proxy duly given in writing and presented to the Secretary for validation/recording and/or inspection, as the case may be, at least three (3) calendar days before the scheduled date of the meeting. The form, use, solicitation and other data required for valid proxy shall be governed by the Proxy Rule as implemented by the Securities and Exchange Commission.</p>
Notary	
Submission of Proxy	
Several Proxies	
Validity of Proxy	
Proxies executed abroad	
Invalidated Proxy	
Validation of Proxy	
Violation of Proxy	

h. Sending of Notices

State the company's policies and procedure on the sending of notices of Annual/Special Stockholders' Meeting.

Policies	Procedure
SEC Form 201S Definitive Information Statement accompanied or preceded by the Management Report are sent to stockholders at least fifteen (15) business days prior to the Annual Stockholders' Meeting.	<p><u>(1) The Company's Board approves the date, time and venue of the annual stockholders' meeting which are appropriately disclosed to the PSE and SEC as well as posted on the Company's website.</u></p> <p><u>(2) The notice of the meeting is published in at least one newspaper with the highest circulation nationwide at least once.</u></p> <p><u>(3) Copies of all materials for the meeting, including the notice, are posted on the Company website, uploaded to the PSE disclosure system, and submitted to the SEC.</u></p> <p><u>(4) For shares held under PCD accounts, notices are delivered to custodian banks and brokers of such number of sets of materials as are needed to provide their clients with copies.</u></p> <p><u>(5) For shareholders with addresses in Metro Manila, a courier service is engaged to personally deliver copies at the shareholder's address per corporate records.</u></p> <p><u>(6) For shareholders with addresses outside of Metro Manila, the notice and materials are sent by mail, postage prepaid.</u></p>

i. Definitive Information Statements and Management Report

Number of Stockholders entitled to receive Definitive Information Statements and Management Report and Other Materials	<u>2,808 per May 31, 2016 record date</u>
Date of Actual Distribution of Definitive Information Statement and Management Report and Other Materials held by market participants/certain beneficial owners	<u>June 9, 2016</u>
Date of Actual Distribution of Definitive Information Statement and Management Report and Other Materials held by stockholders	<u>June 9, 2016</u>
State whether CD format or hard copies were distributed	CD format
If yes, indicate whether requesting stockholders were provided hard copies	Yes

j. Does the Notice of Annual/Special Stockholders' Meeting include the following:

Each resolution to be taken up deals with only one item.	Yes
Profiles of directors (at least age, qualification, date of first appointment, experience, and directorships in other listed companies) nominated for election/re-election.	Yes
The auditors to be appointed or re-appointed.	Yes
An explanation of the dividend policy, if any dividend is to be declared.	No, <u>No Dividend was declared</u>
The amount payable for final dividends.	No, <u>No Dividend was declared</u>
Documents required for proxy vote.	Yes

Should any of the foregoing information be not disclosed, please indicate the reason thereto.

Yes, all these information are disclosed.

2. Treatment of Minority Stockholders

a. State the company's policies with respect to the treatment of minority stockholders.

Policies	Implementation
<p>The Board shall respect the rights of the stockholders as provide for in the Corporation Code, namely:</p> <ul style="list-style-type: none">I. Right to vote in all matters that require their consent or approval;II. Pre-emptive right to all stock issuances of the corporation;III. Right to inspect corporate books and records;IV. Right to information;V. Right to Dividends;VI. Appraisal Rights. <p>The Board should be transparent and fair in the conduct of the annual and special stockholders' meetings of the corporation. The stockholders should be encourages to personally attend such meetings. If they cannot attend, they should be apprised ahead of time of their right to appoint a proxy. Subject to the requirements of the By-Laws, the exercise of that right shall not be unduly restricted and any doubt about the validity of a proxy should be resolved in the stockholder's favor.</p>	<p><u>Information properly requested by minority shareholders are provided.</u></p> <p><u>Questions asked by minority shareholders are answered during stockholders meeting.</u></p> <p><u>They are given a copy of the Information Statement and the Annual Report.</u></p> <p>Shareholders are informed at least 15 business days before the scheduled date of the Annual Stockholders' Meeting.</p>

b. Do minority stockholders have a right to nominate candidates for board of directors?

Yes, the minority stockholders have the right to nominate candidates for Board of Directors.

K. INVESTORS RELATIONS PROGRAM

1. Discuss the company's external and internal communications policies and how frequently they are reviewed. Disclose who reviews and approves major company announcements. Identify the committee with this responsibility, if it has been assigned to a committee.

The Company complies with the disclosure rules of the SEC and PSE whereby announcements and public communications are issued as and when necessary.

Periodic disclosures on operating and financial results are reviewed and approved by the Board.

Occasional disclosures on unusual or extraordinary matters are approved by the President & CEO or the Board as may be necessary under the circumstances.

2. Describe the company's investor relations program including its communications strategy to promote effective communication with its stockholders, other stakeholders and the public in general. Disclose the contact details (e.g. telephone, fax and email) of the officer responsible for investor relations.

	Details
<p>(1) Objectives:</p> <p><u>To create and maintain good relationship with shareholders.</u></p> <p><u>To make sure shareholders get timely, relevant, material information at any time.</u></p>	<ol style="list-style-type: none"> <u>1. Maintains a website with relevant and up-to-date information about the Company (www.apexmines.com)</u> <u>2. Engaged BDO Stock Transfer to assist stockholders and address their concerns in timely manner.</u> <u>3. Provides contact details of the Company at its website.</u> <u>4. Entertains visits to the Head Office and phone /email inquiries.</u>
<p>(2) Principles:</p> <p><u>Transparency and fairness in dealings with investors</u></p>	<ol style="list-style-type: none"> <u>1. Provides the stock market, through the PSE and the SEC, with essential, accurate, sufficient and timely information about the Company.</u> <u>2. The Company endeavors to answer questions and concerns of the stockholders/ investors.</u>
<p>(3) Modes of Communications</p>	<p><u>By email, postal mail, courier, print media, press briefings, telephone calls, or personal visit.</u></p>
<p>(4) Investors Relations Manager</p>	<p><u>The AVP for Corporate Affairs primarily handles the Investor Relations functions for the Company.</u></p> <p><u>Stockholders can send queries to the following:</u></p> <p><u>STOCK TRANSFER AGENT:</u> <u>Ms. Ma. Cecilia T. Arce</u> <u>BDO TIG - Securities Services & Corporate Agencies Dept.</u> <u>Banco De Oro Unibank, Inc., 7899 Makati Avenue, Makati City</u> <u>Tel. No. 878-4829; email address : arce.maricel@bdo.com.ph</u></p> <p><u>OFFICE OF THE CORPORATE SECRETARY</u> <u>Atty. Silverio Benny Tan</u> <u>Picazo Buyco Tan Fider & Santos Law Office</u> <u>Penthouse, Liberty Center</u> <u>104 HV Dela Costa Street, Salcedo Village, Makati</u> <u>Tel No. 888-0999</u></p> <p><u>HEAD OFFICE</u> <u>Ms. Elisa R. Dunaga</u> <u>Assistant Vice President for Corporate Affairs</u> <u>3304B West Tower, PSE Center</u> <u>Exchange Road, Ortigas Center, Pasig City</u> <u>Tel No. 706-2805; email address : investorrelations@apexmining.com</u></p>

3. What are the company's rules and procedures governing the acquisition of corporate control in the capital markets, and extraordinary transactions such as mergers, and sales of substantial portions of corporate assets?

Name of the independent party the Board of Directors of the Company appointed to evaluate the fairness of the transaction price.

The Company follows the relevant provisions of the Corporation Code and PSE rules regarding these matters. Independent party/ies are consulted or engaged to evaluate fairness of the transaction price.

For 2016, there was no such transaction.

L. CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

Discuss any initiative undertaken or proposed to be undertaken by the company.

Initiative	Beneficiary
<p>HEALTH AND SANITATION PROGRAM</p> <p>a. Medicine Assistance b. Ambulance Transportation c. Medical Mission and Outreach Program (Blood Letting, Operation Tuli and Gamot sa Barangay)</p>	<ul style="list-style-type: none"> Residents from 8 host barangays were provided with free medical consultations and medicines. The Company also extends medical assistance to neighboring communities. The 8 host barangays are: 1) Teresa 2) Masara 3) Mainit 4) Taqbaros 5) Elizalde 6) New Barili 7) New Leyte 8) Golden Valley. Continues to financially support medical personnel for 4 health centers: AMCI Clinic, Elizalde Lying-in Clinic, Masara and Taqbaros health centers in the form of salary and salary augmentation. 6,540 patients were given free medical check-ups and medicine Provided ambulance transport for 222 patients that need further medical treatment to tertiary hospitals Conducted 14 medical and health-related activities such as medical and dental outreach programs, blood-letting activities, and circumcisions.
<p>EDUCATIONAL ASSISTANCE</p> <p>a. Scholarship Grants b. Students Transportation</p>	<ul style="list-style-type: none"> Adopted 14 schools in the mining community. Sponsored 45 scholars of the Industrial Technician Program of the Center of Industrial Technology and Enterprise (CITE) in San Jose, Cebu Sponsored 41 college students, 9 of which are enrolled in mining-related courses Sponsored 12 scholars attending automotive servicing training at KorPhil Training Center, Tibunqco, Davao City. Augmented the salaries of school teachers. Donated school supplies and materials. Volunteered for Brigada Eskwela to improve school facilities. Donated school bags with school supplies to 1,650 elementary school pupils. Provides free bus transportation to transport local students to/from their respective schools and residences. This includes pupils from Teresa Elementary School, New Leyte National High School- Teresa Campus, Elizalde National High School and Thompson Christian School.
<p>LIVELIHOOD ASSISTANCE</p> <p>a. Sustainable Agriculture (Cacao, Coffee, Rubber and Corn) b. Community-based entrepreneurship training for women</p>	<ul style="list-style-type: none"> Conducted various livelihood programs which not only provides employment and income to the host communities, but also provides cost-effective supply to Apex daily operations. Partnered with community organizations such as the Farmers Association, Rural Workers' Association, and Women's Association. All beneficiaries are mandated to undergo organizational and capacity enhancement training to ensure that their programs are sustainable and up to standard.

<p>c. Conventional Contractors and Ayuda Program Assistance</p>	<ul style="list-style-type: none"> • <u>Distributed cacao seedlings to religious groups, and upland farmers from Barangay Gubatan, Barangay New Leyte, and Barangay Elizalde.</u> • <u>Organized 16 Small Miners Groups (previously engaged into illegal mining operations) and institutionalized them to work at Company's supervision. 425 miners were given livelihood opportunity as Conventional Contractors and Ayuda Program Beneficiaries.</u>
<p>PUBLIC INFRASTRUCTURE</p> <p>a. Village Resettlement site b. Cash for work program c. Road Maintenance</p>	<ul style="list-style-type: none"> • <u>Developed a relocation site for families residing in Barangays Teresa and Masara in Barangay Elizalde, Maco. The site has 90.41 sq.m. 2-bedroom loft-style houses, complete with facilities and amenities for daily living. The development includes drainage and sewage systems, village access roads, and water system for the entire village.</u> • <u>Cash-for-Work for Public Infrastructure Maintenance - Sixty-six (66) locals, whose project contract with the Company has ended, were accommodated under this program in order to sustain their sources of living. They are now engaged in various civic works such as street sweeping, roadside vegetation clearing, brushing, drainage maintenance, pulot bakal, among others.</u> • <u>Regular de-silting of Masara and Hijo rivers is continuously implemented. This is to prevent flooding within the affected communities along the Masara Lines namely Barangay Taqbaros, Elizalde, Masara, Mainit, and Panibasan.</u>
<p>SOCIO-CULTURAL AND RELIGIOUS SUPPORT</p> <p>a. Community Development b. Community Transportation c. Immaculate Concepcion Quasi Parish in Elizalde d. Maco Parish e. Shuttle Buses f. Faith and Development Program</p>	<ul style="list-style-type: none"> • <u>Constructed the Immaculate Conception Parish church in Barangay Elizalde, Maco, through the support of Apex.</u> <p><u>Other socio-cultural and religious support activities</u></p> <ul style="list-style-type: none"> • <u>anniversary events</u> • <u>wedding activities</u> • <u>nutrition programs</u> • <u>assistance to the general constituency</u> • <u>blood-letting activities</u> • <u>fiesta support</u>
<p>INFORMATION EDUCATION AND COMMUNICATION (IEC)</p> <p>a. General IEC Activities b. Bayanihan sa Kaarunungan Program c. Printed Newspaper- Local Circulation</p>	<ul style="list-style-type: none"> • <u>Provided equipment for efficient barangay service and information delivery such as a laptop, a projector, and 5 motorcycles to Barangays New Leyte, Teresa, Elizalde, Taqbaros, and Golden Valley.</u> • <u>Conducts symposium, community assemblies, focus group discussions, and the likes for hosts and neighboring communities to institutionalize greater public awareness in responsible mineral development, company updates, among others.</u> • <u>Adopted two schools at Mawab and Muntevista, all in Compostela Valley Province. The adopted schools were provided with various books and reading materials for the improvement of their respective libraries.</u>
<p>DEVELOPMENT OF MINING TECHNOLOGY AND GEOSCIENCES (DMTG)</p> <p>a. Student Summer Training Program b. Barangay profiling Survey</p>	<ul style="list-style-type: none"> • <u>Sponsored 32 student-trainees under the Student Summer Training Program (SSTP) for Mining and Non-mining -related courses from different schools in the Philippines, 39 on-the-job trainees, and 9 mining-related course scholars taking up BS Mining Engineering, BS Geology, and BS Metallurgical Engineering.</u> • <u>Conducted family surveys to 7 host barangays to determine the socio-economic information of the community. Said data shall be the baseline information for the Company, the BLGU and MLGU as a planning tool.</u>
<p>ENVIRONMENTAL PROTECTION PROGRAM</p> <p>a. Apex nursery b. River clean-up c. Hauling of domestic wastes d. Desilting of creeks</p>	<ul style="list-style-type: none"> • <u>Operates and maintains a huge nursery farm mainly consisting of various tree seedlings, tilapia and catfish fish ponds, piqery, goats, chickens, and turkey.</u> • <u>A total of 362,157 assorted seedlings were produced during the year.</u>

	<ul style="list-style-type: none"> • <u>Donated a total of 37,400 assorted seedlings to the LGU's, DENR, civic organizations, barangay councils, schools, and private individuals over an area of approximately 74.81 hectares.</u> • <u>18,142 seedlings were planted over an area of 24.29 has. to enhance and rehabilitate disturbed areas. 872 Mahogany and Bamboo seedlings were also planted.</u> • <u>Provides social services to the local communities: desilting of various creeks and ponds, maintenance of drainage canals, construction of riprapping/ gabioning to stabilize slopes and riverbanks, 6,957 kilos of garbage were collected during river clean-up activities.</u>
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M. BOARD, DIRECTOR, COMMITTEE AND CEO APPRAISAL

Disclose the process followed and criteria used in assessing the annual performance of the board and its committees, individual director, and the CEO/President.

The Board may create an internal self-rating system that can measure the performance of the Board and Management in accordance with the criteria provided for in the Company's Revised Manual on Corporate Governance.

	<i>Process</i>	<i>Criteria</i>
<i>Board of Directors</i>	<i>Self-assessment and rating</i>	<i>CG Manual, Article 7</i>
<i>Board Committees</i>	<i>Self-assessment and rating</i>	<i>CG Manual, Article 7</i>
<i>Individual Directors</i>	<i>Self-assessment and rating</i>	<i>CG Manual, Article 7</i>
<i>CEO/President</i>	<i>Self-assessment and rating</i>	<i>CG Manual, Article 7</i>

N. INTERNAL BREACHES AND SANCTIONS

Discuss the internal policies on sanctions imposed for any violation or breach of the corporate governance manual involving directors, officers, management and employees.

The Company's Revised Manual on Corporate Governance provides for the Compliance Officer to monitor compliance and recommend the imposition of appropriate disciplinary actions on the responsible parties for Board approval.


Violations	Sanctions
<u>None</u>	

Pursuant to the requirement of the Securities and Exchange Commission, this Annual Corporate Governance Report is signed on behalf of the registrant by the undersigned, thereunto duly authorized, in the City of Pasig on May 30, 2017.

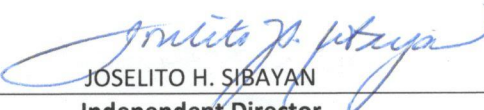
SIGNATURES



 RAMON Y. SY
 Chairman of the Board



 WALTER W. BROWN
 Chief Executive Officer



 JOSELITO H. SIBAYAN
 Independent Director



 DENNIS A. UY
 Independent Director



 RENATO N. MIGRINO
 Compliance Officer

JUN 01 2017

SUBSCRIBED AND SWORN to before me this _____ day of _____ 2017, affiant(s) exhibiting to me their valid IDs, as follows:

NAME/NO.	DATE OF ISSUE	PLACE OF ISSUE	
Ramon Y. SY	Passport No. EC1182131	May 22, 2014	DFA, NCR South
Walter W. Brown	Passport No. EC7723602	May 16, 2016	DFA, NCR East
Joselito H. Sibayan	Passport No. EB7677814	Mar. 7, 2013	DFA, Manila
Dennis A. Uy	Passport No. EB5551758	June 2, 2012	DFA, Manila
Renato N. Migrino	Passport No. EC3403742	Feb. 7, 2015	DFA, NCR South

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 Page : 89
 Book : 114
 Series of : 2017

ATTY. JCSE B. DULNUAN
NOTARY PUBLIC
 FOR THE CITY OF MANDALUYONG
 Until December 31, 2017
 COMMISSION NO. 0458-16
 IBP Lifetime No. 0016085 / Pasig City, 4-27-2017
 PTR NO. 69252527, 1-3-17, Cainta, Rizal
 ROLL NO. 26304 **NOTARY PUBLIC**
 MCLE COMP. NO. V-0022171, 6-15-16
 VALID UNTIL 04-14-2019
 D-22-AB GUEVENTVILLE II, 52 D.M.
 GUEVARA ST., MANDALUYONG CITY
 Tel No. 532-8858, 5334664
 Email Add: jcdulnuan@gmail.com