

PXP Energy Corporation
Corporate Governance and Related Party Transactions
Committee Charter

I. Introduction

This Charter of the Corporate Governance and Related Party Transactions Committee (the “Committee”) of **PXP Energy Corporation** (the “Company”) sets forth the Committee’s purposes, authority, duties and responsibilities, structure and procedures, which shall guide the Committee as prescribed by the Revised Manual on Corporate Governance (“RMCG”). The Committee shall conduct an annual review and assessment of this Charter, and recommend to the Company’s Board of Directors (the “Board”) revisions, as it may deem necessary and beneficial to the efficient performance of its functions.

II. Purposes, Authority, Duties and Responsibilities

1. Purposes

1.1 Corporate Governance

The Committee is to assist the Board in performing the corporate governance duties as required under the CG Manual, Code of Corporate Governance of the Securities and Exchange Commission (SEC), and the Corporate Governance Guidelines and the listing rules of the Philippine Stock Exchange (PSE).

1.2 Related Party Transaction (“RPT”)

The Committee is to assist the Board in reviewing all material related party transactions of the Company.

2. Authority

- 2.1 The Committee shall report directly to the Board on its decision or recommendation.
- 2.2 The Committee may require Management to provide it with such corporate records and other documents as may be necessary or appropriate for the Committee to discharge its functions effectively.
- 2.3 The Committee is authorized to obtain external legal and other independent professional firms with relevant experience and expertise, to assist and advise the Committee on matters it considers necessary. The Committee shall in consultation with the Board have authority to approve all reasonable related fees and terms of engagement of the external advisers/consultants, which fees shall be borne by the Company.

3. Duties and Responsibilities

3.1. Corporate Governance

The Committee is tasked with ensuring compliance with and proper observance of the corporate governance principles and practices. It has the following duties and functions, among others:

- a. Oversees the implementation of the corporate governance framework and periodically reviews the said framework to ensure that it remains appropriate in light of material changes to the Company's size, complexity and business strategy, as well as its business and regulatory environments;
- b. Oversees the periodic performance evaluation of the Board and its committees as well as selected key officers of the Company (Chief Executive Officer; Chief Compliance Officer; Chief Risk Officer and Chief Audit Executive), and conducts an annual self-evaluation of its performance;
- c. Ensures that the results of the Board evaluation are shared, discussed, and that concrete action plans are developed and implemented to address the identified areas for improvement;
- d. Recommends continuing education/training programs for directors;
- e. Adopts corporate governance policies and ensures that these are reviewed and updated regularly, and consistently implemented in form and substance;
- f. Proposes and plans relevant trainings for the members of the Board;

3.2. Related Party Transactions

The Committee is tasked with reviewing all material related party transactions of the Company. It has the following duties and functions, among others:

- a. Evaluate, on a continuing basis, existing relationships between and among businesses and counterparties to ensure that all related parties are regularly identified, RPTs, as defined under the RPT Policy, are monitored, and subsequent changes in relationships with counterparties (from non-related to related and vice versa) are captured. Related parties, RPTs and changes in relationships should be reflected in the relevant reports to the Board;
- b. Evaluate all material RPTs to ensure that these are not undertaken on more favorable economic terms (e.g., price, commissions, interest rates, fees, tenor, collateral requirement) to such related parties than similar transactions with non-related parties under similar circumstances and that no corporate or business resources of the company are misappropriated or misapplied, and to determine any potential reputational risk issues that may arise as a result of or in connection with these transactions. In evaluating RPTs, the Committee shall take into account, among others, the following:

- i. The related party's relationship to the Company and interest in the transaction;
 - ii. The material facts of the proposed RPT, including the proposed aggregate value of such transaction;
 - iii. The benefits to the Company of the proposed RPT;
 - iv. The availability of other sources of comparable products or services; and
 - v. An assessment of whether the proposed RPT is subject to terms and conditions that are comparable to the terms generally available to an unrelated party under similar circumstances. The Company should exercise due diligence in determining a fair price for RPTs;
- c. Report to the Board of Directors on a regular basis, the status and aggregate exposure to each related party, as well as the total amount of exposure to all related parties;
 - d. Ensure that transactions with related parties, including write-off of exposure, are subject to an annual independent review; and
 - e. Oversee the implementation of the system for identifying, monitoring, measuring, controlling, and reporting RPTs, including a periodic review of RPT policies and procedures.

4. RPT Guidelines

In the review and approval of RPT, the Committee shall at all times abide by the following standards:

- 4.1. That the RPT is "fair and at arm's length" as defined under the Company's RPT Policy; and
- 4.2. That the RPT is in the best interest of the Company and its stockholders, based on relevant circumstances which include as follows:
 - a. Basic terms of the transaction and the related party's interest in the transaction;
 - b. Purpose and timing of the transaction;
 - c. Nature of the Company's participation in the transaction;
 - d. Cost basis and other relevant information if involving sale of assets;
 - e. Information on potential counterparties in the transaction including market price for similar products and services;
 - f. Description of any provisions or limitations that may be imposed as a result of the transaction; and,

- g. Any potential reputational risk issues that may arise as a result of or in connection with the transaction.

DEFINITION

Definition of Related Party (based on International Financial Reporting Standards):

A related party is defined as any entity that falls under any of the following situations:

- Associate. The party is an associate of PXP Energy Corporation
- Common control. The party is, directly or indirectly, either under common control with PXP Energy Corporation entity or has significant or joint control over PXP Energy Corporation.
- Family member. The party is a close family member of a person who is part of key management personnel or who controls PXP Energy Corporation. A close family member is an individual's domestic partner and children, children of the domestic partner, and dependents of the individual or the individual's domestic partner.
- Individual control. The party is controlled or significantly influenced by a member of key management personnel or by a person who controls PXP Energy Corporation.
- Joint venture. The party is a joint venture in which PXP Energy Corporation is a venture partner.
- Key management. The party is a member of a PXP Energy Corporation's or its parent's key management personnel.
- Post-employment plan. The party is a post-employment benefit plan for the PXP Energy Corporation's employees.

For purposes of this Charter, a Material and/or Significant RPT is defined as a transaction with a Related Party that involves an aggregate amount or value equal to or greater than Fifty Million Pesos (P50Million) over one calendar year ("Material and/or Significant RPT).

III. Composition

1. The Committee shall have a minimum of three (3) Members, each of whom, including the Chairman thereof shall be appointed by the Board.
2. The majority of the members of the Committee (the "Members") shall be independent directors of the Company.
3. The office of a Member shall *ipso facto* be vacated:

Approved by the Board of Directors
on May __, 2017

- i. if he resigns as a Member of the Committee or of the Board;
- ii. if he is removed by a resolution of the Board;
- iii. if he is declared to be incompetent or of unsound mind; or
- iv. if he is subsequently disqualified from becoming a Member.

A Member shall be disqualified from being part of the Committee during the remainder of his tenure if, upon determination by the Board or Nomination Committee, he ceases to meet the qualifications for directorship, or he becomes disqualified from directorship based on any grounds for disqualification set forth in the Company's RMCG.

- 4. The Board may, from time to time, vary the composition of the Committee as may be required by the Securities and Exchange Commission (SEC) or other codes, rules and regulations as may be prescribed by the applicable regulatory authority.
- 5. The Company's Corporate Secretary or his/her nominee shall be the Secretary of the Committee.

IV. Committee Procedures

1. Meetings

1.1 Frequency

The Committee shall meet at least once in a calendar year. In addition, the Committee's Chairman may convene additional meetings at his discretion, and at such other time as the Committee may consider appropriate and necessary to perform its responsibilities.

1.2 Notice

- a. Notice of any meetings of the Committee will be given at least five (5) days prior to any such meeting being held unless all Members unanimously waive such notice; provided however that the Chairman of the Committee, *motu proprio* or at the request of the Chairman of the Board or of the CEO, may call the meeting at shorter notice when the circumstances so require. Irrespective of the length of notice being given, attendance in a meeting by a Member shall be deemed a waiver of the notice requirement.
- b. Each Member shall give to the Secretary of the Committee a mailing address, an electronic mail address (e-mail) and a facsimile number for the service of notices of meetings of the Committee.
- c. Notice of a meeting of the Committee shall be deemed duly served upon a Member if it is given to him personally, or sent to him by mail, e-mail or facsimile transmission to his address or facsimile number on file with by the Secretary of the Committee.

1.3 Quorum

A majority of the members of the Committee shall constitute a quorum, provided that the majority must always include an independent, non-executive director.

If after the lapse of thirty (30) minutes from the scheduled time of the meeting, a quorum is not reached, the meeting shall be adjourned until such date, time and place as the Chairman may determine.

2. Attendance

2.1 The Committee may invite the Chairman of the Board, other Directors, external advisers and/or any other persons who have specific responsibility for, or interest or expertise in, the subject under review to attend all or part of any meetings of the Committee.

2.2 Members may participate in a meeting through tele/ videoconferencing in accordance with the provisions of Securities and Exchange Commission Memorandum Circular No. 15 dated November 20, 2001.

2.3 Only Members are entitled to vote at Committee meetings.

2.4 In the absence of the Chairman and/or an appointed deputy, the remaining Members present shall elect one of the Members to chair the Committee meeting.

3. Escalation

The Committee shall timely refer to the Board its recommendations or decisions which require ratification or approval by the Board or as it may deem necessary or proper.

4. Resolutions

4.1 Every resolution of at least a majority of the Members present during the meeting at which a quorum is present shall be valid.

4.2 A resolution in writing signed by all Members shall be as valid and effective for all purposes as a resolution of the Committee passed at a meeting of the Committee duly convened, held and constituted. A written notification of confirmation of such resolution in writing sent by a Member shall be deemed to be his signature to such resolution in writing for such purpose. Such resolution in writing may be signed in counterparts.

5. Minutes and Records

- 5.1 The Secretary of the Committee shall keep full minutes of all Committee meetings. Draft minutes of meetings of the Committee shall be sent to all Members for their comments within a reasonable time after the meeting. Final version of the minutes, duly signed by the Chairman, shall be sent to all Members for their records.
- 5.2 The Secretary of the Committee shall keep the following records:
- a. appointments and resignation of the Members;
 - b. all agenda and other documents sent to the Members;
 - c. minutes of proceedings and meetings of the Committee; and,
 - d. such other documents as may be necessary in the performance of the Committee's functions.
- 5.3 Any such records shall be open for inspection by any Member at reasonable hours on business days. Demands for inspection must be made in good faith and for a legitimate purpose. Any cost arising from the conduct of inspection shall be borne by the Member requesting for inspection.
- 5.4 Minutes of any meeting of the Committee, if purported to be signed by the Chairman of such meeting, or by the Chairman of the next succeeding meeting, shall be conclusive evidence of the proceedings and resolutions of such meeting.

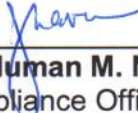
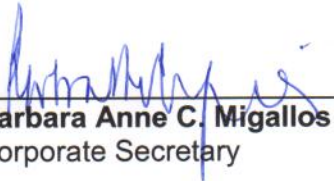
V. Remuneration of Members

Except for the reasonable per diems approved by the Board for such purposes, no fees or other remuneration shall be payable to the Members in respect of their services under this Charter.

No fees or compensation shall be paid directly or indirectly to any Member or his firm for consultancy or advisory services rendered to the Company directly by the Member or indirectly through his firm. However, this prohibition shall not apply to ordinary compensation paid to a Member or his firm in respect of any business relationship or transaction determined to be at arm's length terms and could not materially interfere with or influence the exercise of his independent judgment.

VI. Amendment

This Charter shall not be amended, altered or varied unless such amendment, alteration or variation shall have been approved by a resolution of the Board.

<p>Marilyn A. Victorio-Aquino Chairman – Corporate Governance Committee</p> <p>Date: _____</p>	<p> Paraluman M. Navarro Compliance Officer</p> <p>Date: <u>30 May 2017</u></p>	<p> Barbara Anne C. Migallos Corporate Secretary</p> <p>Date: <u>May 30, 2017</u></p>
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APPROVED BY THE BOARD OF DIRECTORS
ON MAY 30 2017