



PHILIPPINE NATIONAL OIL COMPANY

PNOC Building VI, Energy Center, Rizal Drive, BGC, Taguig City, Philippines Tel. No. (632) 789-7662

SECRETARY'S CERTIFICATE

The undersigned, **ATTY. ANTONIO G. BUENVIAJE**, Corporate Secretary of the Philippine National Oil Company (hereinafter, **PNOC**), a corporation with original charter created under P. D. 334, as amended, with principal office at PNO Building 6, Energy Center, Rizal Drive, Bonifacio Global City, Taguig, Metro Manila,

HEREBY CERTIFIES AND STATES THAT:

In its regular meeting held on 21 April 2017, the PNO Board of Directors has approved and adopted for implementation the PNO Whistleblowing Policy proposed by the Administrative Services Department. The Policy appears as Annexes "1" to "1-6" hereof.

This Secretary's Certificate is hereby issued upon the request of the Administrative Services Department in advance of its ratification at the next meeting.

Done this 26th day of April 2017 at Taguig, Metro Manila.

ATTY. ANTONIO G. BUENVIAJE
Corporate Secretary

SUBSCRIBED AND SWORN TO before me this APR 26 2017
2017 at Taguig, Metro Manila, Affiant, in his capacity as Corporate Secretary of PNO, exhibiting to me his Driver's License No. N02-02-001249 expiring on 15 December 2019, issued at East Avenue, Quezon City.

Doc. No. 206 ;
Page No. 17 ;
Book No. 64 ;
Series of 2017.

ATTY. ISIDRO V. ALMENTEROS
NOTARY PUBLIC
Until December 31, 2018
1626 Estrada Street, San Andres Bukid, Manila
IEP OR No. 1022345 / MLA / October 25, 2016
(Cover Calendar Years 2017 and 2018)
PTR (2017) No. 5989208 / MLA / December 29, 2016
MCLE COMPLIANCE No. V, May 4, 2015
Attorney's Roll No. 34272

PHILIPPINE NATIONAL OIL COMPANY

WHISTLEBLOWING POLICY

I Purpose

Pursuant to Governance Commission for GOCCs (GCG) Memorandum Circular No. 2016-02, the Philippine National Oil Company (PNOC) hereby adopts a Whistleblowing Policy that applies to all its Directors, Officers and regular employees

PNOC is committed to adhere to the highest standards of ethical, moral and legal conduct in the operation of its business.

To maintain these standards, it is the policy of the PNOC to:

1. Encourage employees to report internally any suspected or actual commission of theft/fraud, violation of ethical standard, law, rule or regulation and/or any misconduct by its Directors, officers or staff,
2. Conduct prompt and thorough investigation of any alleged/reported commission of theft/fraud and/or violation and take appropriate corrective and/or administrative action after the conduct of the appropriate due process as required by law.
3. Protect the employee/whistleblower against retaliation, discrimination, harassment or adverse personnel action, for reporting in good faith, a suspected or actual violation. In addition, the suspected person reported to have committed a violation should in the same manner be protected from retaliation, discrimination, harassment, humiliation or adverse personnel action.
4. Reduce, if not eliminate, the occurrence of corporate fraud or misconduct in line with the principles of good governance, and sound and healthy business practice.
5. Prevent any damage, prejudice or gross disadvantage to PNOC and the Government.

II What Can Be Reported?

All actions and omissions that are illegal or unethical, or in violation of the PNOC Code of Conduct, or in violation of good governance principles, or against public policy and morals or those that promote unsound and unhealthy business practices and, in general, those that are prejudicial or grossly disadvantageous to PNOC and the Government, may be reported.

III Scope of Reporting

More specifically, the scope or coverage of this Whistleblowing Policy are violation/s of any of the following:

- RA 6713 "Code of Conduct and Ethical Standards for Public Officials and Employees
- RA 3019 "Anti-Graft and Corrupt Practices Act"
- RA 7080 "The Plunder Law"
- Book II, Title WI of the Revised Penal Code, Crimes Committed by Public Officers

- EO 292, s 1987 "Administrative Code of 1987"
- RA 10149, "GOCC Governance Act of 2011"
- GCG MC 2012-05 "Fit and Proper Rule"
- GCG MC 2012-06 "Ownership and Operations Manual Governing the GOCC Sector"
- GCG MC 2012-07 "Code of Corporate Governance for GOCCs"
- Violations of the Charter of the PNOC
- GCG Circulars, Orders and applicable laws and regulations

IV Who Can Be Reported?

- Directors of PNOC
- Officers of PNOC
- Employees of PNOC

V Where and How to Report?

GCG Whistle Blowing Web Portal - The Governance Commission has established the website www.Whistleblowing.gcg.gov.ph as its primary reporting channel for whistleblowers.

This reporting channel is an online-based platform by which PNOC whistleblowers can securely submit reports electronically while at the same time ensuring their anonymity and the confidentiality of their reports. PNOC whistleblowers are encouraged to utilize this online reporting channel.

Alternative Reporting Channels - Whistleblowers can also submit whistleblowing reports to the Governance Commission through the following alternative reporting channels:

(a) Face-to-Face Meetings : with GCG Officers and Employees;

(b) E-Mail: feedback@gcg.gov.ph;

(c) Mail: 3/F Citibank Center 8741 Paseo De Roxas, Makati City, Philippines
1226

(c) Telephone : (632)328-2030 to 33; and Fax: (632) 328-2030 to 33

VI Confidentiality

Except when the PNOC whistleblower does not invoke anonymity and/or confidentiality, the Governance Commission ensures (Under GCG MC 2016-02) the

confidentiality of all information arising from whistleblowing reports submitted and that all reports including the identity of the whistleblower and the person complained of will be treated in a confidential and sensitive manner. The identity of the whistleblower will be kept confidential, unless compelled by law or the Courts to be revealed, or unless the whistleblower authorized the release of his/her identity.

VII Protection of Whistleblowers against Retaliation –

As assured by the GCG, retaliatory acts against whistleblowers who submit whistleblowing reports in good faith shall not be tolerated by the Governance Commission and shall extend all possible assistance to the whistleblower under the law and given the circumstances.

Such retaliatory acts may include:

- (a) Discrimination or harassment in the workplace;
- (b) Demotion;
- (c) Reduction in salary or benefits;
- (d) Termination of contract;
- (e) Evident bias in performance evaluation; or
- (f) Any acts or threats that adversely affect the rights and interests of the whistleblower.

IX Untrue Allegations

If a PNOC Whistleblower makes allegations that are determined to be fabricated or malicious falsehoods, and/or he/she persists in making them, legal action may be taken against him by the Governance Commission.

X GCG Action on Whistleblowing reports

In cases of whistleblowing reports against Directors trustees, officers, and employees, Commission may pursue any of the following actions:

- (i) Dismiss the whistleblowing report for want of palpable merit;
- (ii) Forward the whistleblowing report to PNOC for corresponding official action;
- (iii) Submit a formal recommendation to the Governing Board of the concerned GOCC for the discipline of respondent Officer;
- (iv) Submit a formal recommendation to the Governing Board of PNOC for the suspension of the respondent Appointive Director;
- (v) Submit a formal recommendation to the President for the removal of the respondent Appointive Director;
- (vi) Endorse to the proper Government Agency, such as the Office of the Ombudsman, the pursuit of the criminal and/or administrative processes against the respondents;
- (vii) Enjoin the PNOC Governing Board and Management to comply with applicable laws or jurisprudence and/or to undertake corrective measures to address the matters raised in the complaint; and
- (viii) Consider the whistleblowing report closed and terminated if the response of the respondent is found to be adequate.

- In cases of whistleblowing reports against the PNOC Chairman or Directors of PNOC, the GCG may dismiss the whistleblowing report for want of merit, or submit their recommendations on proposed sanctions against the respondents to the Office of the President.
- In cases of whistleblowing reports against other officers and employees of the PNOC, the PNOC Whistle Blowing Committee (PWBC)* may dismiss the whistleblowing reports for want of merit or submit their recommendations on proposed sanctions against the respondents to the PNOC President.

XI Online Link to PNOC Website

PNOC shall establish an online link in its official website to GCG's whistleblowing web portal at [www. Whistleblowing.gcg.gov.ph](http://www.Whistleblowing.gcg.gov.ph)

XII PNOC Whistleblowing Investigation

For a whistleblowing complaint forwarded/endorsed by the GCG to PNOC for corresponding official action, the PWBC the authorized body to implement and enforce this policy, shall handle the investigation. The PWBC is authorized to promulgate investigation regulations and protocols that will facilitate the full implementation of this policy.

The whistleblowing complaint must be required in writing but the whistleblower may initially be anonymous. However, upon determination of the probability of the truth of the complaint, the whistleblower must identify himself/herself in order for the investigation to proceed. The whistleblower must also testify as to the circumstances of the complaint and must submit his/her evidence in support of the complaint. The whistleblower may be assisted by a counsel of his/her choice, but at his/her expense, as the said expense may not be allowed by law to be charged to PNOC. However, the whistleblower may be assisted by the lawyers of PNOC, if he/she so desires, at no expense on his/her part, unless the circumstances of the case prohibits them to represent the whistleblower.

The complaint must clearly state the specific facts, circumstances, actions and/or omissions being complained about; the laws, rules and regulations allegedly being violated, and the documentary and other evidence in support of the complaint.

If the subject of the complaint is a member of the PWBC, the whistleblowing complaint may be filed with the Chairman of the Board of Directors of PNOC, or with any member of the Board of Directors of PNOC, or with any senior member of PNOC Management.

Upon receipt of the whistleblowing complaint, the PWBC, or the Chairman of the Board, or the Director, or the senior member of Management, as the case may be, shall: (i) record all reported complaints or concerns; (ii) consider the seriousness and credibility of the complaint or concern raised; (iii) assess and evaluate the complaint and evidence; and (iv) proceed accordingly in determining the appropriate action to take. If the initial assessment and evaluation of the complaint is that the complaint is probably true and duly supported by credible evidence, the investigation and hearing shall be commenced, otherwise, the complaint shall be dismissed.

If the determination is to proceed with the investigation and hearing, the whistleblower must testify as to the circumstances of the complaint and must submit his/her evidence in support of the complaint. While some complaints or concerns may be fully supported by indubitable evidence, such that an investigation would appear unnecessary, it is still imperative that the respondent or the person subject of the complaint should still be given his day in court and afforded his constitutional right to due process of law.

The Chairman of the PWBC, or the Chairman of the Board, as the case may be, may, in his/her sole discretion, consult, if necessary, any Director, or any senior member of the Management who are not involved in the complaint. He or she may also direct any staff of PNOG, and/or engage external auditors, investigators and/or the legal counsel of PNOG to assist in the investigation and analysis of the results thereof and/or the evidence.

In case where the whistleblowing complaint is filed with a Director, or with a senior member of Management, the said Director or officer shall refer the same either to the Chairman of the Board, or to the Board of Directors, through the Corporate Secretary. In the latter case, the Corporate Secretary shall schedule a special meeting of the Board, excluding any directors who may be subject of the complaint, to discuss in an executive session, the said whistleblowing complaint and determine the appropriate action to take.

The period from the filing of the complaint to the action by the Board of Directors should not exceed three (3) months, unless the nature and circumstances of the case warrants a longer period, but in no case longer than six (6) months. An unwarranted and unjustified delay in the proceedings, in excess of six (6) months, will entitle the respondent to demand for a dismissal of the case.

XIII Final Action

The findings, conclusions of the investigation and recommendation of the PWBC, or the Chairman of the Board, as the case may be, shall be submitted to the PNOG Board of Directors, for confirmation/approval and/or for further action.

XIV Confidentiality

All communications and proceedings prior to a final finding of guilt by the Board of Directors shall be kept strictly confidential, except to the extent necessary to conduct a complete and fair investigation, to protect the integrity and reputation of the concerned Director, officer or staff who may later be found innocent of the charge.

No Harassment, Discrimination or Retaliation

The main purpose and objective of this Whistleblower Policy is to encourage the exposure of anomalies and irregularities in PNOG by protecting the whistleblower from harassment, discrimination or retaliatory action.

Towards this end, the PWBC and the Board of Directors must ensure that there will be no harassment, discriminatory or retaliatory action against any Director, officer or staff who files a complaint, in good faith, based on his/her personal knowledge and/or credible/reliable evidence. If the whistleblower believes that he/she is being harassed, discriminated or retaliated against for filing the complaint, he/she should immediately report the same to the Chairman of the PWBC, or the Chairman of the Board, for immediate and appropriate action. If no immediate action is taken by the Chairman of the PWBC, or the Chairman of the Board, the whistleblower may directly elevate the matter/issue to the Board of Directors, through the Corporate Secretary, who is mandated to include the said matter/issue in the immediately following meeting of the Board of Directors.

The protection and remedy afforded to the whistleblower under this Policy shall extend to all witnesses who testify, whether voluntarily or involuntarily, in the said case.

Complainants who file complaints, in bad faith, or whose complaints are based on pure suspicious, speculations or assumptions, and/or are otherwise unsupported evidence, or where the evidence are tampered, simulated, fabricated, or of doubtful authenticity, shall be subject to disciplinary action, or other appropriate sanction, without prejudice to such legal remedy as may be available to the respondent or offended party against the complainant.

However, it should be emphasized that not all dismissals of complaint will result in a disciplinary action or sanction against the complainant, especially if the complaint was filed, in good faith, and based on credible evidence, but which evidence may not be found sufficient by the Board of Directors for purposes of imposition of penalty against the respondent, or where the dismissal is based on a technicality. In these cases of dismissal, the whistleblower is still fully protected by this Whistleblowing Policy.

*Proposed PNOG Whistle Blowing Committee (PWBC)

PNOG President	-	Chairman
SVP-LAEMS	-	Vice Chairman

Members:

Department Managers

- Legal Department
- Accounting Department
- Administrative Services Department

Employees Association Representative

President PNOC-EA
2nd Level Representative
1st Level Representative

Secretariat

Corporate Secretary
Personnel Services Division