WHISTLEBLOWING POLICY

In 2017, the Board approved the Whistle Blowing Policy under Board Resolution No. and the company subsequently constituted a standing PNOC Whistleblowing Committee (PWBC). PNOC made the policy to provide a safe and trustworthy environment so that the company's employees feel comfortable and protected when they have information to share. Cultivating a thriving whistleblowing culture can be implemented by being open and honest, following through on procedures, treating employees with respect, thoroughly investigating the issues with the highest confidentiality level.

Details of the PNOC Whistleblowing Policy can be accessed through this link:

https://www.pnoc.com.ph/wp-content/uploads/2021/07/Whistle-Blowing-Policy.pdf

Whistleblowers may report directly to the GCG through their web portal: www.whistleblowing.gcg.gov.ph

A quick link to this portal is also provided on PNOC's website. Whistleblowers may also submit whistleblowing reports through email: feedback@gcg.gov.ph; through mail: 3F Citibank Center, 8741 Paseo De Roxas, Makati City; and through contact numbers: 5328-2030 to 33.

RISK OVERSIGHT POLICY

In its Terms of Reference (TOR) and Audit Committee Charter, the PNOC Audit Committee is responsible for overseeing, monitoring, and evaluating the adequacy and effectiveness of PNOC and its subsidiaries' internal control system and the Company's process for assessing significant risks or exposures. The Audit Committee, performing its mandate, held eight (8) committee meetings on 14 and 23 March, 26 April, 15 and 27 June, 15 September, 27 October, and 28 November 2022.

Meanwhile, the PNOC Risk Management Committee performs oversight risk management functions specifically in operations, legal, reputational, and other risks of PNOC. It ensures that the risk management process and compliance are embedded throughout the operations of PNOC, especially at the Board and Management levels.

In 2022, the Risk Management Committee held eight (8) committee meetings on 21 February, 23 March, 21 April, 30 May, 22 June, 30 August, 3 October, and 29 November 2022, two (2) joint meetings with the Audit Committee on 21 February and 23 March 2022, and one (1) joint meeting with the Nomination and Remuneration Committee on 3 October 2022.

The matters discussed in these Committee meetings may be found in:

https://www.pnoc.com.ph/wp-content/uploads/2023/02/2022-INFORMATION-ON-BOD-COMMITTEES.pdf

PHILIPPINE NATIONAL OIL COMPANY



STATEMENT ON THE ADEQUACY OF INTERNAL CONTROL SYSTEM AND RISK ASSESSMENT

Pursuant to PD 1445, series of 1978 as amended, the heads of the government agencies are responsible for ensuring that all resources entrusted to them are managed, expended, or lawfully utilized and safeguarded against loss or wastage to ensure efficiency, economy, and effectiveness in the operations of government.

The PNOC Board of Directors assures that the above objectives are achieved through the Audit Committee, which was created, to perform oversight, monitoring and evaluation functions on the adequacy and effectiveness of the PNOC's Internal Control System.

Further, PNOC's internal control system is continuously assessed and reviewed through the conduct of regular audit by our Internal Audit Office, the conduct of the Annual Internal and External Quality Audits and the Commission of Audit (COA). One of the objectives of these activities is to determine the adequacy of PNOC's Internal Control System and assure its effective implementation.

PNOC, through its integrated Management System, identifies, analyzes, evaluates, and monitors the risks faced by the organization in its operations. Strategies are formulated to address and mitigate these risks to assure that the organization's objectives are achieved.

Issued this 22ndth of March 2023, Taguig, Metro Manila

JOEL CAMINADE Director Chairman – Audit Committee

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