



**THE PHILIPPINE STOCK
EXCHANGE, INC.**

Corporate Governance Guidelines

for

Listed Companies

Disclosure Template

Geograce Resources Philippines, Inc.

	COMPLY	EXPLAIN
Guideline No. 1: DEVELOPS AND EXECUTES A SOUND BUSINESS STRATEGY		
1.1 Have a clearly defined vision, mission and core values.	Yes	Geograce Resources Philippines aims to become the gateway to Philippine mining by positioning itself as the preferred local partner of the international mining industry's investments and operations in the country. Based on its expertise in providing solutions for the social, economic and political framework of mining investments in the Philippines, the Company works closely with foreign and local partners to acquire, explore, develop, and commercialize mining projects in a variety of base and precious metals.
1.2 Have a well developed business strategy.	Yes	
1.3 Have a strategy execution process that facilitates effective performance management, and is attuned to the company's business environment, management style and culture.	Yes	
1.4 Have its board continually engaged in discussions of strategic business issues.	Yes	
Guideline No. 2: ESTABLISHES A WELL-STRUCTURED AND FUNCTIONING BOARD		
2.1. Have a board composed of directors of proven competence and integrity.	Yes	The directors are pre-qualified to determine their qualifications, competence and integrity.
2.2. Be lead by a chairman who shall ensure that the board functions in an effective and collegial manner.	Yes	The Chairman has a vast experience in the corporate and management environment and is fully equipped with the knowledge and experience to lead the board of directors in an effective and collegial manner.
2.3 Have at least three (3) of thirty percent (30%) of its directors as independent directors.	No	There are only 2 independent directors in compliance with the Code of Corporate Governance implemented by the Securities and Exchange Commission
2.4 Have in place written manuals, guidelines and issuances that outline procedures and processes.	Yes	In June 2013, the Company implemented its Amended Corporate Governance Manual and Code of Business Conduct and Ethics. These are the governing manuals on the Company's procedures and processes complementary to its Articles of

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			Incorporation and By-laws as well as the Code of Corporate Governance implemented by the Securities and Exchange Commission.
2.5	Have Audit, Risk, Governance and Nomination & Election Committees of the board.	Yes	The Company has its Audit, Governance, Nomination and Election and Compensation Committees, which are the committees mandated to be established by its Manual of Corporate Governance.
2.6	Have its Chairman and CEO positions held separately by individuals who are not related to each other.	Yes	The Chairman and CEO positions are held by a different individuals.
2.7	Have a director nomination and election process that ensures that all shareholders are given the opportunity to nominate and elect directors individually based on the number of shares voted.	Yes	The Manual of Corporate Governance as well the Company's By-laws provide for the functions, powers and authorities of the Nomination Committee. Any shareholder is allowed to nominate under the Corporation's nomination and election process.
2.8	Have in place a formal board and director development program.	No	Since most directors are also directors of publicly listed companies, they have had the opportunity to attend seminars on corporate governance. For this year, the Company intends to comply with the SEC mandated annual seminars for members of the board of directors.
2.9	Have a corporate secretary.	Yes	Atty. Arsenio C. Cabrera, Jr. is the current Corporate Secretary
2.10	Have no shareholder agreements, by-laws provisions, or other arrangements that constrains the directors' ability to vote independently.	Yes	The directors have the independence to vote according to their own will. There are no shareholder agreements, by-laws provisions, or other arrangements that constrains the directors' ability to vote independently.
Guideline No. 3: MAINTAINS A ROBUST INTERNAL AUDIT AND CONTROL SYSTEM			
3.1	Establish the internal audit function as a separate unit in the company which would be overseen at the Board level.	Yes	The internal audit functions are assumed by an internal accountant whose reports are studied, verified and approved by the Audit Committee. The Company is in the process of establishing an Internal Audit Group that will conduct internal audit for the company.
3.2	Have a comprehensive enterprise-wide compliance program that is annually reviewed.	No	The Company is still in its pre-operations stage. The Company does not see the need for an annual



			comprehensive enterprise wide compliance program. But the Company will put in place a compliance program for purposes of improving its internal audit and control system.
3.3	Institutionalize quality service programs for the internal audit function.	No	Since the Company is still in its pre-operations stage, the internal audit function of the Company is delegated to an internal accountant who does simple audit on the Company's pre-operating expenses.
3.4	Have in place a mechanism that allows employees, suppliers and other stakeholders to raise valid issues.	No	There is no need for any such mechanisms due to the absence of a formal employee structure, and suppliers.
3.5	Have the Chief Executive Officer and Chief Audit Executive attest in writing, at least annually, that a sound internal audit, control and compliance system is in place and working effectively.	Yes	The Statement of Management Responsibility attached to the Company's Audited Financial Statements (AFS) are signed, as required, by the CEO Treasurer and CFO after endorsement by the Audit Committee to the Board of Directors. The AFS are likewise signed by the External Auditor.
Guideline No. 4: RECOGNIZES AND MANAGES ITS ENTERPRISE RISKS			
4.1	Have its board oversee the company's risk management function.	Yes	
4.2	Have a formal risk management policy that guides the company's risk management and compliance processes and procedures.	Yes	
4.3	Design and undertake its Enterprise Risk Management (ERM) activities on the basis of, or in accordance with, internationally recognized frameworks such as but not limited to, COSO, (The Committee of Sponsoring Organizations of the Treadway Commission) I and II.	No	The Manual of Corporate Governance provides for the creation of a Risk Management Committee and provides for the basic risk management framework. At the current time, an outsourced consultant is preparing the Company's Operations Manual and Internal Controls Systems. Once they are in place, the Risk Management Manual shall also be prepared to comply with the requirements on risk management.
4.4	Have a unit at the management level, headed by a Risk Management Officer (RMO)	No	
4.5	Disclose sufficient information about its risk management procedures and processes as well as the key risks the company is currently facing including how these are being managed.	No	
4.6	Seek external technical support in risk management when such competence is not available internally.	Yes	
Guideline No. 5: ENSURES THE INTEGRITY OF FINANCIAL REPORTS AS WELL AS ITS EXTERNAL AUDITING FUNCTION			



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5.1	Have the board Audit Committee approve all non-audit services conducted by the external auditor. The Committee should ensure that the non-audit fees do not outweigh the fees earned from the external audit.	No	Non-audit services have not been rendered in the past.
5.2	Ensure that the external auditor is credible, competent, and should have the ability to understand complex related party transactions, its counterparties, and valuations of such transactions.	Yes	The Company's External Auditor, SGV & Co, is one of the forerunners in the industry.
5.3	Ensure that the external auditor has adequate quality control procedures.	Yes	All relevant information are disclosed to the External Auditors.
5.4	Disclose relevant information on the external auditors.	Yes	The selection of the External Auditor is approved by the shareholders. The Company receives proposals from various firms for purposes of comparative selection.
5.5	Ensures that the external audit firm is selected on the basis of a fair and transparent tender process.	Yes	The meetings and dialogues are delegated to the internal accountant who does the coordination with the External Auditors. Before the issuance of the Annual Audited Financial Statements, the Audit Committee holds meetings with the External Auditor to discuss any issues that may have arisen from the conduct of audit.
5.6	Have its audit committee conduct regular meetings and dialogues with the external audit team without anyone from management present.	No	Complied as per requirements.
5.7	Have the financial reports attested to by the Chief Executive Officer and Chief Financial Officer.	Yes	The Company complies with rules on rotation of lead audit partners.
5.8	Have a policy of rotating the lead audit partner every five years.	Yes	
Guideline No. 6: RESPECTS AND PROTECTS THE RIGHTS OF ITS SHAREHOLDERS, PARTICULARLY THOSE THAT BELONG TO THE MINORITY OR NON-CONTROLLING GROUP			
6.1	Adopt the principle of "one share, one vote."	Yes	This principles are mandated by the by-laws of the Corporation
6.2	Ensure that all shareholders of the same class are treated equally with respect to voting rights, subscription rights and transfer rights.	Yes	The Company's Corporate Secretary ensures that an efficient voting system is observed during stockholders' meetings with the assistance of the Company's internal accountant and transfer agent.
6.3	Have an effective, secure and efficient voting system.	Yes	The Company complies with the requirement of supermajority or majority of minority whenever
6.4	Have effective shareholder voting mechanisms such as supermajority or "majority of minority" requirements to protect minority shareholders against	Yes	

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actions of controlling shareholders.		required.
6.5 Provide all shareholders with the notice and agenda of the annual general meeting (AGM) at least thirty (30) days before a regular meeting and twenty (20) days before a special meeting.	No	The Company complies with the minimum requirements of Rule 20 of the Revised Securities Code. The rules on notice and agenda, per the SRC, are different from the 30-days and 20-days notice mentioned herein.
6.6 Allow shareholders to call a special shareholders meeting, submit a proposal for consideration at the AGM or the special meeting, and ensure the attendance of the external auditor and other relevant individuals to answer shareholder questions in such meetings.	Yes	The by-laws allows for a calling of shareholders' meeting by shareholders. However, this has not yet been tested as none has happened in the past. The external auditors have been consistently in attendance at the Company's stockholders' meetings.
6.7 Ensure that all relevant questions during the AGM are answered.	Yes	After the agenda is discussed, the floor is opened for questions from the shareholders.
6.8 Have clearly articulated and enforceable policies with respect to treatment of minority shareholders.	Yes	The Company complies with relevant laws and rules on the protection of minority shareholders. These laws and rules are deemed written in the Company's policies.
6.9 Avoid anti-takeover measures or similar devices that may entrench management or the existing controlling shareholder group.	NA	The Company has no anti-take over policies.
6.10 Provide all shareholders with accurate and timely information regarding the number of shares of all classes held by controlling shareholders and their affiliates.	Yes	The Company regularly complies with the submission requirements of public ownership reports, beneficial ownership reports, etc.
6.11 Have a communications strategy to promote effective communication with shareholders.	Yes	The Company communicates with its shareholders through the facilities of the Philippine Stock Exchange by making the proper disclosures as well as by having open discussions with them during annual and special stockholders' meetings.
6.12 Have at least thirty percent (30%) public float to increase liquidity in the market.	Yes	As disclosed in the company's public ownership report.
6.13 Have a transparent dividend policy.	No	The Company is still in pre-operations stage and accordingly has no relevant basis to form any dividend policy.
Guideline No. 7: ADOPTS AND IMPLEMENTS AN INTERNATIONALLY-ACCEPTED DISCLOSURE AND TRANSPARENCY REGIME		
7.1 Have written policies and procedures designed to ensure compliance with the PSE and SEC disclosure rules, as well as other disclosure requirements under	No	The Company adopts the disclosure rules of the Securities and Exchange Commission and Philippine



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	existing laws and regulations.		Stock Exchange.
7.2	Disclose the existence, justification, and details on shareholders agreements, voting trust agreements, confidentiality agreements, and such other agreements that may impact on the control, ownership, and strategic direction of the company.	N.A.	There is nothing to disclose on these matters.
7.3	Disclose its director and executive compensation policy.	Yes	Disclosure on directors and executive compensation are included in the Annual Reports and 20-15
7.4	Disclose names of groups or individuals who hold 5% or more ownership interest in the company, significant cross-shareholding relationship and cross guaranties, as well as the nature of the company's other companies if it belongs to a corporate group.	Yes	As reported in the Company's public ownership reports
7.5	Disclose annual and quarterly consolidated reports, cash flow statements and special audit revisions. Consolidated financial statements shall be published within 90 days from the end of the financial year, while interim reports shall be published within 45 days from the end of the reporting period.	Yes	Complied as per requirements.
7.6	Disclose to shareholders and the Exchange any changes to its corporate governance manual and practices, and the extent to which such practices conform to the SEC and PSE CG Guidelines.	Yes	Complied as per regulations.
7.7	Publish and/or deliver to its shareholders in a timely fashion all information and materials relevant to corporate actions that require shareholder approval.	Yes	Complied as per the requirements on disclosures
7.8	Disclose the trading of the corporation's shares by directors, officers (or persons performing similar functions) and controlling shareholders. This shall also include the disclosure of the company's purchase of its shares from the market (e.g share buy-back program).	Yes	As reported in the beneficial ownership reports and trading reports of directors
7.9	Disclose in its annual report the principal risks to minority shareholders associated with the identity of the company's controlling shareholders, the degree of ownership concentration; cross-holdings among company affiliates; and any imbalances between the controlling shareholders' voting power and overall equity position in the company.	No	The Company is not in a position to ascertain any risks to minority shareholders as a result of the mentioned matters.
Guideline No. 8:			
RESPECTS AND PROTECTS THE RIGHTS AND INTERESTS OF EMPLOYEES, COMMUNITY, ENVIRONMENT, AND OTHER STAKEHOLDERS			
8.1	Establish and disclose a clear policy statement that articulates the company's recognition and protection of the rights and interests of key stakeholders specifically its employees, suppliers & customers, creditors, as well the community, environment and other key stakeholder groups.	Yes	The Corporate Governance Manual provides for the protection of the Company's stakeholders.
8.2	Have in place a workplace development program.	No	The Company has no workplace development.



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<p>8.3 Have in place a merit-based performance incentive mechanism such as an employee stock option plan (ESOP) or any such scheme that awards and incentivizes employees, at the same time aligns their interests with those of the shareholders.</p>	<p>No</p>	<p>program in place. The Company has no employee stock option plan in place.</p>
<p>8.4 Have in place a community involvement program.</p>	<p>Yes</p>	<p>Created a social development and management program whose objectives are: 1. Community empowerment; 2. To meet the minimum basic needs of the mining communities and enhance human welfare; 3. To assist in the establishment of a self-sustained livelihood projects; 4. To provide construction materials and ensure availability of heavy equipment for various local social infrastructure projects; 5. To assist in the preservation and protection of the communities' socio-cultural values. Said social development and management program will be implemented once operations commences.</p>
<p>8.5 Have in place an environment-related program.</p>	<p>Yes</p>	<p>The company has existing policies but it is not yet in the operating stage thus there are no negative impacts on the environment from mining operations.</p>
<p>8.6 Have clear policies that guide the company in its dealing with its suppliers, customers, creditors, analysts, market intermediaries and other market participants.</p>	<p>No</p>	<p>The Company is in the process of preparing its Operations Manual and Internal Controls Systems which will provide for some of such policies.</p>
<p>Guideline No. 9: DOES NOT ENGAGE IN ABUSIVE RELATED-PARTY TRANSACTIONS AND INSIDER TRADING</p>		
<p>9.1 Develop and disclose a policy governing the company's transactions with related parties.</p>	<p>Yes</p>	
<p>9.2 Clearly define the thresholds for disclosure and approval for RPTs and categorize such transactions according to those that are considered <i>de minimis</i> or transactions that need not be reported or announced, those that need to be disclosed, and those that need prior shareholder approval. The aggregate</p>	<p>Yes</p>	<p>The Company's Corporate Governance Manual contains rules and procedures governing related party transactions. Likewise, related party</p>



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	amount of RPT within any twelve (12) month period should be considered for purposes of applying the thresholds for disclosure and approval.		transactions are disclosed to the external auditors and reported in the financial statements. All private placements with directors and / or related parties are disclosed and approved by the required parties and stockholders, including the majority of the minority shareholders.
9.3	Establish a voting system whereby a majority of non-related party shareholders approve specific types of related party transactions in shareholders meetings.	Yes	
9.4	Have its independent directors or audit committee play an important role in reviewing significant RPTs.	Yes	
9.5	Be transparent and consistent in reporting its RPTs. A summary of such transactions shall be published in the company's annual report.	Yes	
9.6	Have a clear policy in dealing with material non-public information by company insiders.	Yes	Non-public and confidential matters are strictly kept confidential by company insiders.
9.7	Have a clear policy and practice of full and timely disclosure to shareholders of all material transactions with affiliates of the controlling shareholders, directors or management.	Yes	Complied as per the requirements on disclosures.
Guideline No. 10: DEVELOPS AND NURTURES A CULTURE OF ETHICS, COMPLIANCE, & ENFORCEMENT			
10.1	Formally adopt a code of ethics and proper conduct that guides individual behavior and decision making, clarify responsibilities, and inform other stakeholders on the conduct expected from company personnel.	Yes	The Company has a Code of Business Conduct and Ethics in place.
10.2	Have a formal comprehensive compliance program covering compliance with laws and relevant regulations. The program should include appropriate training and awareness initiatives to facilitate understanding, acceptance and compliance with the said issuances.	Yes	The Company's will have its directors and officers attend annual seminars mandated by the SEC.
10.3	Not seek exemption from the application of a law, rule or regulation especially when it refers to a corporate governance issue. Should it do so, it has to disclose the reason for such action as well present the specific steps being taken to finally comply with the applicable law, rule or regulation.	Yes	The Company complies with SEC and PSE mandated requirements.
10.4	Have clear and stringent policies and procedures on curbing and penalizing company or employee involvement in offering, paying and receiving bribes.	Yes	The Company's Code of Business Conduct and Ethics provides, in a limited sense, for employees' conduct in business dealings, gift giving and courtesies.
10.5	Have a designated officer responsible for ensuring compliance with all relevant laws, rules, and regulation, as well as all regulatory requirements	Yes	The Company's Compliance Officers monitors compliance by the corporation with rules and regulations of regulatory agencies and, if any violations are found, report the matter to the Board and recommend the imposition of appropriate disciplinary action on the responsible parties and the adoption of measures to prevent a repetition of the



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		violation.
10.6	Respect intellectual property rights.	Yes The Company complies with laws including those pertaining to intellectual property rights.
10.7	Establish and commit itself to an alternative dispute resolution system so that conflicts and difference with counterparties, particularly with shareholders and other key stakeholders, would be settled in a fair and expeditious manner.	N.A. The Corporate Governance Manual provides for the establishment of an alternative dispute resolution system in the Corporation that can amicably settle conflicts or differences between the Corporation and its shareholders, and the Corporation and third parties, including the regulatory authorities.

This is to certify that the undersigned reviewed the contents of this document and to the best of my knowledge and belief, the information contained set forth in this document is true, complete and correct.

Done this _____ in Mandaluyong City.


 MANUEL G. ONG
 Independent director


 JOSE FRANCISCO E. MIRANDA
 President



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REPUBLIC OF THE PHILIPPINES)
MANDALUYONG CITY) S.S.

SUBSCRIBED AND SWORN to before me at ~~Mandaluyong City~~ **MAR 24 2014** Metro Manila the ~~24th~~ **2014** March 2014 affiants exhibiting to me their respective driver's license details as follows:

Name	Identification Number	Expiring on
JOSE FRANCISCO E. MIRANDA	Driver's License # N02-95-271236	12/11/2015
MANUEL G. ONG	Passport# EB9053161	11/03/2018

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Book No. _____
Series of 2014.


ATTY. JOEL G. GORDOLA
NOTARY PUBLIC
COMMISSION EXPIRES DEC. 31, 2015
PTR NO. 9012371, 102/2014, Q.C.
ROLL OF ATTORNEY NO. 45103