



# **PETRON CORPORATION**

## **CORPORATE POLICY ON INTERNAL CONTROL**

PETRON CORPORATION is committed to establish and maintain a system of Internal Control for the efficient and effective management of the Company's business operations, including its Subsidiaries and Affiliates, and improve the effectiveness of risk management, control and governance processes.

### **Definition and Objectives of Internal Control**

Internal Control comprises any action taken by management, the Board and other parties to enhance risk management and good governance towards the attainment of Company objectives and of the business units. The primary objectives of Internal Control are to ensure:

- Reliability and integrity of financial and operational information;
- Effectiveness and efficiency of operation;
- Safeguarding of assets;
- Compliance with policies, procedures, plans, contracts, laws and regulations; and
- Accomplishment of established objectives and operational goals or programs.

### **Responsibility of Managers**

Every Manager (i.e. members of Management Committee and line/operating management, including personnel holding managerial and supervisory position) is responsible for ensuring compliance with all financial and operational controls in his area of responsibility and must implement internal control as part of the total system to achieve department and Company goals. Managers should conduct a regular evaluation of existing written policies and procedures to ensure that these are adequate, relevant and effective to the current operating environment and should clearly convey to subordinates and staff, including affected stakeholders, on a timely manner. Moreover, Managers should give prompt and cooperative consideration to recommended improvement measures made by independent internal or external auditors or equivalent groups.

  
**LUBIN B. NEPOMUCENO**  
President

  
**RAMON S. ANG**  
Chairman  
Chief Executive Officer