

Subject: Compliance Report on Corporate Governance

From: Philippine Stock Exchange (no-reply@pse.com.ph)

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Date: Friday, March 31, 2017 9:22 AM

Dear Sir/Madam:

Your disclosure was approved as Company Report. Details are as follows:

Company Name: Imperial Resources, Inc.

Reference Number: 0009477-2017

Date and Time: Friday, March 31, 2017 09:08 AM

Template Name: Compliance Report on Corporate Governance

Report Number: CR01757-2017

Best Regards,

PSE EDGE

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Philippine Stock Exchange, PSE Plaza, Ayala Avenue, Makati City.



THE PHILIPPINE STOCK EXCHANGE, INC.

Corporate Governance Guidelines for Listed Companies

Disclosure Template for the Year 2016

	APPLY	EXPLAIN
Guidelines No.1: DEVELOPS AND EXECUTES A SOUND BUSINESS STRATEGY		
1.1 Have a clearly defined vision, mission and core values.	Yes	The Board has established the Company's vision and mission.
1.2 Have a well-developed business strategy.	Yes	There are continuing discussions inside and outside board room.
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	There are continuing discussions inside and outside board room.
1.4 Have its board continually engaged in discussions of strategic business issues.	Yes	There are continuing discussions inside and outside board room.
Guidelines No.2: ESTABLISHES A WELL-STRUCTURED AND FUNCTIONING BOARD		
2.1 Have a board composed of directors of proven competence and integrity.	Yes	Company always look for fresh ideas from its Directors. Director's past experience and integrity is an important factor.

2.2 Be led a chairman who shall ensure that the board functions in an effective and collegial manner.	Yes	Chairman always endeavors to allow board members to actively contribute their expertise and core competencies.
2.3 Have at least three (3) or thirty percent (30%), whichever is higher, of its directors as independent directors.	No	Company now has two (2) Independent Directors out of 7 membership or 28%.
2.4 Have in place written manuals, guidelines and issuances that routine procedures and processes.	Yes	Previous manuals have been reconstructed and revised.
2.5 Have Audit, Risk, Governance and Nomination and Election Committees.	Yes	Except risk management committee
2.6 Have its Chairman and CEO positions held separately by individuals who are not related to each other.	Yes	To enhance collaboration among independent, competent and vibrant professionals in the work place.

2.7 Have a directors 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	Provided by the By-Laws
2.8 Have in place a formal board and director development program.	No	No formal board and director development program but all directors and officers are encouraged to attend training seminars and conferences related to Corporate Governance at the expense of the Company.
2.9 Have a corporate secretary.	Yes	To keep all books, records, documents and papers of the Company and to record the minutes in all meetings. To monitor required reports and their compliances.
2.10 Have no shareholder agreement, by-laws provisions, or other arrangements that constrains the directors' ability to vote independently.	Yes	No arrangement that influences, restricts or constrains voting.
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.	No	The Company has no separate internal unit audit. However, the checks and balances are in place which are monitored and assessed by the Audit Committee.

3.2 Have a comprehensive enterprise-wide compliance program that is annually reviewed.	No	A compliance program suitable to the size and needs of the Company is still being developed.
3.3 Institutionalize quality service programs for the internal audit function.	No	The holding of a program may be costly.
3.4 Have in place a mechanism that allows employees, suppliers and other stakeholders to raise valid issues.	Yes	The Company is receptive to suggestions and grievances from employees and stakeholders.
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 Audit Committee of the Company as well as the External Auditors submit before the Board their recommendations and findings for comment, approval and/or ratification by way of regulation and control so that resources are not dwindled or dissipated.
Guidelines No. 4: RECOGNIZES AND MANAGES ITS ENTERPRISE RISKS		
4.1 Have its board oversee the company's risk management function.	Yes	The Board always take notice of the threshold of risks and adopt measures to avert dissipation or dwindling of resources.

Company Name: **IMPERIAL RESOURCES, INCORPORATED**

4.2	Have a formal risk management policy that guides the company's risk management and compliance processes and procedures.	In Process	Risk management has been initiated by the external auditors.
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 Company's current activities as well as its resources do not warrant the need for ERM.
4.4	Have a unit at the management level, headed by Risk Management Officer (RMO).	No	Not enough management officers to handle a separate Risk Management Unit.
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.	In Process	Risk management system is initiated by the external auditors.
4.6	Seek external technical support in risk management when such competence is not available Internally.	Yes	Risk management system is initiated by the external auditors.
Guidelines No. 5: ENSURES THE INTEGRITY OF FINANCIAL REPORTS AS WELL AS ITS EXTERNAL AUDITING			
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.	Not Applicable	The Company's external auditors do not perform non-audit services.

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 see to it that the external auditors are professionally competent, independent and credible in rendering their findings and recommendations.
5.3 Ensure that the external auditor has adequate quality control procedures.	Yes	The Company ascertains the accountability and competencies of external auditors
5.4 Disclose relevant information on the external auditors.	Yes	Company adheres transparency.
5.5 Ensures that the external audit firm is selected on the basis of a fair and transparent tender process.	Yes	The Company adheres to the principles of good governance and best professional practices.
5.6 Have its audit committee conduct regular meetings and dialogues with the external audit team without anyone from management present.	Yes	To observe confidentiality and independence.
5.7 Have the financial reports attested to by the Chief Executive Officer and Chief Financial Officer.	Yes	The Company observes accountability and validation of reports.
5.8 Have a policy of rotating the lead audit partner every five years.	Yes	To promote professionalism, best practices and good governance.

Guidelines 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	<p>The Company respects the rights of all shareholders.</p> <p>Recognition of the rights of shareholders are essential to the Company's continuing growth, development and confidence among investors.</p>
6.2 Ensure that all shareholders of the same class are treated equally with respect to voting rights, subscription rights and transfer rights.	Yes	<p>The Company recently declassified its shares of the capital stock from Class "A" and Class "B" shares into common voting shares with due regard, however, to Filipino equity requirements for nationalized industries.</p> <p>The Securities and Exchange Commission approved the declassification of shares and change in par value from P5.00 to P1.00 on Feb. 10, 2017.</p>
6.3 Have an effective, secure and efficient voting system.	Yes	<p>The Company assures that the books of the Company and validation of proxies are made secure.</p> <p>All stockholders are duly notified of the meetings that concern their rights, encouraged to participate thereon, and to keep the integrity of the process of elections.</p>

6.4 Have effective shareholder voting mechanisms such as supermajority or "majority of minority" requirements to protect minority shareholders against actions of controlling shareholders.	No	No such mechanism, however, the Company respects the rights of all shareholders.
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.	Yes	In order to apprise the shareholders of the business to be discussed for the day and/or adopted by the Company
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	Stockholders may call special stockholders' meeting when allowed.
6.7 Ensure that all relevant questions during the AGM are answered.	Yes	All relevant questions during annual stockholders' meeting are entertained and answered.
6.8 Have clearly articulated and enforceable policies with respect to treatment of minority shareholders.	Yes	Stockholders are equally notified of the meetings that concern their rights, encouraged to participate thereon, and to keep the integrity of the processes in the Company.

6.9 Avoid anti-takeover measures or similar devices that may entrench ineffective management or the existing controlling shareholder group.	Yes	Company adheres to the principle of good governance and best practices.
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	Company adheres to the principles of transparency and accountability.
6.11 Have a communication strategy to promote effective communication with shareholders.	Yes	The Board of Directors and Officers of the Company are always available and open to entertain queries and resorted to electronic and digital communication to facilitate the same.
6.12 Have at least thirty percent (30%) public float to increase liquidity in the market.		Less than 30% but more than 10%.
6.13 Have a transparent dividend policy.	No	So far the Company since its incorporation has not declared any dividend and does not expect to declare any in the near future.
Guidelines No. 7: ADOPTS AND IMPLEMENTS AN INTERNATIONALLY-ACCEPTED DISCLOSURE AND		
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 existing laws and regulations.	Yes	The Corporate Secretary and Compliance Officer are tasked to ensure compliance of disclosures and reportorial requirements.

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.	Yes	The Company adheres to the principles of good governance and best practices in the business.
7.3 Disclose its director and executive compensation policy.	Yes	The Company discloses in its reports the compensation policies. Item also includes an Executive Compensation Summary.
7.4 Disclose names of groups of individuals who hold five percent (5%) or more ownership interest in the company, significant cross-shareholding relationship and cross guarantees, as well as the nature of the company's other companies if it belongs to a corporate group.	Yes	Item is included in security ownership and certificate. The top twenty (20) stockholders is published/disclosed in SEC Form 17-A of the Company and at DIS.
7.5 Disclose annual and quarterly consolidated reports, cash flow statements and special audit revisions. Consolidated financial statements shall be published within ninety (90) days from the end of the financial year, while interim reports shall be published within forty-five (45) days from the end of the reporting period.	Yes	As included in the 17-A and 17-Q reports submitted to SEC and PSE.
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	The Company has resorted to electronic and digital communication to disclose pertinent information on corporate governance.

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	The Company adheres to the principles of good governance and best practices in the business.
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	The Company adheres to the principles of good governance and best practices in the business.
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.	Yes	Item is discussed in the annual Report of the Company. The Company adheres to the principles of good governance and best practices in the business.
Guidelines No. 8: RESPECTS AND PROTECTS THE RIGHTS AND INTEREST 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 and customers, creditors as well the community, environment and other key stakeholder groups.	Yes	Please refer to Company's 17-A and 17-C disclosures. The Company adheres to the principles of good governance and best practices in the business.

8.2 Have in place a workplace development program.	Yes	
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.	Not Yet	The Company fully compensates its employees and secures all their labor benefits pursuant to social laws. Upon the other hand, the thrust of the Company is to survive the global economic crisis. These programs will be initiated when the business situation improves.
8.4 Have in place a community involvement program.	Not Yet	The thrust of the Company is to survive the global economic crisis. These programs will be initiated when the business situation improves.
8.5 Have in place an environment-related program.	Yes	By way of corporate responsibility, The Company is into nursery and tree planting. Likewise, the Company minimize the use of paper and plastics and adopted measures to recycle the same.
8.6 Have clear policies that guide the company in its dealing with its suppliers, customers, creditors, analysts, market intermediaries and other market participants.	Not Yet	The thrust of the Company is to survive the global economic crisis. These programs will be initiated when the business situation improves.


Guidelines No. 9: DOES NOT ENGAGE IN ABUSIVE RELATED-PARTY TRANSACTIONS AND INSIDER TRADING		
9.1 Develop and disclose a policy governing the company's transactions with related parties.	Yes	The Company adheres to the principles of good governance and best practices in the business.
9.2 Clearly define the thresholds for disclosure and approval for RPTs and categorize such transactions according to those that are considered de minimis or transactions that need not be reported or announced, those that need to be disclosed, and those that need prior shareholder approval. The aggregate of RPT within any twelve (12) month period should be considered for purposes of applying the thresholds for disclosure and approval.	No	Threshold not clearly defined and not categorized. Related party transactions are fully disclosed in the 17-A report.
9.3 Establish a voting system whereby a majority of non-related party shareholders approve specific types of related party transactions in shareholders meetings.	No	Related party transactions are very few and insignificant.
9.4 Have its independent directors or audit committee play an important role in reviewing significant RPTs.	Yes	The Company adheres to the principles of good governance and best practices in the business.
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	The Company adheres to the principles of good governance and best practices in the business.

9.6 Have clear policy in dealing with material non-public information by company insiders.	No	No clear policy
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	The Company adheres to the principles of good governance and best practices in the business.
Guidelines No. 10: DEVELOPS AND NURTURES A CULTURE OF ETHICS, COMPLIANCE AND 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	In Corporate Manual which is in the process of review and revision by the Board.
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	Per Corporate Manual which is in the process of review and revision by the Board.
10.3 Not seek exemption from the application of a law, rule 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 adhere to the principles of good governance and best practices in the business.

<p>10.4 Have clear and stringent policies and procedures on curbing and penalizing company or employee involvement in offering, paying and receiving bribes.</p>	<p>Yes</p>	<p>The Company adhere to the principles of good governance and best practices in the business.</p>
<p>10.5 Have a designated officer responsible for ensuring compliance with all relevant laws, rules, and regulation, as well as all regulatory requirements.</p>	<p>Yes</p>	<p>The Company adhere to the principles of good governance and best practices in the business.</p>
<p>10.6 Respect intellectual property rights.</p>	<p>Yes</p>	<p>The Company adhere to the principles of good governance and best practices in the business.</p>
<p>10.7 Establish and commit itself to an alternate 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.</p>	<p>Yes</p>	<p>The Company resorts to mediation or arbitration in the resolution of disputes conformably with R. A. No. 9285 and R. A. No. 876.</p>

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


GENELITA G. MANANDIC
 Independent director


DESIDERIO L. LAPERAL
 President/CEO