COVER SHEET

1 4 8 2 9

S.E.C. Registration Number

P I L I P I N A S   S H E L L   P E T R O L E U M

C O R P O R A T I O N

(Company's Full Name)

1 5 6   V A L E R O   S T   S A L C E D O   V I L L A G E

B A R A N G A Y   B E L - A I R   M A K A T I   C I T Y

(Business Address, No. Street City/Town/Province)

Charles Edward Cheng	499-40-01
Contact Person	Company Telephone Number

1 2	3 1	1 7 - A	0 4	1 9
Month	*Day*	FORM TYPE	*Month*	*Day*

Fiscal Year

Annual General Meeting as per By-Laws

Secondary License Type, If Applicable

C F D

Dept. Requiring this Doc.

Amended Articles Number/Section

Total Amount of Borrowings

362	18,717,000,000	
Total No. of Stockholders	Domestic	Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I. D.

Cashier

STAMPS

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-A

ANNUAL REPORT PURSUANT TO SECTION 17 OF THE SECURITIES REGULATION CODE AND SECTION 141 OF THE CORPORATION CODE OF THE PHILIPPINES

1. For the fiscal year ended: December 31, 2015
2. Commission identification number:
3. BIR Tax Identification Number: 000-164-757
4. Exact name of issuer as specified in its chapter: PILIPINAS SHELL PETROLEUM CORPORATION
5. Province, country, or other jurisdiction of incorporation or organization: Philippines
6. Industry Classification Code: (SEC Use Only)
7. Address of issuer's principal office: Shell House, 156 Valero Street, Salcedo Village, Barangay Bel-Air, Makati City — *Postal code*: 1227
8. Issuer's telephone number, including area code: (632) 4994001
9. Former name, former address, and formal fiscal year, if changed since last report: N/A
10. Securities registered pursuant to Sections 8 and 12 of the Code, or sections 4 and 8 of RSA

Title of Class	*Number of shares common stock outstanding and amount of debt outstanding*
N/A	N/A

11. Are any or all of the securities listed on a Stock Exchange? Yes [ ] No [X]

12. Indicate by check mark whether the registrant
    (a) has filed all reports required to be filed with Section 17 of the Code and SRC Rule 17 thereunder or Sections 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of the Corporation Code of the Philippines, during the preceding twelve (12) months (or for such shorter period the registrant was required to file such reports)

    Yes [x] No [ ]

    (b) has been subject to such filing requirements for the past ninety (90) days
    Yes [x] No [ ]

PART I – BUSINESS

(A) Description of Business

(1) Business Development

A Century of Fuelling Progress in the Philippines

Pilipinas Shell Petroleum Corporation ("PSPC", the "Corporation" or the "Company")'s presence in the Philippines began as early as 1914 when Asiatic Petroleum Co. (Philippine Islands) Ltd. opened for business in the Philippines selling motor gasoline and kerosene to the growing Philippine market at that time. In the 1940's, Asiatic Petroleum Co. (Philippine Islands) Ltd. was renamed as The Shell Company of the Philippine Islands, Inc.

In the 1950's, the National Economic Council of the Philippines required a minimum Filipino ownership of twenty-five percent (25%) in large industrial ventures. This led to the formation of the Shell Refining Company (Philippines), which was incorporated on 9 January 1959 with 25% Filipino ownership and 75% foreign ownership. In November 1970, the Shell Refining Company (Philippines) was renamed to Shell Philippines, Inc. In 1973, the company was again renamed to Pilipinas Shell Petroleum Corporation.

In February 1987, Filipino ownership in PSPC increased to 33.33% while foreign ownership was reduced to 66.67%.

On the 18th of August 2015, PSPC received approval from the Securities and Exchange Commission ("SEC") for its application for increase in authorized capital stock from Php 1 billion divided into 1 billion shares with par value of Php 1.00 each to Php 2.5 billion divided into 2.5 billion shares with par value of Php 1.0 each. Out of the 1.5 billion increase in the Corporation's authorized capital stock, a total of 0.9 billion shares were offered to existing shareholders as of 12 May 2015 at Php 20 per share. 99.41% of the said 0.9 billion shares were subscribed to and paid for by stockholders who exercised their pre-emptive rights.

The percentage ownership of shares held by major shareholders increased post the rights issue as follows: Shell Overseas Investments B.V. increased from 67.12% to 68.18%, Insular Life Assurance Company, Ltd. increased from 19.49% to 19.55% and Spathodea Campanulata, Inc. increased from 5.06% to 5.14%.

As of 31 December 2015, the Company is not subject of any bankruptcy, receivership or similar proceedings. It is also not involved in any material reclassification, merger, consolidation or purchase or sale of a significant amount of assets not in the ordinary course of business.

PSPC Operational Highlights

Retail

Sales volume grew by 4% vs 2014 and margins grew by 25% mainly driven by PSPC's differentiated fuel offerings as well as the addition of 59 new sites in 2015 that brought the total of Shell branded retail stations in the Philippines to almost 1,000 sites as at 31 December 2015. The various marketing activities and loyalty programs throughout the year, such as the SM Advantage Card (SMAC) and Pepeng Pasada Card (PPC) also further helped deliver growth and volume for the retail business in 2015.

Commercial

Commercial Fuels sales volumes also grew by 2.4% in 2015 driven by strengthened customer bases and enhanced customer value propositions. Higher sales from other power companies contributed in exceeding the previous year's performance despite the loss of the Power Sector Assets and Liabilities Management (PSALM) Corporation's volumes. In 2015, Commercial Fuels also registered higher penetration to the manufacturing sector and achieved a bigger wholesale portfolio by leveraging on flexible logistics capability, world-class account management and supply reliability.

Lubricants ended 2015 with a 10% growth in margin despite a 3% decline in volume which was brought about by the transition to full import supply model post closure of the Pandacan lube oil blending plant.

Bitumen ended with 10% margin growth despite a 26% decline in volumes. Despite the increase in the Philippines infrastructure budget, the Department of Public Works of Highways (DPWH) currently has a preference for cement over bitumen for road paving projects.

The Aviation business grew by 5% in 2015 vs 2014 driven by good execution of location strategy, which allowed PSPC to leverage on the growth of Filipino carriers as well as new customers who are plying the Philippines route.

Manufacturing, Supply and Distribution

The Manufacturing business delivered strong a financial performance in 2015 primarily driven by strong reliability performance and operational excellence which enabled the refinery to capture the strength in the refining margins.

Overall plant availability improved from 83.4% in 2014 to 98.4% in 2015. Plant utilization was 84.3% in 2015. Tabangao refinery was recognized with a Global Reliability Award by Shell Global Manufacturing in 2015 in recognition of its strong operational performance.

2015 was a landmark year for PSPC, as the EURO IV Compliance project was executed and completed at the end of 2015. PSPC successfully upgraded its refinery through the STAR-TREC (Shell Tabangao Asset Renewal – Tabangao Refinery Euro IV (PNS) Compliance) Project. The project is PSPC's response to the national government's call for cleaner fuel products which aims to curb air pollution and make vehicles comply with globally accepted Euro IV emission standards starting 1 January 2016. By the end of 2015, PSPC successfully transitioned the quality of all marketable petroleum products in its depots and retail sites from Euro II into Euro IV (PNS) in accordance with the government mandate.

PSPC is also constructing a fuel import facility in Cagayan de Oro known as the North Mindanao Import Facility ("NMIF"). The NMIF is expected to cater to the power and energy needs of millions of residents, motorists and other end-users and consumers in Visayas and Mindanao when it is commissioned in the first half of 2016. This project epitomizes PSPC's commitment to the development of the Philippines downstream sector and will contribute toward two of the Department of Energy ("DOE")'s directives under the Philippine Development Plan 2011-2016, which are: to promote development and upgrade of the downstream infrastructure, and to update the Oil Supply Contingency Plan through the establishment of oil stockpile. The NMIF provides an additional source point for fuels that can be distributed to depots in the Visayas and Mindanao. The facility will contribute to increased security of energy supply as it will provide additional storage capacity of finished petroleum products. At the same time, the facility will help reduce maritime risks as the source of petroleum products is closer to the intended distribution points.

PSPC also established alternate supply points in North Harbor, Clark, Bauan and Subic enabling the company to meet the demands of its customers with minimal disruption despite the closure of its Pandacan oil depot in Manila. The Company completed the closure and demolition Pandacan on 23 November 2015, well within the permissible time allowed by the Supreme Court Order on the relocation and closure of the Pandacan oil depot as a result of the ordinance which reclassified the site of the oil depot from an industrial to a commercial zone.

Health, Safety, Security and Environment (HSSE)

The "Goal Zero" ambition

Safety is PSPC's first priority and embedded in the core of its operations. The "Goal Zero" ambition is to achieve no fatalities and no incidents that harm people, or put the company's neighbors or facilities at risk. To achieve Goal Zero, the focus is on the three areas of safety hazards which have the highest risks: personal, process, and transport safety.

In pursuit of Goal Zero, PSPC works relentlessly to strengthen its safety culture, focusing on caring for people and leadership commitment. A strong safety culture is complemented by a competent workforce. PSPC ensures that people responsible for tasks with a significant safety hazard have the necessary training and skills.

Maintaining a high Health, Safety, Security and Environment (HSSE) standard is a key pillar of PSPC's business. PSPC's HSSE and Social Performance Policy reflects its commitment to sustainability and environmental awareness and is fundamental to the company's goal of producing cleaner energy, creating benefits for local communities and reducing the environmental impact of operations. These standards apply to all aspects of PSPC's activities, from designing a facility through to decommissioning a site. They apply to PSPC's employees, its contractors and any joint ventures where it has operational accountability.

To date, PSPC consistently delivers sterling safety records with its various programs that are hailed as best practices by respected organizations such as the Safety Organization of the Philippines, one of the leading organizations in the advocacy of health, safety and environment protection. PSPC has achieved 40.66 million safe man-hours without lost time accident from 1 January 2015 to 31 December 2015, 29.82 million hours in 2014 and 20.18 million hours in 2013.

Raising industry and community safety standards

PSPC works in partnership with various government organizations, local communities and stakeholders to share safety experience, standards and knowledge. Some of these initiatives include:

- Partnership with the Philippine National Police in efforts to maintain peace and order at PSPC's dealerships and surrounding areas, as well as strengthen cooperation between PSPC's dealers and local police in law enforcement and active community support;
- Partnership with various local communities in Project KALSADA (Kabataang Ligtas sa Sakuna at Disgrasya), a Road Safety Program for students of schools located along the roads in the vicinity

of the Tabangao refinery, and other regions (including Pandacan, Manila, Palawan, and Bacolod) Incidents on the road have led to numerous injuries and deaths around the world;

- PSPC co- founded the Philippine Global Road Safety Program ("PGRSP"). PGRSP is an NGO whose mission is to improve road safety here in the Philippines. Over the years, PSPC continues to be an active member and leads in sharing its road safety practices in the industry;
- PSPC is a member of the Philippine Disaster Resilience Foundation (PDRF) and it utilizes its network of depots and Retail station to ensure that fuel is available to affected areas as it is vital to disaster recovery and rehabilitation

PSPC is committed to protecting the environment and respecting its neighbors. It works hard to cause no harm to people. This is why PSPC sets such high environmental standards which meet all regulatory requirements and often exceed them. The company's standards cover its environmental performance including: managing emissions of greenhouse gases, using less energy more efficiently, flaring and burning off less gas during oil production, preventing spills and leaks of hazardous materials, using less fresh water and conserving biodiversity wherever we operate. PSPC encourages partners in joint ventures it doesn't operate to apply Shell standards. PSPC works in partnership with many non-governmental organizations, local government units, academics and local communities to help it live up to the high standards.

Corporate Social Responsibility

PSPC aspires to be a leader in community relations, treating local communities with dignity and respect, developing good relationships and mutual trust with local governments, as well as implementing industry best practice and environmentally friendly technology for our downstream oil business — while pursing the underlying business objective of building value.

PSPC partners actively with Pilipinas Shell Foundation Inc. ("PSFI") in its community outreach programmes. The partnership between PSPC and PSFI has over 30 years' experience in spearheading and managing award-winning social development programs of national and local scales ranging from leadership enhancement and attitude development; technical, vocational and agricultural skills development, training and employment; healthcare and services, sanitation, and safety; livelihood and entrepreneurship development; to environmental stewardship.

Empowering the Filipino workforce

PSPC employs 754 people in the Philippines as of 31 December 2015, almost all of which are Filipinos. In its effort to recruit from local areas where it has business presence, it has developed the following programs jointly with PSFI: Sanayan sa Kakayahang Industriyal (SKIL), Gas Mo Bukas Ko (GMBK), Sanayan ng Kakayahan sa Agrikultura (SAKA) to encourage hiring and training to upskill local communities.

PSPC's nationwide scholarship program delivered via PSFI, Gas Mo, Bukas Ko (GMBK, "You fuel my future"), is borne out of the belief that education is one of the best tools towards a better life. Since 2007, GMBK aims to develop technically-capable gas attendants who can seize more opportunities and potentially pursue alternative livelihood activities that could augment their current income.

With over 1,600 scholars, GMBK continues to provide learning opportunities towards the betterment of its scholars' lives. In fact, 85% of these scholars continued to take on bigger responsibilities as gas attendants, while some got promoted to higher positions.

Developing sustainable energy

PSPC advocates for efficient use of energy as the simplest and most cost-effective way to reduce emissions, and mitigate climate change—through driver education, fuel efficient driving behavior, and smarter mobility collaboration and strategic partnerships with relevant organizations to fuel the country's progress. As PSPC aims to meet the world's future energy needs with a diversified energy mix and cleaner energy, it enjoins consumers and businesses to use energy better, to do more with less, and make energy conservation a way of life.

Bringing the future of sustainable mobility more and more to everyday consumers is the goal of the Shell Eco-marathon Asian leg, an innovative fuel-efficiency program that gathers engineering students from all over Asia to design and build vehicles of the future. PSPC was the host country of this global initiative from 2014-2016 at the historic Rizal Park in Manila.

Developing the Youth

PSPC also continues to be the sponsor of the following long-running programs:

- Shell National Students Art Competition ("NSAC"), the country's longest running art competition and training ground to some of the country's National Artists (Jose Joya, Federico Aguilar Alcuaz, Ang Kiukok and Benedicto 'Bencab'Cabrera). This advocacy continues to build Shell's positive reputation through youth development and education;
- Shell National Youth Active Chess Competition (SNYACC), program that continues to provide a platform for fostering character formation, sportsmanship, and youth empowerment through annual chess tournaments open to Filipinos under 20 years old. It is held in strategically located sites nationwide – Metro Manila, Batangas, Cagayan De Oro, Davao, and Cebu. On its 23rd year, Shell Active Chess gathered 1,700 chess players in the five-leg tournaments;

Disaster resiliency, relief and rehabilitation

The foreign business community recognized PSPC and PSFI for its relief and rehabilitation efforts following the devastation brought about by Typhoon Yolanda by awarding the 2014 Big Tick Award from the UK Business in the Community (BITC) Responsible Business Awards under the International Disaster Relief category.

In the wake of Typhoon Haiyan, PSPC, mobilized immediately to provide relief and support long-term rehabilitation of the affected communities. Highlights of the social and business impacts to our community include:

- US$3.8 million in funding and in-kind support provided immediate assistance for basic necessities (water, food, medicine, shelter), as well as sustainable livelihood opportunities, access to energy, environmental protection and community redevelopment programs;
- a "Call for Help" advisory was released to staff and general public announcing Shell sites and retail stations as receiving centers for in-kind donations like food, clothes, water and medicine, which were distributed to 37,820 affected families;
- Regional and local disaster and emergency preparedness training and disaster management plans strengthened communities' resilience in the face of disasters;
- Re-established safe business operations in the affected areas within two to 13 days, minimizing impact on customer operations and supply of fuel; and

- Created opportunity for public-private partnerships with the Philippine Ports Authority and International Container Terminal Services, Inc. where PSPC has provided free fuel to facilitate smooth cargo handling of relief and rehabilitation

Corporate Communications

PSPC bagged the most number of awards during the 50th Anvil Awards held in April 2015, which includes a Hall of Fame Anvil Award, four Gold Anvil Awards, and nine Silver Anvil Awards. The Hall of Fame Anvil Award was given to the NSAC programme for winning five Awards of Excellence over the past years. Also in 2015, PSPC joined the Asia-Pacific region's elite circle of winners when it bagged a bronze award for its advocacy campaign on smarter mobility, contributing to making the Philippines as top entrant in the prestigious Tambuli Awards which honors brand that deliver results and promote social good. The company also received multiple awards for its marketing communications, internal communications and public relations in the 2nd PANATA Marketing Effectiveness Awards of the Philippine Association of National Advertisers in 2015.

(2) Business of PSPC

(i) Principal products or services and their markets

PSPC's integrated downstream operations span all aspects of the downstream product supply chain, from importing crude oil and its refining, to importing and distributing refined products to its customers and businesses every single day across the Philippines. The products it sells include gasoline, diesel, heating oil, aviation fuel, marine fuel, lubricants and bitumen.

The Company is organized into the following operating segments:

(a) Retail - pertains to the business of directly servicing end consumers (private and commercial motorists) via retail service stations managed by individual dealers involving the sale of petroleum fuels, lubricants and convenience store items.

(b) Commercial - pertains to business with commercial accounts in various sectors, *e.g.* industrial, power, manufacturing, whole sale, transport, construction, agriculture, mining, hotel, aviation and other sectors or customers.

(c) Manufacturing, Supply and Distribution - covers the manufacturing business at the Tabangao Refinery as well as various depots and supply points all over the country. Supply manages the crude/finished product importation and logistics requirements of manufacturing as well as the product transfers from the refinery to the distribution sites.

PSPC operates an 110kbd refinery in Tabangao, Batangas, and distributes a wide range of high quality fuels, lubricants, bitumen and other specialty oil-based products via 26 oil distribution terminals and supply points across the country to almost a thousand retail stations nationwide. Prior to November 2015, PSPC also blended lubricants in the Pandacan Lube Oil Blending Plant.

Geographical segmentation does not apply to the Company's business.

Retail delivers more than 50% of total sales revenue while Commercial fuels delivers around 30%.

(ii) Percentage of sales or revenue contributed by foreign sales

Below is the summary of the percentage of domestic and foreign net sales:

Net Sales	*Domestic*	*Exports*	*Total*
2015, in million pesos	152,243	4,735	156,978
2015, in percentage	97%	3%	100%
2014, in million pesos	212,002	12,083	224,085
2014, in percentage	95%	5%	100%
2013, in million pesos	183,927	14,921	198,848
2013, in percentage	92%	8%	100%

Includes exports of lubricants, aviation fuels, marine fuels and lubes

Over the last three years, most of the export sales were made to Singapore and Malaysia.

(iii) Distribution methods of the products

The twenty-six (26) distribution facilities and supply points throughout the country ensure the quick and efficient distribution of petroleum products from the PSPC's refinery in Tabangao, Batangas to the various PSPC installations and depots and finally to customers.

Main fuel products are transported from the Tabangao refinery through vessels/barges and lorry trucks to supply Luzon demand. Vessels/barges also transport products from the refinery to supply the rest of the country. PSPC contracts a fleet of time-chartered and guaranteed sea-worthy ocean vessels and barges that meet international safety standards. Delivery trucks contracted from private professional haulers are used for inland distribution of products.

In the case of lubricants, products to serve the country's demand were produced in the Lube Oil Blending Plant (LOBP) in Pandacan and also imported from Thailand, Singapore and Malaysia. The LOBP has been decommissioned and demolished in Q4 2015 as a consequence of Pandacan's closure and PSPC is now on a full import model for its Lubricants. Imported products are directly sent and stored to five main strategic points in the country, Regional Distribution Center in Taguig, Bulk Facility in Bulacan and other smaller depots in Sasa, Mandaue and CDO. The logistics network is further optimized to replenish stocks in other strategically located depots. Local distribution to customers is managed by a third party logistics service provider.

In line with its high HSSE standards, PSPC emphasizes a high level of safety consciousness in the storage and handling of products. Staff and contractors undergo proper training on HSSE procedures. Likewise, a strong environmental orientation pervades the design and operation of storage facilities and safeguards against possible contamination and spillage. HSSE audits are conducted regularly. Environmental impact assessments are similarly done as necessary.

(iv) New products

Euro IV PNS Gasoline and Diesel Fuels
As of end December 2015, PSPC started selling Euro IV PNS compliant diesel and gasoline fuels as per Philippine National Standards specifications. The fuels have a sulphur content of 50 parts per million compared with 500 parts per million previously.

Lubricants
PSPC continued to demonstrate its passion for innovation by introducing five new products in 2015: Advance Ultra with Pureplus Technology, Advance Ultra Scooter Oil, Advance Scooter Ax7, Advance Scooter Ax5 and Advance Scooter Gearoil.

Advance Ultra with PurePlus Technology was launched in 2015 (following the launch of Shell Helix Ultra PurePlus last 2014). Pureplus technology is a revolutionary process that converts natural gas into crystal-clear base oil with virtually none of the impurities found in crude oil. Base oil makes up approximately 75-90% of motor oil and so this is a significant step-change in the composition. It produces base oil that provides enhanced viscosity, friction and volatility performance compared to more prominently used traditional base oils. This means it helps extend engine life, reduce maintenance costs, reduce oil consumption, enhance fuel economy and enable better engine cleanliness.

With the growing segment of scooters in the country, PSPC has launched in its newest portfolio, the scooter oils. These new line is specifically designed and formulated for the needs of a scooter. The 3 variants are as follows Advance Ultra Scooter, which is formulated with Pureplus technology, the fully synthetic variant perfect for modern scooters. Ax7 Scooter its semi synthetic blend and Ax5 Scooter its premium mineral blend. Lastly we have launched Advance Gearoil, designed for a scooter's gearbox.

(v) Competition

PSPC conducts business under a deregulated oil industry along with around 90 other industry players. The proportion of imported finished products has increased significantly since the oil deregulation in 1998.

Deregulation Fosters Competition. The entry of new and independent players across the stretch of the entire country has stimulated market competition in the oil industry. Competitive pricing coupled with innovative marketing and customer value added services has driven competition for brand loyalty and preference.

Marketing strategies to retain and gain market share of the downstream oil industry is supported heavily by innovation in advertising and promotions across fuel and lubricants products as well as classes of business, particularly Retail and Commercial.

Based on the market share data available from DOE – PSPC has almost a quarter of the market share in 2015, the other two major oil players Petron and Chevron account for almost 38% of the market while the balance is made up of various small players. The market share is maintained and protected through PSPC's efficient retail network and superior differentiated products and services. The technological advantage of its differentiated fuels portfolio providing both economy and performance driven formulas combined with innovative and highly competitive promotions as well as aggressive marketing assures PSPC's momentum for growth in an extremely competitive fuels market.

PSPC leverages on the worldwide supply and distribution chain and manufacturing assets of the Shell global organization to ensure its business operations in the Philippines are well-supported. The strength of the organization also lies in the stringent processes that assure safety, operational excellence and world-class standards.

International and Market Forces Exert Pressure on the Philippines. The downstream oil industry is heavily impacted by market fluctuations and economic, as well as, political developments overseas. Some of these include: the economic contraction and recession experienced by the western economies to some extent, foreign exchange volatilities, social and political tensions in regions where primary crude oil supplies are drawn such as the Middle East and North Africa (MENA) and, sustained economic activities in Asia-Pacific economies such as China and India. Being a net oil importer, PSPC is highly vulnerable to volatilities of world oil prices, regional product prices and foreign exchange.

(vi) Sources and availability of raw materials and the names of principal suppliers

PSPC's crude and product import requirements are supplied by Shell International Eastern Trading Co. (SIETCO), a trading company based in Singapore.

The bulk of PSPC's crude comes from Middle East countries such as United Arab Emirates, Qatar and Russia. Other countries from which PSPC has imported crude include Saudi Arabia and Malaysia. Finished products, on the other hand, are sourced from Asian countries like Singapore, Korea, China, Japan, Taiwan and Malaysia.

(vii) Major customers

The motoring public that patronizes Shell-branded fuels is served through PSPC's network of Shell-branded stations operated by retailers. Sales from its network of around 1,000 stations strategically located across the country make up more than 50% of PSPC's total sales.

PSPC's Commercial Fuels business supplies major industries that sustain the bullish performance of the Philippine economy, including those from power, mining, transport, marine, & manufacturing. Therma Marine, JG Summit and The Power Sector Assets and Liabilities Management (PSALM) Corporation of the government are the three largest commercial customers of PSPC over the past three-year period. They account for more than 30% of PSPC's commercial fuels sales and volumes in 2015.

PSPC does not have a single external customer from which sales revenue generated amounted to 20% or more of its total revenue.

(viii) Transactions with and/or dependence on related parties

In the normal course of business, the Shell Group of companies (the "Shell Group" or "Group") transacts with companies, which are considered related parties under PAS 24, "Related Party Disclosures". Transactions with related parties consist of (a) importation of crude oil, petroleum products, materials and supplies; (b) exportation of locally refined petroleum products; (c) reimbursement of expenses; (d) lease agreements; (e) short-term placements; and royalty fees.

Purchases from and sales to related parties are consummated at competitive market rates and arms' length basis. Settlement and collection of outstanding related party payables and receivables are generally made within 30 to 60 days from the date of each transaction.

(ix) Trademark Ownership and License Agreement

Trademark Ownership

The trademark 'SHELL' and other trademarks of the Shell Group are, in general, held in the name of Shell Brands International AG. Such intellectual properties are considered to be the Shell Group's assets rather than the properties of individual companies, such as PSPC.

License Agreements

The use of trademarks and trade name by PSPC is regulated by an agreement which provides for termination of the right to use the marks in the event of outside interference, for example, if the management of PSPC or its shareholding changes to the point where it ceases to be a member of the Shell Group.

Administration and Management of Trademarks

Since SHELL and other important trademarks are used internationally, it is important that there is consistency in their use. Accordingly, the Shell Group has an Intellectual Property Services (IPS) that is charged with the responsibility for the administration and co-ordination of trademarks in behalf of the Shell Group and all matters affecting trademarks should be referred to it. To ensure that the Shell Group's trademarks are not allocated to different products or services and that the valuable rights to the said trademarks are maintained, it is the policy that IPS be consulted prior to the adoption of any new mark and that all cases of suspected infringements are immediately reported to IPS.

Once a year, as part of its services, IPS carries out a review of trademarks in which the Shell Group companies, like PSPC, are required to provide information concerning the trademarks currently in use in their particular business. This exercise provides an opportunity for the Shell Group to ensure that all trademarks used are protected by registration where appropriate.

(x) Government approvals needed for principal products

Government regulations require the following: Fire Safety Inspection certificates; Certificates of Conformance of facilities to national or accepted international standards on health, safety and environment; Third Party Liability Insurance and the Environmental and Compliance Certificate issued by the Department of Environment and Natural Resources ("DENR") for service stations and for environmentally-critical projects. These certificates have to be submitted to the DOE for monitoring (not regulation) purposes.

DOE, through its Department Circular DC 2003-1 1-010, otherwise known as the Retail Rules, requires that all gasoline retail stations should at least have a minimum lot area of 100 square meters to ensure that all vehicles being serviced should at all times be inside the business premises. Liquid petroleum products should only be transferred from underground tanks by means of fixed pumps designed and equipped to allow the control of the flow and prevent leakage or accidental discharge. Liquid Petroleum Products shall not be dispensed from above -ground tanks, portable tanks, tank vehicles, drums, barrels or similar containers, *e.g.* bote-bote, into the fuel tanks of motor vehicles or containers.

The Downstream Oil Industry Deregulation Act of 1998 (Republic Act 8479) requires the registration with the DOE of any fuel additive prior to its use in a product. Product specifications have to comply with the requirements of the Department of Trade and Industry ("DTI"), through the Bureau of Product Standards. PSPC produces unleaded gasoline kerosene, jet fuel, diesel and fuel oil; all of which comply with the Philippine National Standards ("PNS"), which are aligned with existing laws, rules and regulations. The PSPC renews its Certificate of Accreditation as Oil Industry Participant in the Fuel Bioethanol Program annually.

(xi) Effect of existing or probable governmental regulations on the business

The Clean Air Act

In keeping with the worldwide trend for cleaner fuels, the Philippines has been progressively moving towards adopting more stringent fuel quality standards, largely patterned after those enforced in the EU ("Euro Standards"). In 1999, Republic Act 8749, otherwise known as the Philippine Clean Air Act of 1999, was signed into law, providing a legal framework by which air quality in the country could be improved via a combination of fuel specifications and motor vehicle standards. The Implementing Rules and Regulations (IRR) were finalized in 2000.

Following the implementation of the Clean Air Act, limits were imposed on sulphur dioxide, nitrogen dioxide and particulate emissions from manufacturing facilities. Continuous emissions monitoring systems ("CEMS") were installed in Tabangao in 2001. The Company conducts a Relative Accuracy Test Audit of its CEMS as part of the regular self-monitoring reports to the Environmental Management Bureau, which is the prescribed method.

PSPC imports blending components (purchased chiefly from other Shell companies in the region) in order to meet the Clean Air Act and PNS' requirements for aromatics and benzene contents in finished grade gasoline products.

Republic Act No. 8749 mandates the following fuel standards:

A.	Gasoline	
	Tetra-ethyl lead	Nil
	Aromatics, vol.%	35
	Benzene, vol.%	2
B.	Auto Diesel Oil	
	Sulfur, wt.%	0.05
C.	Industrial Diesel Oil	
	Sulfur, wt.%	0.3

Biofuels Act

The Biofuels Act of 2006 (Republic Act 9367) was implemented with the aim of reducing dependence on imported fuels. It also aimed to develop and utilize indigenous renewable and sustainable clean energy sources to reduce dependence on imported oil; to mitigate toxic and greenhouse gas (GSG) emissions; to increase rural employment and income; and to ensure the availability of alternative and renewable clean energy without any detriment to the natural ecosystem, biodiversity and food reserves of the country.

PSPC currently blends diesel with 2% coco methyl ester (CME) and gasoline with 10% ethanol.

Euro IV Equivalent Specifications

On 7 September 2010, the DENR issued a Department Order (DAO 2010-23) on Revised Emission Standards for Motor Vehicles Equipped with Compression Ignition and Spark Ignition Engines, mandating compliance of all new passenger and light duty motor vehicles with Euro IV (PNS) emission limits subject to fuel availability, starting 1 January 2016.

Euro IV vehicle emission technology requires a more stringent fuel quality, *i.e.* 50 ppm sulfur content for both diesel and gasoline. In 2012, the DOE spearheaded discussions on the development of a Euro IV PNS fuel specification to support DENR DAO 2010-23. PSPC, as a regular permanent member of the Technical Committee on Petroleum Products and Additives (TCPPA), was actively involved and supportive of the development of Euro IV PNS fuel specifications.

The DTI promulgated and released the PNS for gasoline and diesel which mandates the introduction of Euro IV PNS fuels not later than 1 January 2016. Modifications to the Tabangao Refinery have been completed which enables it to produce Euro IV PNS compliant fuels as of 31 December 2015.

Clean Water Act

Republic Act No. 9275, otherwise known as the Philippine Clean Water Act of 2004, aims to protect the country's water bodies from pollution from land-based sources (industries and commercial establishments, agriculture and community/household activities). All owners or operators of facilities that discharge wastewater are required to get a permit to discharge from the DENR or the Laguna Lake Development Authority, and to report the quality of effluents on a regular basis.

Parity Tax Treatment Between Indigenous and Imported Fuel Sources For Power Generation

The Electric Power Industry Reform Act (EPIRA) provides for parity tax treatment among imported oil and indigenous fuels. Prior to the law, indigenous fuels were imposed with higher taxes largely due to royalties to the government.

Compensation for Oil Pollution Damage.

The Oil Pollution Compensation proposes the imposition of liability for oil pollution damage. It proposes to require entities, which receive more than 150,000 tons of oil in a year from all ports or terminals in the Philippines to contribute to the International Oil Compensation Fund (IOPC) in accordance with the provisions of the 1992 Fund Convention. Republic Act No. 9483, otherwise known as the Oil Pollution Compensation Act of 2007, proposes to collect a fee of ten (10) centavo/liter from owners and operators of tankers and barges hauling oil and/or petroleum products in Philippine waterways and coast wise shipping routes. This new fund, named the Oil Pollution Management Fund ("OPMF"), will be on top of the requirement under the 1992 CLC and 1992 Fund Conventions and will be administered by the Maritime Industry Authority ("MARINA").

Oil Spill Prevention and Control.

This seeks to require oil companies to install oil spill prevention and control liabilities in their tankers and to undertake immediate cleaning operations in the event of oil spill within the country's territorial waters

(xii) Amount spent on research and development

Under existing agreements with Shell International Petroleum Company ("SIPC") and Shell Global Solutions International B.V. ("SGS") of The Netherlands, an entity under common control, SIPC and SGS provide research and development and technical support services to PSPC.

R & D Costs	2015	2014	2013
Amount (in Million Php)	68.25	81.30	23.19
Revenue/Net Sales	156,977.70	224,084.83	198,848.86
	4.35%	3.62%	1.17%

(xiii) Costs and effects of compliance with environmental laws

Compliance with various environmental laws entails costs on the part of PSPC, resulting in higher production costs and operating expenses. In 2015, PSPC increased its provision from Php 819M in 2014 to Php 864M to cover the required environmental remediation.

(xiv) Manpower

PSPC has a total of 754 employees as of 31 December 2015. This includes senior executives, junior executives, junior staff and operatives. PSPC has no plans of significantly changing the number of its employees for the coming year.

The junior staff and operatives belong to either of two labor organizations/unions, namely the Kapisanan Ng Mga Manggagawa sa Shell ("KMS"), whose members comprise the rank and file workers assigned to PSPC's network of depots and installations, and the Tabangao Shell Refinery Employees Association ("TASREA"), covering rank and file workers at the Tabangao refinery.

The current Collective Bargaining Agreement ("CBA") with KMS is effective from 16 January 2014 to 15 January 2017, while negotiation for the CBA between PSPC and TASREA is currently on-going.

In addition to the statutory benefits and reference to PSPC's policies defining eligibility and implementation rules, PSPC provides 14th month pay, Club Membership Allowance, Location Allowance, Meal Allowance, Depot Housing allowance, Driver's Allowance, Relocation and housing allowance, Gas allowance, Car Expense Reimbursement Fixed (for field staff), Maternity Assistance, Funeral Assistance, Sick Leave encashment, Group Hospitalization and Out-patient Insurance, Emergency Loan without interest, and various performance-related incentives to employees. PSPC sponsors a non-contributory retirement gratuity plan (Plan) for the benefit of its regular employees.

(xv) Major risks involved/Risk management

Risk and Internal Control Policy & Responsibilities

PSPC's Risk and Internal Control Policy explicitly states that management is responsible for implementing, operating and monitoring the system of internal control, which is designed to provide reasonable but not absolute assurance of achieving business objectives. The approach to internal control includes a number of general and specific risks management processes and policies. The primary control mechanisms are self-appraisal processes in combination with strict accountability for results.

A. Board of Directors Responsibility (via Board Audit Committee)
   - Evaluate PSPC's Management "control culture"
   - Evaluate PSPC's business risks and management processes, including the adequacy of the overall control environment, and controls in selected areas representing significant financial and business risks
   - Assess (with internal and external auditors) any fraud, illegal acts, deficiencies in internal controls or other similar issues
   - Assess and monitor Management's implementation of internal control recommendations made by internal and external auditors

B. Executive Management Responsibility
   - Establish clear objectives, identify and evaluate the significant risks to the achievement of those objectives, set boundaries for risk taking, and apply fit-for-purpose risk responses
   - Incorporate risk responses into a system of internal control which is designed to address opportunities, protect PSPC assets, facilitate effective and efficient operations, and help to ensure reliable reporting and compliance with applicable laws and regulations
   - Monitor the effectiveness of the system of risk and internal control management
   - Implement relevant Shareholders guidelines and standards which relate to particular types of risk
   - Provide annual assurances regarding the extent of compliance with Shareholders' Risk & Internal Control Policy

C. Line management Responsibility
   - Design, resource, operate and monitor the system of internal control
   - Ensure that a risk based approach to internal control is communicated to staff, embedded in business processes, and responsive to evolving risks
   - Assign accountability for managing risks within agreed boundaries
   - Report the results of balanced assessments regarding the effectiveness of the risk based internal control system, including identified weaknesses or incidents, to executive management.

Risk Response Strategies & Accountabilities

Risk response strategies are then decided upon to best address the significant risks assessed to achieving the business objective. Possible responses include any/all of the following: take, transfer, terminate, and treat.

Take Risks

To some extent, there is a degree of TAKE in the response to most significant risks. Many cannot be avoided and few can be practically and affordably reduced to zero likelihood/zero impact. Risks which are inherent to PSPC's operations will often be accepted, particularly those which are reasonably predictable. Management actions include: establishing/monitoring key risks indicators; set reward/loss targets and tolerance levels; build in contingencies and develop recovery plans, etc.

Transfer Risks

For those risks that can be transferred, management actions include insurance, share via joint ventures/partnerships, spread, etc.

Terminate Risks

For those risks that cannot be taken or transferred, management actions include cessation of such activities/businesses, divestments, reduce scale or pull out of the market.

Treat Risks

Because the response to most significant risks will be active rather than passive, there will be some degree of TREAT in response to most significant risks. Options for risk treatment include Organization, People & Relationship, Direction, Operational, and Monitoring.

Accountabilities for Risks

Market/Operational/Business risks are mostly the accountabilities of business/line managers. Corporate risks such as Foreign Exchanges risks, Interest Rate risks, Liquidity risks, etc. are under the responsibility of the Corporate Finance Department in coordination with business and function managers.

Major Risks & General Responses

A. Market / Operational / Business Risks

Risks under this category include the following (in no particular order):

1. Volatile global crude & product prices
   During periods of decreasing crude and product prices, margins are squeezed due mainly to PSPC's inability to timely reflect these changes in market prices.
2. Product losses in-transit
   This continues to be a concern. Securing Government assistance is key along with other possible means of transporting products.
3. Non-level playing field/Unfair & Illegal practices
   Unfair and illegal practices, and non-level playing field, *e.g.* fuel smuggling and pilferage, proliferation of new retail outlets which do not conform to Health, Safety, Security & Environmental standards remained as key concerns, particularly due to the impact on sales and safety. To counteract these market pressures, PSPC, in coordination with key industry players and government, has sustained its campaign to promote brand protection and consumer awareness. Moreover, industry and government have intensified the drive against illegal refilling activities.

4. Operational risks
   Impact of unanticipated or prolonged shutdowns in key facilities such as depots and the refinery could have a severe impact on PSPC's ability to meet customer requirements.
5. Regulatory risks
   Abrupt changes in laws and regulations can pose detrimental results on PSPC's financial and business operations. Changes in site zoning ordinances, tax regulations, customs rules and licensing procedures can make it difficult to sustain viable business operations in some segments. Long-run trends of the Philippines investment climate have significant impact on the financial condition and cash flows of PSPC.

B. Corporate Risks

(I) Market risk

Market risk is the possibility that changes in currency exchange rates, interest rates or the prices of crude oil and refined products will adversely affect the value of PSPC's assets, liabilities or expected future cash flows.

1. Foreign currency exchange risk
   PSPC operates internationally and is exposed to foreign currency exchange risk arising from currency fluctuations, primarily with respect to the importations of crude and finished products denominated in US dollar. Foreign currency exchange risk may also arise from future commercial transactions and recognized assets and liabilities denominated in a currency other than PSPC's functional currency.

   Foreign exchange currency risks are not hedged and PSPC does not enter into derivative contracts to manage foreign currency risks. Since foreign currency exposure is significantly concentrated on purchase of crude, the PSPC manages foreign currency risk by planning the timing of its importation settlements with related parties.

2. Cash flow and fair value interest rate risk
   Cash flow and fair value interest risk is the risk that future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

   PSPC has no significant exposure to fair value interest rate risk as PSPC has no significant interest-earning assets and liabilities subject to fixed interest rates.

   PSPC's interest-rate risk arises from its borrowings. Borrowings issued at variable rates expose PSPC to cash flow interest-rate risk. As of 31 December 2015, 2014 and 2013, PSPC's short-term borrowings and loans payable carry floating rates based on a certain index plus applicable premium.

   PSPC does not enter into any hedging activities or derivative contracts to cover risk associated with borrowings.

3. Price risk
   The PSPC is not significantly exposed to price risk on equity securities and proprietary club shares because of investments held by the PSPC classified in the balance sheet

as available-for-sale financial assets are not considered material in the financial statements.

(II) Credit risk

Credit risk arises from deposits with banks and financial institutions, as well as credit exposure to trade and non-trade receivables.

PSPC maintains cash and certain other financial instruments with various major financial institutions. To minimize this risk, PSPC performs periodic evaluations of the relative credit standing of these financial institutions and where appropriate, places limits on the amount of credit exposure with any one institution. Additional information is presented in Note 3 of the Audited Financial Statements.

PSPC has policies in place to ensure that sales of products are made to customers with acceptable creditworthiness. Counterparty credit risk is managed within a framework of individual credit limits with utilization being regularly reviewed. Credit checks are performed by a department independent of sales department, and are undertaken before contractual commitment. Where appropriate, cash on delivery terms are used to manage the specific credit risk.

There is no concentration of credit risks as at balance sheet dates as PSPC deals with a large number of homogenous trade customers. Additional information is presented in Note 29 of the Audited Financial Statements.

(III) Liquidity risk

Liquidity risk is the risk that suitable sources of funding for PSPC's business activities may not be available. PSPC has access to sufficient external debt funding sources (banks credit lines) to meet currently foreseeable borrowing requirements. The Treasury group centrally monitors bank borrowings, foreign exchange requirements and cash flow position.

Surplus cash is invested into a range of short-dated money market instruments, time deposits and money funds, which seek to ensure the security and liquidity of investments while optimizing yield.

Management monitors rolling forecasts of PSPC's liquidity reserve on the basis of expected cash flow.

(1) Description of Properties

PSPC operates on various leased property for its refinery, storage installations, depots and various retail service stations located throughout the Philippines.

PSPC's refinery is situated in Tabangao, Batangas City, 121 kilometers south of Manila. The refinery was built in 1962 on 4,200,000 square meters of land. Consisting of 55 Product & Component tanks, 11 Crude Tanks, 5 LPG Spheres and 4 jetties, the refinery can process and refine an average of 110,000 barrels a day.

Aside from the Tabangao refinery, PSPC also has a network of installations, depots and Field Sales Offices (FSO) scattered all over the islands. These are situated in the National Capital Region (Pandacan, Sucat/Buli), Luzon (Tabangao, Calapan, Poro, Bataan, Pasacao, Masbate and Puerto Princesa) and the Southern Islands (Mandaue, Sasa, Bacolod, Lapus, Anibong, Tagbilaran, Cabadbaran, Cagayan de oro, Iligan, Jimenez).

PSPC has an existing sub-lease for a vacant plot of land adjacent to the PSPC's Cagayan de Oro ("CDO") terminal with a size of 25,000sqm where the existing cargo line from the CDO terminal to the jetty passes through. The land is owned by Batangas Land Corporation. This is where the NMIF is located.

These installations and depots have a variety of tanks, lorry trucks, machinery, building structures and equipment.

As of 31 December 2015, PSPC had around 1,000 service stations broken down into roughly 50% company-owned and 50% dealer-owned. PSPC shares a joint storage facility in Ninoy Aquino International Airport with Petron and Chevron. PSPC also leases several parcels of land and property (including the Shell House building).

PSPC's future minimum rental commitment to its leases is as follows:

• Less than 1 year	3.1 billion
• More than 1 year but less than 5 years	6.2 billion
• More than 5 years	4.8 billion

PSPC anticipates leasing additional lots from third parties for the expansion of its retail network in the coming year. PSPC also plans to spend for the regular repairs, maintenance, and replacement of its current properties and equipment.

(C) LEGAL PROCEEDINGS

Tax cases

(a) Excise tax on Importations of Catalytic Cracked Gasoline(CCG) and Light Catalytic Cracked Gasoline (LCCG)
Pilipinas Shell Petroleum Corporation vs. Commissioner of Customs, Collector of Customs of the Port of Batangas, Bureau of Customs and Bureau of Internal Revenue
CTA Case Nos. 8004 and 8121, Court of Tax Appeals, 2nd Division
CTA Case No. EB 1007/1003, Court of Tax Appeals En Banc

Filed 3 December 2009

Matter Summary: The Bureau of Customs ("BOC") assessed PSPC more than PHP 7.3 Billion for claimed excise taxes on the importation of Catalytic Cracked Gasoline and Light Catalytic Cracked Gasoline ("CCG/LCCG") components from 2004-2009.

PSPC filed a Petition for Review with the Court of Tax Appeals ("CTA") to contest the ruling of the BOC. This case was consolidated with a petition against a ruling by the Commissioner of Internal Revenue ("CIR") dated 15 December 2009, which requires double taxation on CCG/LCCG.

The Government later accepted PSPC's offer to post a surety bond to answer for any damage that a Suspension Order might cause to the government. The posting of the bond was approved by the CTA which prevented the BOC from implementing further seizures of PSPC importations.

Status: In a Resolution dated 27 November 2012, the Court granted PSPC's Motion for Summary Judgment and ruled that the government is enjoined from collecting the alleged unpaid excise taxes and VAT on PSPC's CCG/LCCG importations for the periods in 2004 to 2009. The government filed a

Petition for Review with the CTA En Banc. Meanwhile, PSPC filed its own Petition for Review with the CTA En Banc because the CTA did not invalidate the 15 December 2009 Ruling of the CIR with respect to double taxation. The parties' memoranda were filed in November 2013. In a Decision dated 28 September 2015, the CTA En Banc held PSPC liable for the payment of unpaid excise taxes and value added Tax ("VAT") for the importation of CCG/LCCG covering the period from 2006 to 2009. On 2 November 2015, PSPC moved for the reconsideration of said ruling.

Awaiting resolution by the CTA En Banc.

(b) Batangas Local Tax Case

Batangas City, Maria Teresa Geron, in her capacity as City Treasurer of Batangas City and Teodulfo A Deguito in his capacity as City Legal Officer of Batangas City vs. Pilipinas Shell Petroleum Corporation
SC-G.R. No. 187631, Supreme Court, 3rd Division

Filed in SC 8 May 2009

Matter Summary: In 2003, the City of Batangas assessed the PSPC, **Php 4,000,000** for Mayor's permit and Php 405,029,973.04 as business taxes on the basis of the volumes of petroleum products manufactured and distributed through PSPC's Tabangao refinery located in Batangas City. It is the PSPC's position that it is not liable for said amounts since petroleum products are exempt from local taxes under the Local Government Code. Batangas City, on the other hand, posits that what are being taxed are the businesses of manufacturing and distribution, and not the petroleum products themselves.

The 2nd Division of the CTA rendered a decision finding PSPC not liable for these taxes and further declared that the amount assessed as mayor's permit fees was excessive. The City was further precluded from imposing taxes on the manufacture and distribution of petroleum products and was ordered to refund the excessive mayor's permit fees. The City of Batangas filed a Petition for Review with the CTA En Banc which also affirmed the decision of the 2nd Division. Hence, the appeal by the City of Batangas to the Supreme Court.

Status: In its decision dated 8 July 2015, the Supreme Court announced that PSPC is not liable for these local taxes.

(c) Excise tax on Importations of Alkylate
Pilipinas Shell Petroleum Corporation vs. Commissioner of Internal Revenue et al.
CTA Case No. 8535, Court of Tax Appeals, 1st Division

Filed August 24, 2012

Matter Summary: The Bureau of Internal Revenue ("BIR") held that Alkylate, a raw material imported by PSPC, is subject to excise taxes upon importation. The BIR ordered the collection of **Php 1, 994,500,677.47** in alleged excise taxes for importations of Alkylate in the period from January 2010 to June 2012.

Status: On 22 October 2012, the CTA issued a Suspension Order which means that while the case is pending, the government cannot enforce the collection of the alleged unpaid excise taxes on Alkylate importations from 2010 to June 2012. After the submission by PSPC and the Government of arguments and counter-arguments, the CTA resolved to deny the Government's Motion to Dismiss and the subsequent motion for reconsideration. Following the denial of the Motion to Dismiss, the BOC appealed to the CTA En Banc, while the BIR brought the matter to the Supreme Court. In a Resolution dated 10 February 2014, the CTA En Banc dismissed the appeal filed by the BOC which the BOC later on elevated to the Supreme Court.

On 2 June 2014, PSPC filed a Petition for Certiorari with Application for the Issuance of a Temporary Restraining Order and/or Writ of Preliminary Injunction with the Supreme Court questioning the denial of its application for the issuance of a suspension order against the assessment and collection of excise taxes on its March 2014 alkylate shipment.

On 7 July 2014, the Supreme Court consolidated the petitions which stemmed from this issue and are now pending before said court, to wit: (1) appeal filed by the BOC raising the question of jurisdiction (SC G.R. No. 211294), (2) appeal filed by PSPC challenging the denial of its application for Suspension Order for its March 2014 alkylate shipment (SC G.R. 212490), and (3) appeal filed by the BIR likewise raising the issue of jurisdiction (SC G.R. No. 210501). The Supreme Court also issued a temporary restraining order enjoining the CTA and the tax-collecting agencies of the government from imposing excise taxes on incoming alkylate importations of PSPC.

Meanwhile, the main case on the merits continues with the CTA. On 30 July 2014, PSPC asked the CTA (1st Division) to render judgment based on the pleadings but which was denied. The CTA has set the pre-trial to be held in May 2016.

(d) Tax Credit Certificates Cases

1. Commissioner of Internal Revenue vs. Pilipinas Shell Petroleum Corporation
SC GR No. 204119-20, Supreme Court 2nd Division

Filed 5 December 2012

Matter Summary: This is an appeal from the Decision of the Court of Appeals which affirmed the CTA's decision in setting aside the CIR's demand for payment of the sum of Php Php 1,705,028,008.06 as PSPC's excise tax liabilities for the years 1992, 1994-1997, which were paid by PSPC through TCCs and TDMs.

Status: Awaiting action by the Supreme Court.

2. Commissioner of Internal Revenue vs. Pilipinas Shell Petroleum Corporation
SC-G.R. No. 197945, Supreme Court

Filed October 04, 2011

Matter Summary: From 1988 to 1997, PSPC paid some of its excise tax liabilities with Tax Credit Certificates ("TCC") duly assigned and transferred to it by other Board of Investments ("BOI")-registered entities. In 1998, the BIR sent a collection letter to PSPC demanding payment of allegedly unpaid excise taxes. This became the subject of several protests which led to various cases before the CTA.

This is an appeal from the Decision dated 22 February 2011 of the CTA in CTA EB Case No. 535 which denied the CIR's petition for lack of merit and ruling that PSPC has duly settled its excise tax liabilities by utilizing valid and genuine TCC/Tax Debit Memos ("TDM"), obtained in good faith and for value, and in accordance with the applicable laws and rules.

Status: Awaiting further action by the court.

3. Republic of the Philippines rep. by Bureau of Customs vs. Pilipinas Shell Petroleum Corporation & Filipino Way Industries
SC-G.R. No. UDK 14908, SC G.R. No. 209324 Supreme Court

Matter Summary: Sometime in March 1996, TCCs were issued to Filway Industries for customs duties and taxes allegedly paid on raw materials used in the manufacture, processing or production of knitted fabrics. In 1997, Filway executed a deed of assignment over the TCCs in favour of PSPC. PSPC then utilized said TCCs to settle its customs duties and taxes on oil importations. According to the government, it was discovered that the said credit memos were fake and spurious as they did not conform to the records. Thus, the TCCS were cancelled and BOC is demanding anew for the payment of custom duties and taxes for PSPC's importations.

This is an appeal by the government from the decision of the Court of Appeals affirming the orders of Regional Trial Court ("RTC") Manila Branch 49 that dismissed the case

Status: In its Decision dated 9 December 2015, the Supreme Court remanded the case to the lower court for the conduct of the trial proceedings so that the BOC could attempt to prove the alleged fraudulent acquisition and use of TCCs amounting. PSPC filed a Motion for Reconsideration from this decision on 4 February 2016.

Pandacan Zoning Ordinance
Social Justice Society (SJS) Officers VS Alfredo S. Lim, in his capacity as Mayor of the City of Manila and Jose L. Atienza, Jr. et.al. VS Mayor Alfredo S. Lim, et. al (Ordinance 8187)
SC-G.R. No. 187836 consolidated with Case No. 187916, Supreme Court

Filed 1 June 2009

Pilipinas Shell Petroleum Corp. vs. City of Manila, et al. (Re: Ordinance No. 8283), Case No. 13-1034, RTC Makati City

Filed on 29 August 2013

Matter Summary: On 28 May 2009, the Mayor of Manila approved Ordinance No. 8187, which repeals or amends the zoning ordinances (Ordinance No. 8027 and 8119) that earlier required the closure of the Pandacan depots. Social Justice Society and former Manila Mayor Joselito Atienza separately filed their respective Petitions before the Supreme Court challenging the validity of Ordinance No. 8187.

PSPC intervened in the cases and asked the Supreme Court to assign a special court or commission to receive evidence on the factual issues such those on safety and environment. The Supreme Court has ordered the consolidation of the cases.

Status: On 29 August 2013, PSPC filed a Petition for Declaratory Relief to challenge the validity of Ordinance No. 8283. This Ordinance re-classifies the area of the Pandacan Depot into a Commercial/Mixed Use Zone and requires the removal of the oil terminal by January 2016. In view of this, PSPC informed the Supreme Court that the pending matter regarding Ordinance No. 8187 should be dismissed.

On 25 November 2014, the SC decided to declare Ordinance No. 8187 unconstitutional and invalid with respect to the continuing stay of the Pandacan depots. The Court gave the oil companies 45 days to submit a comprehensive plan and relocation schedule and then six (6) months to implement the said plan. On 5 January 2015, PSPC filed its Motion for Reconsideration.

In a Resolution dated 10 March 2015, the Supreme Court denied PSPC's Motion for Reconsideration. The Court ordered the observation of the prescribed timelines indicated in its decision and the proscription against the filing of further pleadings, motions or papers.

The Supreme Court has held that Ordinance No. 8187 is invalid and ordered the oil companies in Pandacan to remove its facilities within 6 months. As of 24 November 2015, PSPC has complied with the removal of its facilities.

Cases Filed by the West Tower Condominium Corporation

(a) West Tower Condominium Corp. et al. vs. Judge Elpidio R. Calis et al.
SC G.R. No. 215901, Supreme Court

Matter Summary: PSPC is a respondent in this Petition for Certiorari filed by West Tower Condominium Corp. ("WTCC"), et al. to challenge the ruling of Judge Calis requiring the payment of filing fees in the civil case for damages earlier brought by WTCC in connection with the leak in White Oil Pipeline. The issue is whether the case filed with the lower court is exempt from payment of filing fees. The RTC judge earlier ruled that the claim is an ordinary claim for damages.

Status: In a Decision dated 30 June 2014, the Court of Appeals affirmed the ruling of the RTC requiring the payment of filing fees. First Philippine Industrial Corporation ("FPIC") and its Board of Directors and Officers asked the Court of Appeals to reconsider the part of its Decision retaining the party-complainants previously dropped as parties to the case arguing that the court has no jurisdiction to reinstate these party-complainants. WTCC, et al. filed its Motion for Reconsideration arguing that they have satisfied all the requirements in order that this case may be treated as an environmental case which does not necessitate the payment of the filing fees. On 26 September 2014, PSPC asked the Court of Appeals to deny the motion for reconsideration filed by WTCC, et al. for lack of merit. In its resolution dated 11 December 2014, the Court of Appeals denied the Motion for Reconsideration filed by the WTCC, et al. WTCC, et al.'s filed with the Supreme Court the present petition dated 11 February 2015 seeking a review of the decision of the Court of Appeals. PSPC has filed its Comment with Opposition dated 18 September 2015 asking the Supreme Court to dismiss the petition and to deny the application for a temporary restraining order.

(b) West Tower Condominium Corp. vs. Garde, et al (Criminal Negligence)
NPS No. XV-05-INV-11J-02709 , Department of Justice

Filed 2 October 2011

Matter Summary: This is a complaint for criminal negligence against 11 Directors of PSPC and 2 Officers of PSPC who are also directors of FPIC. Aside from the other Directors and Officers of FPIC, also charged were Directors of First Gen Corp. and Directors of Chevron.

Each of PSPC's Directors (11) and Officers (2) filed their respective Counter-affidavits on 19 January 2011. The Directors asserted that there is no basis to find them culpable for negligence. The City Prosecutor will make a determination as to the existence of probable cause, which is necessary before the Respondents can be indicted.

Status: The case is pending resolution.

Others
Cecilio Abenion, et al vs. Dow Chemical Co, et al.
SC G.R. No. 202295, Supreme Court, 1st Division
SC-G.R. Case 199182-89, Supreme Court, 2nd Division

Filed 23 December 2011

Matter Summary: In 1996, an action for damages was filed against several U.S. corporations, including Shell Oil PSPC, alleged to be manufacturers and users of pesticides used in plantations in Davao City. A global compromise agreement was reached between Shell Oil PSPC (among others) and the claimants.

In August 2009, a Davao City trial court issued a Notice of Garnishment of PSPC's funds in a bank supposedly to enforce the compromise agreement. PSPC sought and obtained protective relief from the courts on the basis that it was not a party to the case or to the compromise agreement subject of the case.

The Court of Appeals voided the orders of execution and ordered the judge to recuse from further presiding in the proceedings in the trial court.

Status: Two separate petitions for review of the Court of Appeals' decision were filed by the claimants with the Supreme Court. One of the petitions was dismissed by the Supreme Court 1st Division (SC G.R. No. 202295). The other petition is still pending with the 2nd Division (SC G.R. No. 199182-89).

PART II – SECURITIES OF THE REGISTRANT

A. Market Price of and Dividends on Registrant's Common Equity and Related Stockholder Matters

1. Market Information and Voting Rights of Shares

1. **Market information** – PSPC's securities are not listed in the stock exchange therefore there is no public trading. Since the securities are not listed, there is no information on high or low bids. Transfer of shares is usually within related shareholders.

2. **Holders** – There are three hundred sixty-two (362) common stockholders, the top twenty (20) of which are:

	Name	No. of Shares Held	% of Shares Held
1	Shell Overseas Investments B.V.	1,081,364,501	68.18%

2	The Insular Life Assurance Company, Ltd.	310,078,999	19.55%
3	Spathodea Campanulata Inc.	81,551,154	5.14%
4	Rizal Commercial Banking Corporation	28,863,475	1.82%
5	Sagitro, Inc.	11,476,978	0.72%
6	Lourdes T. Arroyo, Inc.	7,484,352	0.47%
7	Carosal Development Corporation	5,107,991	0.32%
8	Severo A. Tuason & Co., Inc.	3,373,948	0.21%
9	Aboitiz & Co. Inc.	3,057,540	0.19%
10	Sahara Management and Development Corporation	2,312,245	0.15%
11	BPI/MS Insurance Corporation	1,972,022	0.12%
12	Zarcon Development Corporation	1,726,462	0.11%
13	Jose Antonio M. Ortoll	1,532,213	0.10%
14	Ayala Life Assurance, Inc.	1,342,198	0.08%
15	Pan Malayan Management & Investment Corporation	1,268,536	0.08%
16	Narciso L. Erana	1,191,150	0.08%
17	Gregorio Araneta III	1,177,720	0.07%
18	Ma. Beatriz M. Ortoll	1,140,923	0.07%
19	Carlos M. Ortoll, Jr.	1,021,220	0.06%
19	Ma. Elena M. Ortoll	1,021,220	0.06%
19	Ma. Marta M. Ortoll	1,021,220	0.06%
19	Ma. Teresa M. Ortoll	1,021,220	0.06%
19	Martin M. Ortoll	1,021,220	0.06%
20	Maria Lourdes Gonzalez La'o	985,228	0.06%

3. Dividends

a. On 16 April 2013, the Corporation's Board of Directors approved the declaration of a cash dividend in the amount of Php 0.689 per share from the unrestricted retained earnings of the Corporation to all shareholders of record as of 16 April 2013 and payable on 16 May 2013. The total dividends declared and paid out in 2013 was Php 0.47 million. Php

No Dividends were declared in 2014 and 2015.

A cash dividend declaration requires approval from the Corporation's Board of Directors but does not require any further approval from the Corporation's shareholders. Dividends may be declared only from unrestricted retained earnings. The payment of dividends in the future will depend on the Corporation's earnings, cash flow, investment program and other factors.

Dividends payable to foreign shareholders may not be remitted using foreign exchange sourced from the Philippine banking system unless their investment was first registered with the *Bangko Sentral ng Pilipinas* and thus, covered by the required Bangko Sentral registration Document (BSRD)

b. PSPC absorbed Php 1.1B of retained earnings from its merger with Shell Philippine Petroleum Corporation ("SPPC") in 1999. Based on prevailing SEC opinion, a company's "unrestricted retained earnings" is interpreted by the SEC as referring exclusively to a company's own unrestricted retained earnings ("URE") and thus, does not include the URE of the absorbed company in the case of a merger. While the SEC recognizes the "pooling of interests" method of accounting for mergers and consolidations, the same is subject to the condition that no cash or property dividend shall be issued out of the URE inherited by the surviving corporation in a merger. PSPC used the pooling of interests method to account for the merger of PSPC and SPPC. Thus, the Php 1.1B URE of SPPC may only be distributed as stock dividends.

The Corporation is allowed under Philippine laws to declare property and stock dividends, subject to certain requirements. A stock dividend declaration approved by the Corporation's Board of Directors must be ratified by shareholders representing not less than two-thirds of the Corporation's outstanding capital stock.

4. **Recent sales of Unregistered or Exempt Securities, including Recent Issuance of Securities Constituting an Exempt Transaction.** PSPC has no recent sales of unregistered or exempt securities.

B. Description of PSPC's Shares

1. Capital stock and treasury shares as at 31 December consist of:

2.

	2015		2014 and 2013	
	Number of shares	Amount (Php '000)	Number of shares	Amount (Php '000)
Authorized capital stock, common shares at P1 par value per share	2.5 billion	2,500,000	1 billion	1,000,000
Issued shares	1,653,558,291	1,653,558	758,885,514	758,885
Treasury shares	(67,614,089)	(507,106)	(67,614,089)	(507,106)
Issued and outstanding shares	1,585,944,202	1,146,452	691,271,425	251,779

The capital stock of the Company increased from Php 1.0 billion divided into 1 billion shares with a par value of Php 1.00 each to Php 2.5 billion divided into 2.5 billion shares with a par value of Php 1.00 each. The increase was approved by majority of the Board of Directors on 24 March 2015 and the vote of the stockholders owning or representing at least two-thirds of the outstanding capital stock at a meeting held on 12 May 2015, certified to by the Chairman and the Secretary of the stockholders meeting and a majority of the Board of Directors. The SEC approved the increase in authorized capital stock on 18 August 2015.

In 2015, after approval of increase in authorized capital stock, the Company issued 894,672,777 shares with par value of Php 1 per share for a total consideration of Php 17.9 billion. Transaction costs relating to the issue of shares that were accounted for as a deduction from equity, through share premium, amounted to Php 40.6 million composed of registration and regulatory fees, and stamp duties.

Each common share is entitled to one vote.

2. Debt Securities

The company does not have any outstanding debt securities.

3. Stock Ownership Plan

PSPC currently does not have a stock ownership plan or program.

Part III. Financial Information

A. Management's Discussion and Analysis (MD&A)

The financial statements (Statements of Income & Balance Sheets) for the years 2015, 2014 and 2013 are shown in Million Philippine Pesos.

2015 vs. 2014 Financial Condition

Cash and Cash equivalents decreased by 23% from Php 4.7 billion in 2014 to Php 3.6 billion in 2015. Php 14.2 billion of cash was generated from operational activities, Php 6.2 billion of cash was used for investing (purchase of non-current assets) activities and Php 9.1 billion of cash was used for payment of interest and loans.

Receivables decreased by 26% from Php 14.0 billion in 2014 to Php 10.4 billion in 2015 mainly due to lower sales value as a result of lower product prices.

Inventories decreased by 31% from Php 16.3 billion in 2014 to Php 11.3 billion in 2015 due to reduction in crude prices and improvements in inventory management.

Prepayments and other current assets decreased by 7% from Php 12.2 billion in 2014 to Php 11.3 billion in 2015 mainly due to decrease in excess input VAT year on year.

Long term receivables, rentals and investments decreased by 36% from Php 1.4 billion in 2014 to Php 0.9 billion in 2015 mainly due to the receipt of loan payment from a related party in 2015.

Property, plant and equipment increased by 20% from Php 18.6 billion in 2014 to Php 22.3 billion in 2015 due to investments in the refinery Euro-IV upgrade and the construction of the NMIF.

Deferred income tax assets decreased by 30% from Php 5.3 billion in 2014 to Php 3.7 billion in 2015 due to the utilization of some of the deferred tax assets because of the reported profits during the year.

Other Assets increased by 177% from Php 1.0 billion in 2014 to Php 2.7 billion in 2015 mainly due to the increase in pension asset.

Account Payable and accrued expenses decreased by 19% from Php 19.9 billion in 2014 to Php 16.2 billion in 2015 mainly due to reduction in crude purchase value as a result of lower crude prices.

Short term Borrowings decreased by 87% from Php 21.6 billion in 2014 to Php 2.7 billion in 2015 due to the repayment of short term loans and the conversion of some short-term loans to long-terms loans.

Current portion of loans payable decreased by 100% from Php 11 billion in 2014 to nil balance in 2015 due to repayment of the current portion of loans in 2015.

Loans payable, net of current portion increased by 33% from Php 12 billion in 2014 to Php 16 billion in 2015 due to the conversion of short-term loan to long-term loan.

Stockholder's Equity increased by 581% from Php 3.8 billion in 2014 to Php 26 billion in 2015 mainly due to the Php 17.9 billion rights issue and also due to profits made during the year.

2014 vs. 2013 Financial Condition

Cash and Cash equivalents decreased by 24% from Php 6.2 billion in 2013 to Php 4.7 billion in 2014. Php 7.4 billion cash was generated from operational activities, Php 5.6 billion cash was used for investing (purchase of assets) activities, and Php 3.2 billion net effect of payments of short-term borrowings and interest and proceeds from long-term loans.

Receivables decreased by 11% from Php 15.7 billion in 2013 to Php 14.0 billion in 2014 due to decrease in the sales.

Inventories decreased by 43% from Php 28.5 billion in 2013 to Php 16.3 billion in 2014 due to lower crude prices.

Prepayments and other current assets increased by 28% from Php 9.5 billion in 2013 to Php 12.2 billion in 2014 mainly due to increase in excess input VAT and creditable withholding tax.

Property, plant and equipment increased by 26% from Php 14.8 billion in 2013 to Php 18.6 billion in 2014 due to investments in the refinery Euro-IV upgrade and the construction of the NMIF.

Deferred income tax assets increased by 256% from Php 1.5 billion in 2013 to Php 5.3 billion in 2014 due to the net loss driven by the significant drop in crude prices during the year resulting to deferred tax assets on net operating loss carry over.

Other Assets decreased by 19% from Php 1.2 billion in 2013 to Php 1.0 billion in 2014 mainly due to pension settlements and increase in depreciation for software assets.

Account Payable and accrued expenses increased by 39% from Php 14.3 billion in 2013 to Php 19.9 billion in 2014 attributable to the increase in importation from SIETCO and also due to timing.

Short term Borrowings decreased by 39% from Php 35.5 billion in 2013 to Php 21.6 billion in 2014 mainly due to re-class to current portion by Php 11 billion which was payable in 2015 and partly due to repayment.

Current portion of loans payable increased by 100% from nil balance in 2013 to Php 11 billion in 2014 due to re-class from short term borrowings.

Loans payable, net of current portion increased by 9% from Php 11 billion in 2013 to Php 12 billion in 2014 to meet the working capital requirements.

Equity decreased by 70% from Php 12.6 billion in 2013 to Php 3.8 billion in 2014 mainly due to the recorded net loss in 2014.

2015 vs. 2014 Results of Operation

Profit for the year 2015 was registered at Php 3.6 billion as compared to Php 8.5 billion Loss for the year 2014. This is mainly driven by the growth in sales volume, improvement in refining margins and lower inventory losses in 2015 vs 2014.

Net sales decreased by 30% from Php 224.1 billion in 2014 to Php 157.0 billion in 2015. This decrease is mainly due to significantly lower product prices in 2015 vs 2014 driven by the drop in global oil prices. Sales Volume, on the other hand, increased by 3% from 5,627M Liters in 2014 to 5,812M Liters in 2015 mainly driven by Retail and Commercial fuels.

Retail volumes increased due to successful marketing initiatives, differentiated fuels offerings, contributions of new-to-industry retail sites acquired last year.

Commercial fuels volumes increased due to higher lifting from power and manufacturing customers and additional volumes from the previously exported naphtha which is now locally sold to a local petrochemical plant.

Cost of Sales decreased by 38% from Php 225.4 billion in 2014 to Php 139.7 billion in 2015. This is mainly due the drop in global oil prices resulting in lower cost of purchases and lower primary transport cost.

Gross profit margin increased from Php 1.3 billion gross loss in 2014 (1% of net sales) to gross profit of Php 17.3 billion in 2015 (11% of net sales) mainly due to stronger refinery margins and lower primary transport cost.

Operating expenses, net increased by 7% from Php 9.6 billion in 2014 to Php 10.4 billion in 2015, due to increase in general and administrative and selling expenses.

Other Non-Operating Income (expense), net improved from Php 0.02 billion loss in 2014 to Php 0.02 billion gain in 2015. This is mainly due to the gain on revaluation of available for sale securities.

Finance income (expenses), net has increased by 21% from Php (1.4) billion in 2014 to Php (1.7) billion in 2015, mainly due to realized foreign exchange losses.

2014 vs. 2013 Results of Operation

Loss for the year 2014 was registered at Php (8.5) billion down from the results of 2013 amounting to Php (0.9) billion mainly driven by the significant drop in oil prices which resulted to inventory losses. Operating expenses also increased in 2014.

Net sales increased by 13%, from Php 198.8 billion in 2013 to Php 224.1 billion in 2014. Increased sales revenues are due to the increased sales volume from 5,309M Liters in YTD Dec 2013 to 5,627M Liters in YTD Dec 2014. These were aided by the success of various national promotions i.e., Coca Cola, Project Bell (SM Advantage Card loyalty program), raffle prize of a trip to the Ferrari Factory, Project Elite – for every Php 1500 purchase of Shell V-Power Nitro and fuels you get free Magnum Ice Cream, and also the increased demand from Power sector.

Cost of Sales increase by 20% from Php 187.2 billion in 2013 to Php 225.4 billion in 2014 is mainly due to the inventory losses brought about by the significant drop in crude prices.

Gross profit margin decreased from Php 11.6 billion in 2013 (6% of net sales) to gross loss of Php 1.3 billion in 2014 (1% of net sales). The decrease in margins was due to the decrease in Manufacturing business margins caused by higher operational costs and unplanned refinery shut downs in 2014.

Operating expenses increased to Php 9.6 billion in 2014 from Php 8.8 billion in 2013 due to increase in general and administrative and selling expenses.

Other non-Operating Income/ (Expense) decreased to Php 0.02 billion in 2014 from Php 1.2 billion in 2013. This is mainly due to the one-off settlement of Isla Gas claims by PSPC in 2013.

Finance income (expenses) has decreased from Php (2.4) billion in 2013 to Php (1.4) billion in 2014, mainly due to realized foreign exchange gain in 2014 as compared to realized foreign exchange losses in 2013.

2015 vs. 2014 Capital Employed

Return on capital employed improved significantly at 7% for 2015 compared to -16% in 2014 mainly due to the strong operational performance of the Company in 2015.

Capital employed decreased by 9% to Php 44.8 billion in 2015 from Php 48.4 billion in 2014. The decrease is mainly due to the reduction in working capital due to the drop in oil prices offset by the increase in fixed asset investments in the refinery Euro-IV upgrade and NMIF construction.

Net working capital decreased from Php 22.6 billion in 2014 to Php 20.5 billion in 2015. The working capital improved by Php 2.1 billion in end December 2015 vs. end December 2014 mainly due to the drop in oil prices as well as operational efficiencies implemented in 2015. Excess input VAT reduced by Php 1.8 billion. Inventory, Accounts Receivable and Accounts Payable also decreased mainly due to reduction in oil prices and working capital improvement tactics.

Long term assets increased by Php 3.3 billion in 2015, due to increase in Property, Plant and Equipment and Pension asset.

Net cash flow generated/ (used) from operating activities but before working capital changes amounted to Php 6.8 billion in 2015, which reflects the net operating profit for the year. Decrease in current assets, decrease in liabilities other than provisions, dividends payable, short-term borrowings and loans payable resulted in net cash from operating activities to Php 14.2 billion.

2014 vs. 2013 Capital Employed

Return on capital employed is at -16% for 2014 compared to -2% in 2013. Capital employed decreased by 12% to Php 48.4 billion in 2014 from Php 55.1 billion in 2013 decrease in inventories and increase in Trade and other payables offset by increase in fixed asset investment from Star Trec and NMIF projects and increase in deferred tax asset due to incurred losses as well as increase in input VAT.

Net working capital decreased from Php 45.6 billion in 2013 to Php 22.6 billion in 2014, with major decrease in Inventory due to lower oil price and reduced activity in the refinery.

Long term assets increased by Php 7.4 billion in 2014, owing to an increase in Property, Plant and Equipment and deferred tax assets.

Net cash flow generated/ (used) from operating activities but before working capital changes amounted to Php (5.1) billion in 2014, which reflects the net operating loss for the year. Decrease in current assets, increase in liabilities other than provisions, dividends payable, short-term borrowings and loans payable resulted in net cash from operating activities to Php 7.4 billion.

KEY PERFORMANCE INDICATORS:

	2015	2014	2013
Current Ratio	1.94	0.90	1.20
Earnings per Share	3.48	(12.28)	(1.32)
Debt-to-Equity	0.59	12.71	3.31
Return on Assets (%)	5.37	(11.54)	(1.16)
Return on Equity (%)	24	(104)	(7)

a. Figures are based on Audited Financial Statements.
b. Current ratios are computed by dividing current assets over current liabilities.
c. Earnings per share are computed based on the net income for the year divided by the weighted average number of shares outstanding during the period.
d. Debt-to-equity ratio is derived by dividing net debt (short-term and long-term borrowings less cash) over stockholder's equity (exclusive of Other Reserves).
e. Return on assets is computed as Profit (Loss) for the year divided by total assets.
f. Return on equity is computed as Profit (Loss) for the year divided by average of equity during the year and prior year.

i. Known trends, demands, developments, commitments, events or uncertainties that will have a material impact on the issuer's liquidity

Oil Prices

Crude prices have continued in a downward spiral in 2015. The Organization of the Petroleum Exporting Countries ("OPEC") has maintained its production levels while Non-OPEC countries including the US also continued to increase their production output. This trend has resulted to inventory losses in 2015.

Product prices continued to be strong in 2015 on the back of growth in demand from continued uptake of gasoline and diesel.

Market Trends

The number of vehicles in the country continues to grow supported by positive demographic and macroeconomic trends.

ii. Any events that will trigger direct or contingent financial obligation that is material to the PSPC, including any default or acceleration of an obligation.

There are no material or significant events during the reporting period that will trigger direct or contingent financial obligation that is material to the PSPC except for the cases enumerated under the section 'Legal Proceedings'.

iii. **All material off-balance-sheet transactions, arrangements, obligations (including contingent obligations) and other relationships of PSPC with unconsolidated entities or other persons created during the reporting period.**

There are no material off-balance-sheet transactions, arrangements, obligations and other relationships of the PSPC with unconsolidated entities or other persons created during in 2013-2015.

iv. **Capital Expenditures Commitments**

For the year 2016, a budget of Php 3.4 billion has been approved for capital expenditures. Bulk of the capital expenditures will be allocated mainly for asset integrity/maintenance, turnaround and growth projects. This will be financed by Cash Flow from Operations.

v. **Known trends, events, or uncertainties that have had or that are reasonably expected to have a material favorable or unfavorable impact on Net Sales/Income from continuing operations**

Global developments, particularly volatility in oil prices and foreign exchange, will continue to impact the company's financial performance.

vi. **Any significant elements of income or loss that did not arise from the registrant's continuing operations**

There are no material elements of income or loss that did not arise from the registrant's continuing operations during the period.

vii. **Any seasonal aspects that had material effect on the financial condition or results of operations**

There are no seasonal aspects that have material effect on the financial condition or results of operations during the period.

B. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

The accounting firm of Isla Lipana & Co. (Price Waterhouse Coopers - Philippines) formerly known as Joaquin Cunanan & Co. has been the principal accountants and external auditors of PSPC for the current and previous fiscal years. There are no changes in and disagreements with mentioned accountants on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure.

PART IV – MANAGEMENT and CERTAIN SECURITY HOLDERS

A. Directors and Executive Officers

1. The following are the directors elected/appointed in 2015:

Edgar O. Chua (59 years old, Filipino) – has been a Director of the Corporation since 1998. He is the current Chairman and President of the Corporation. He is also a director and the President of the various Shell companies in the Philippines. He served the Corporation as: GM – Consumer Markets (Commercial OP East) from 2001 to 2003; GM – Commercial Marketing (ASEAN+) from 1999 to 2000; VP – Marketing from 1998 to 1999; GM – Marketing in 1998; GM of the Shell Company of Cambodia from 1995 to 1997; Energy Demand Analyst, Group Planning for SIPC from 1993 to 1995; Supply Planning & Trading Manager from 1991 to 1993; Lubricants Manager from 1989 to 1991; Consumer Development & Services Manager in 1988; Economics Assistant in the Supply Trading Department from 1986 to 1988; Inventory Management & Manila Movements Assistant from 1985 to 1986; General Auditor in 1985; Internal Auditor from 1983 to 1985. He is a director of joint venture companies wherein the Corporation has investment. He is currently an Independent Director at Energy Development Corporation (EDC) and Integrated Micro Electronics Inc. at IMI (IMI). He also serves in the Advisory Board of Coca-Cola FEMSA Philippines, Globe Telecom, Inc. and Mitsubishi Motors Philippines, Inc. He received a Bachelor of Science in Chemical Engineering degree from the De La Salle University in 1978. He was born on the 9th of October 1956.

Fernando Zobel de Ayala (56 years old, Filipino) – has been an Independent Director of the Corporation for more than five years. He is the Vice Chairman, President, and COO of Ayala Corporation. He is also: Chairman of Ayala Land, Inc., Manila Water Company, Inc., AC International Finance Ltd., Ayala International Pte Ltd., Ayala DBS Holdings, Inc., Alabang Commercial Corporation, AC Energy Holdings, Inc., and Hero Foundation, Inc.; Co-Chairman of Ayala Foundation, Inc.; Co-Vice Chairman of Mermac, Inc.; Director of Bank of The Philippine Islands, Globe Telecom, Inc., Integrated Micro-Electronics, Inc., LiveIt Investments, Ltd., Asiacom Philippines, Inc., AG Holdings Limited, Ayala International Holdings Limited, AI North America, Inc., Vesta Property Holdings Inc., Honda Cars Philippines, Inc., Isuzu Philippines Corporation and Manila Peninsula; Member of The Asia Society, World Economic Forum, INSEAD East Asia Council, and World Presidents' Organization; Chairman of Habitat for Humanity's Asia-Pacific Capital Campaign Steering Committee; Vice Chairman of Habitat for Humanity International; and Member of the Board of Trustees of Caritas Manila, PSFI, Kapit Bisig para sa Ilog Pasig Advisory Board and National Museum. He received a Bachelor of Arts in Liberal Arts degree from Harvard College in 1982. In 1993, he received a Certificate in International Management (CIM) Programme from INSEAD. He was born on the 14th of March 1960.

Vicente R. Ayllon (85 years old, Filipino) – has been a Director of the Corporation since 1985. He is Chairman of the Board and CEO of The Insular Life Assurance Co., Ltd.; Chairman of the Board and President of Insular Life Property Holdings, Inc. (formerly Vigan Realty, Inc.); Chairman of the Board of Insular Investment Corporation, Insular Health Care, Insular Foundation, ILMADECO, Home Credit Mutual Building & Loan Association; Vice Chairman of Union Bank of the Philippines and Mapfre Insular Insurance Corporation; Director of Shell Co. of the Philippines, Ltd., The Palms Country Club and Rockwell Land Corporation. He was also: Chairman of Asian Hospital, Inc., Insular Life Savings & Trust Co., Insular General Insurance Co., Inc., FGU Insurance Corporation, Universal Reinsurance Corporation, Filipinas Life, China Underwriters Life & Gen. Insurance Co. (Hong Kong), Asian Institute of Management Council of Presidents, Madrigal Business Park Commercial Estate Association and Tabangao Realty, Inc.; President of Shell Chemical Co. of the Philippines, The Insular Life Assurance

Co., Ltd. and Association of Insurers and Reinsurers of Developing Countries; He was Director of Philippine Hoteliers, Inc., Purefoods Corporation, Bank of the Philippine Islands, Ayala Land, Inc., Engineering Equipment, Inc., Filipinas Foundation, Inc., Family Bank, Filinvest Credit Corporation, Insurance Institute for Asia & the Pacific, Globe Telecom (GMCR, Inc.), Keppel Phils. Holding, Inc., Kepphil Shipyard, Inc., Insular Century Hotel, Davao, Araneta Properties, Inc. and LIMRA International; Trustee of Life Underwriting Training Council. He received a Bachelor of Science in Commerce degree from the University of the East in 1952. In 1969, he received a Certificate in International Management from the Waterloo University. He also attended the following courses: Harvard Advance Management Program in the Far East in 1963, Agency Management at the LIAMA in Chicago in 1965 and the Top Management Program at the Asian Institute of Management in 1979. He was born on the 23rd of January 1931.

Cesar B. Bautista (77 years old) – has been an Independent Director of the Corporation for more than five years. He was a Founding Trustee of the Institute of Corporate Director and the Institute of Solidarity for Asia. He was a Director of Steel Asia (Phil) Inc., Philratings Services Inc., D&L Industries, Inc., First Philippine Holdings Corporation, Phinma, Inc. and Maxicare Healthcare Inc. He was also Chairman of CIBI Information Inc. and St. James Ventures, Inc. He was Chairman and President of Unilever (Philippines), Chairman of Biocon (Philippines), International Starch Corp. (an affiliate of U.S. National Starch Corp.) and Director of ABS CBN Communications, Inc., Chartist Insurance Inc., and Bayan Telecommunications, Inc. After his career with Unilever, he also served the government as: Secretary of the Department of Trade and Industry; Chairman of the Board of Investments, the Presidential Economic Monitoring and Mobilization Task Force, Export Development Council, Industry and Development Council, WTO/AFTA Advisory Commission, the National Development Corporation, The Presidential Committee on National Museum Development, Cabinet Committee on Tariff and Related Matters, Economic Growth Areas/Zones; Monetary Board Member, representing the President and the Cabinet Man in charge of Region III. He was also appointed: Ambassador to the United Kingdom, Ireland, Iceland and Permanent Representative to the International Maritime Organization and also as Special Envoy to Europe. Upon his return from Europe, he was tasked to establish the National Competitiveness Council, the Task Force for Competitive Services & Industries, and appointed to be the country contact to the U.S. Millenium Challenge Corporation. He was also named to represent the country in the ASEAN-ROK Eminent Persons Group, and in the ASEAN Masterplan for Connectivity. He received a Bachelor of Science in Chemical Engineering from the University of the Philippines in 1958. In 1959, he received a Master of Science in Chemical Engineering from the Ohio State University. He completed the graduate management program from IMEDE of Switzerland in 1983. He is the chairman of the International Chamber of Commerce (Phil), the English Speaking Union (U.K), and the competitiveness committee of MAP. He is in the Board of the Foundation for Global Concerns, European IT Services Corp., and Adviser Emeritus to the Secretary of Trade & Industry on Strategic Roadmaps. He is a Multisectoral Governance Councilman of the Armed Forces of the Philippines Transformation. He was born on the 19th of December 1937.

Cesar A. Buenaventura (86 years old, Filipino) – has been an Independent Director of the Corporation since 2012, and a Director before then commencing in 1970. He is the Chairman of Mitsubishi Hitachi Power Systems (formerly Babcock Hitachi Phils. Inc.). He is the Chairman of Buenaventura, Echauz and Partners, Inc. He is the Vice Chairman of DMCI Holdings, Inc. He is a Director of PetroEnergy Resources Corporation, Semirara Coal Company, and Manila International Airport Authority. He was founding Chairman of the PSFI and founding member of the Board of Trustees of the Makati Business Club. He was a recipient of many awards, among which is Management Man of the Year in 1985, Outstanding Fulbright scholar in the field of business by the Fulbright Association in 2008. He was also awarded as one of the Top Alumni Engineering Graduates of the University of the Philippines. In 1991, he was personally granted the award of Honorary Officer of the Order of the British Empire by her Royal Majesty Queen Elizabeth II. He received a Bachelor of Science in Civil Engineering from the University of the Philippines in 1950. In 1954, he received a Master of Science in Civil Engineering from the Lehigh University in Pennsylvania as a Fulbright Scholar. He was born on the 18th of December 1929.

Mayo Jose B. Ongsingco (64 years old, Filipino) – has been a Director of the Corporation since 2002. He is President and Chief Operating Officer of The Insular Life Assurance Co., Ltd. He is also: Chairman of Insular General Insurance Agency, Inc. and Insular Life Employees' Retirement Fund; Vice Chairman of Insular Life Health Care, Inc.; President and Vice Chairman of Insular Life Management & Development Corp.; Vice Chairman, Board & Excom of Home Credit Mutual Building & Loan Assoc. and Vice Chairman Excom of Unionbank of the Philippines,; Director of Insular Investment Corporation, Insular Life Foundation, Insular Life Property Holdings, Inc., Mapfre-Insular Insurance Corporation, Pilipinas Shell Petroleum Corporation, Keppel Philippines Holdings, Inc., and Pamplona Realty, Inc. He is also a trustee of the De La Salle College of St. Benilde, DLSU Parents of University Students Organization, DLSU PUSO Foundation and Foundation for Carmelite Scholastics. He received an AB Economics and Bachelor of Science in Commerce degree, major in Accounting (Magna Cum Laude) from the De La Salle University in 1974. In 1977, he received a Master of Business Administration from the University of the Philippines. He also completed an Advance Investment Banking Course from INSEAD in 1996. In 1999, he received a Master of National Security Administration degree from the National Defense College of the Philippines, graduating Class Valedictorian. He also completed the Naval Command and General Staff Course at the Philippine Navy Naval Education & Training Command in 2001. He was born on the 8th of May 1951.

Carlos R. Araneta (70 years old, Filipino) – has been a Director of the Corporation since 1986. He is a Director of Araneta Properties, Inc. and Chairman of Spathodea Campanulata Inc. He received a Bachelor of Science in Business Administration degree from Boston University in 1967. In 1971, he received a Bachelor of Law degree from the Ateneo de Manila University. He was born on the 24th of March 1945.

Shaiful B. Zainuddin (50 years old, Malaysian) - joined Shell in 1988 in Retail Development and Network Planning and then undertook various assignments in Shell companies in Malaysia in Finance and LNG business. He spent 4 years in Melbourne as Planning & Appraisal lead for the Oceania Cluster Downstream businesses. Thereafter he returned to Malaysia and took on the role as the Finance Manager of Shell Refining Company in Port Dickson as well as the Manufacturing, Supply & Distribution Finance Manager for Malaysia & Thailand. Shaiful was next appointed as the Controller/Finance Director for Shell Oman Marketing Company, a position he held until 2008. He then assumed role as the Downstream Finance Implementation Manager for Asia Pacific and Canada, responsible for implementation of the Streamline Finance processes and delivery of the Finance Functional Plan for multiple countries in Asia Pacific region and Canada. In 2011 December he took the assignment here in Manila Philippines as Downstream Controller for Philippines, South Korea and North Pacific Island cluster and representing PSPC as Treasurer and Vice President for Finance. Shaiful graduated from the University of Kent at Canterbury, B.A. with Honors in Accounting with Computing and also took the Executive Business Leadership Programme in INSEAD Singapore. He was born on 21st of January 1966.

Anthony Lawrence D. Yam (51 years old, Filipino) - is the Vice-President for Retail Business in PSPC. He joined Shell in August 1986 and has served the company as Operational Excellence Manager for the Customer Service Center from mid-2010 to mid-2011. He has been the Retail Pricing Manager from late 2009 to mid-2010, Interim General Manager for LPG Business from May-October 2009 and

Retail District Manager for Metro Manila from 2005 to 2009. He was assigned in Vietnam for a cross-posting assignment as General Manager for LPG from 2001-2005. Prior to his cross-posting assignment, he was the Southern Regional Sales Manager for LPG (Phil). From 1997-2001 and has served Shell in various support roles from 1993-1997, that included stints in Corporate Brand, Customer Service Center, Lubricants and Internal Audits. He started his career as a sales representative for Retail from 1986-1993. He received his Bachelor of Science in Industrial Management Engineering minor in Mechanical Engineering degree from the De La Salle University in 1985. He was born on the 20th of December 1964.

Sebastian Cortez Quiniones, Jr. (56 years old, Filipino) - is currently the General Manager/Managing Director of Shell Philippines Exploration B.V., appointed into the position in 2009. He served as: General Manager Distribution of Philippines and North Pacific Islands from 2001 to 2009-during that period he was also a Director and Chairman of the Board of Pandacan Depot Services, Inc.; Vice President Supply of PSPC Petroleum Corporation from 2000 to 2001-during that period he was also a Director of the Batangas Bay Carriers, Inc. and First Philippines Holding Corporation; Refinery Superintendent of the Pililla Refinery from 1995 to 2000; Operations Shift Manager, Start-up Team member and Process A Manager from 1991 to 1995; Site Focal for STAR BDEP in Shell Internationale Maatschapij BV in the Hague Netherlands from 1989 to 1991; Process Manager of the Shell Tabangao Refinery 1986 to 1989; Refinery Technologist of the Shell Tabangao Refinery from 1981 to 1986. He was a Philippine Science High School scholar, and an NSDB Scholar at the University of the Philippines where he studied Chemical Engineering. He was born on the 10th of January 1960.

Eduard Rudolf Geus (50 years old, Dutch) - is the General Manager and Vice-President for Manufacturing of the Corporation since 5 May 2014. He served as: Senior Advisor Refining – Secondee to Statoil Refinery Mongstad, Norway from 2011 to 2013; General Manager Global Operations – Shell WindEnergy Inc., Houston, USA from 2007 to 2011; Business Improvement Leader – Couronnaise de Raffinage, Shell Refinery Petit Couronne, France from 2006 to 2007; Process Unit Manager – Couronnaise de Raffinage, Shell Refinery Petit Couronne, France from 2003 to 2006; Senior Technologist – Couronnaise de Raffinage, Shell Refinery Petit Couronne, France from 2000 to 2003; Distillation and Membrane Technology Technologist – Shell Global Solutions, Amsterdam, The Netherlands from 1996 to 2000; Technologist – Sola Refinery, Norske Shell, Norway from 1993 to 1996; Base Oil Technologist – Shell Internationale Petroleum Maatschappij, The Hague, The Netherlands in 1993. He received a Master's Degree in Chemical Technology from the Technical University Delft, the Netherlands in 1988, and a PhD Degree in Technical Sciences also from the Technical University Delft in 1993. He was born on the 9th of July 1965.

Mona Lisa Bautista de la Cruz (58 years old, Filipino) – was first elected as a Director of the Corporation on 12 May 2015. She is the President and Chief Operating Officer of Insular Life Assurance Company Ltd. She is a director of Insular Life Health Care, Inc., ILAC General Agency, Inc., Insular Investment and Trust Corporation, Home Credit Mutual building and Loan Association, Insular Life Development and Management Corporation, Insular Life Property Holdings, Mapfre Insular Insurance Corporation and Union Bank of the Philippines. She is a Trustee of the Insular Life Assurance Company Ltd. and the Insular Life Foundation, Inc. She received her Bachelor of Science degree in Statistics from the University of the Philippines and graduated Cum Laude in 1978. She likewise completed her Master of Science in Mathematics, major in Actuarial Science, at the University of Michigan in 1979. She is a Fellow of the Actuarial Society of the Philippines, an Associate of the Society of Actuaries, USA, and a member of the Management Association of the Philippines, and the Makati Business Club. She was born on the 5th of June 1957.

The following directors were appointed in 2016:

Anabil Dutta (48 years old, Indian) – was first appointed as a Director of the Corporation on 22 March 2016. He is the Regional Finance Manager, East Manufacturing of Shell Group of Companies since January 2014. He was previously the Regional Finance Manager, East, Trading Supply and Distribution from November 2011 to December 2013; Finance Manager of Projects and Technology and Business Opportunity Manager East Technology Centre from June 2006 to October 2011. Prior to joining Shell, Anabil was with: Colgate Palmolive and held several senior positions in Finance including Country Head for Nepal. Prior to Colgate Palmolive he has been employed with ITC Limited and BATCO, ESS AAR projects and American Express Bank. Anabil has professional experience of 29 years internationally in Finance, Supply Chain, Manufacturing and General Management. Driving a strong performance ethic in business and broad experience in commercial finance has been his key achievements. He has held several Board, Trustee and Pension Fund positions and served on senior business leadership teams. Anabil is a Chartered Accountant and has a Master of Business Administration (Finance). He also has an Advanced Diploma in Computer applications and Database Management. Anabil is a silver medalist of the Duke of Edinburgh Awards and received the Colgate Chairman's Global Award for Outstanding performance. He was born on the 12th of April 1967.

Nina D. Aguas (63 years old, Filipino) – was first appointed as a Director of the Corporation on 22 March 2016. She is the Chief Executive Officer of Insular Life Assurance Company Ltd. Prior to joining Insular Life Assurance Company, Nina was previously the President and Chief Executive Officer of the Philippine Bank of Communications from August 29, 2012 to March 1, 2015. From August 2009 to April 2012, Nina was the Managing Director for Private Banking, Asia-Pacific for the Australia & New Zealand Group Ltd. with the geographic responsibility for North and North East Asia (Hong Kong, Taiwan, China) and South & South East Asia (Singapore, Indonesia, India, Malaysia, Philippines and Thailand). She also served for 25 years with Citigroup, Inc. and held various senior management positions including as Country Business manager, Global Consumer Group for the Philippines and Regional Audit Director for the Asia Pacific Region. Nina also served as Regional head for Quality and Re-engineering at Citigroup, Inc. where she had overall management responsibility in 13 countries in Asia. In addition, Nina has also held other professional roles across risk management, credit and audit, namely: Senior Advisor for Quattro Risk Management; Board Member of the Market Integrity Board of the Philippine Stock Exchange, Inc. and Regional credit officer of Bank of Nova Scotia, Asia Pacific. Nina is a Certified Public Accountant and has practiced extensively in the Philippines. She secured her Bachelor of Science in Commerce, Accounting from the University of Santo Tomas.

The final list of Nominees for Appointment as Corporate and By-Laws Executive Officers for 2016 to 2017:

Edgar O. Chua*	Chairman & President	Filipino
Shaiful B. Zainuddin*	Vice President – Finance & Treasurer	Malaysian
Homer Gerrard L. Ortega	Vice President – Human Resources	Filipino
Eduard Geus*	Vice President – Manufacturing	Dutch
Dennis G. Gamab	Vice President – Trading and Supply	Filipino
Anthony Lawrence D. Yam*	Vice President – Retail	Filipino
Ramon Del Rosario	Vice President – Communications	Filipino

Jannet C. Regalado	Vice President – Legal	Filipino
Erwin R. Orocio	Corporate Secretary	Filipino
Charles Edward M. Cheng	Asst. Corporate Secretary	Filipino

*Member of the Board of Directors

Below are the profiles of incumbent and new nominee/s for appointment as Corporate/By-Laws Executive Officers:

Other By-Laws Executive Officers (who are not directors/nominees to the Board):

Homer Gerrard L. Ortega (49 years old, Filipino) - has been the Vice President for Human Resources since April 2007. He has served the Corporation in several assignments: as HR Change Manager supporting Shell's Retail businesses in Asia/Pacific/Middle East countries (2005-2007); HR Capability Manager also for Shell's Retail businesses in Asia/Pacific/Middle East (2002-2004); Retail Operations Manager (1999-2001); HR Transition Management Team Member (1997-1998); HR Recruitment & Training Adviser (1996-1997); and, Retail Territory Manager (1990-1995). He studied at the University of the Philippines in Diliman, Bachelor of Science in Business Administration and Accountancy (1984-1989); and, became a Certified Public Accountant in 1990. He was born in Quezon City on the 13th of January 1967.

Dennis G. Gamab – (51 years old, Filipino) - has been Vice President for Trading and Supply since 2010. He joined the Corporation in 1987 and has served the Corporation as: Vice President for Supply from 2005-2009, Road Transport Manager for the Philippines from 2000 - 2005, Secondary Logistics Economist from 1998 - 2000, Logistics Project Implementer in 1997 - 1998, Poro Installation Manager in 1995 - 1997, crossposting assignment in Dubai 1992 - 1995 as Marine and Lubricants Distribution Head, Bataan Depot Manager 1990 - 1992 and Plant and Transport Assistant and various other Distribution jobs from 1987 - 1990. He received a Bachelor of Science in Mathematics from the University of the Philippines in 1987. He was born on the 12th of February 1965.

Ramon Del Rosario (56 years old, Filipino) – has been the Vice President for External Relations since 19 August 2014. He graduated with a Bachelor of Science degree in Mechanical Engineering from the University of the Philippines in 1981. Following his Bachelor's degree, he took a Master's degree in Business Administration from the Ateneo de Manila Graduate School of Business in 1982. He also took up several trainings in Program Management, Sales Effectiveness, Cultural Awareness, Marketing, Lubricants Business, and other Management and technical courses. He started his career in 1981 as a Commercial Fuels Account Manager in the Corporation before moving progressively to broader and more senior roles. He held various positions in Lubricants, Marketing and Sales, Brand and Market Research, Commercial Fuels, and GSAP. He gained extensive international exposure in his overseas assignments with the Shell Company of Cambodia Ltd., where he held the position of a Marketing and Sales Manager. Prior to his current assignment, he was assigned to Shell's Regional Offices with responsibility over Commercial Transport Marketing Development, Consumer Lubricants, and Sales 1st. In 2007 to 2008, he became the Country Implementation Manager and organized the gap analysis of local processes relative to global Streamline design and policies. He then became the Country Programme Manager in the successful Streamline, Global SAP, Organizational Design, and Connected Applications deployment in the Philippines. Ramon became the Shell Gas (LPG) Philippines Inc. General Manager in 2009 and succeeded in transitioning the LPG business from PSPC to Isla Gas Corporation. Two years after, he became the Chief Executive Officer of Isla LPG Corporation. He was born on the 19th of July 1959.

Jannet C. Regalado (53 years old, Filipino) – has been the General Counsel since 2001. She is the Vice President for Legal of PSPC Petroleum Corporation and is concurrently Royal Dutch Shell's Managing Counsel for Global Litigation Asia Pacific covering the Philippines, China, New Zealand, Korea, Japan, Indonesia, Brunei and the Pacific Islands, Malaysia, Singapore, Thailand, India, Pakistan, Vietnam, Laos, Cambodia, and Australia. She is responsible for managing and supervising a sizeable portfolio of litigation and arbitration in these jurisdictions involving commercial, civil, criminal, tort, environmental & employment matters and deals with a big network of Shell - accredited global law firms. She has served the Company as: Corporate Secretary from 2001 to 2015; Employment and Industrial Relations Manager from 1997 to 2001; Assistant Legal Counsel from 1994 to 1997; Legal Assistant from 1992 to 1994. Prior to joining the Shell Companies in the Philippines (SCiP), she was corporate secretary of First Lepanto Corporation and was a legal counsel at the Carpio, Villaraza and Cruz Law Firm. She graduated with high honours with degrees in Bachelor of Arts in Political Science and Bachelor of Laws from the University of the Philippines (U.P.). During her stint at the University, she was a student leader and very active in intra-university debates and moot court competitions. She is also a faculty member of both the University of the Philippines and the Lyceum College of Law and is active in several legal and professional organizations. She is married to Atty. Reynaldo Regalado of the Regalado, Atienza and Mendoza Law Offices, with whom she has three children. She was born on the 26th of November 1962.

Erwin R. Orocio (47 years old, Filipino) – is the Managing Counsel for Downstream and Corporate Secretary since 2015. He was also the Assistant Corporate Secretary of the Corporation, first elected as such on 17 April 2012. He also serves as the Corporate Secretary for various Shell companies in the Philippines. He is also a Fellow of the Institute of Corporate Directors. He joined the Legal department as a Legal Counsel in November 1997 and has since advised all businesses and functions. Prior to that, he served as managing partner of the Garcia Ines Villacarlos Garcia Reciña & Orocio Law Office. He first joined the Corporation as an accountant in 1991 and left in January 1996 to complete his Juris Doctor degree from the Ateneo De Manila School of Law. He graduated from the De La Salle University in 1989 with a Bachelor of Arts (Major in Economics) and Bachelor of Science (Major in Accountancy). He placed 13th in the Accounting Board exams of May 1990. He was born on the 9th of March 1969.

Maria Lourdes O. Dino (35 years old, Filipino) – serves as Legal Counsel for Downstream. She is also the Assistant Corporate Secretary for various Shell Companies in the Philippines. She joined the Corporation's Legal Department in July 2012 and has since managed corporate legal issues and advised several businesses and functions including Manufacturing, Lubricants Supply Chain, and Finance. Prior to joining the Corporation, she was an associate in the Corporate Law & Taxation Team of Jimenez Gonzales Liwanag Bello Valdez Caluya & Fernandez in 2006 and later served as in-house counsel of various multinational companies including People Support Philippines, Inc. and Maersk GSC ROHQ, advising, collaborating with, and assisting both local and foreign clients on corporate restructuring, corporate due diligence, mergers & acquisitions, securities, regulatory compliance, corporate secretaryship, contract negotiations, immigration law, labour law, and international trade control laws. She finished her Bachelor of Arts Degree in Political Science from the University of the Philippines in three years and graduated Cum Laude in 2001. She then went on to complete her Juris Doctor Degree from the Ateneo de Manila School of Law in 2005. Her memberships include the International Honor Society of Phi Kappa Phi, the International Honor Society in Social Sciences (Pi Gamma Mu), and the Integrated Bar of the Philippines. She was born on the 14th of March 1981.

The following Executive Officer was appointed in 2016:

Charles Edward M. Cheng (34 years old, Filipino) – serves as Legal Counsel for Downstream. He is also the Assistant Corporate Secretary for various Shell Companies in the Philippines. He joined the Corporation's Legal Department in September 2012 and advised several business and functions, including, Retail, Real Estate, Contracts and Procurement, Trading and Supply (as alternate), Global Commercial (as alternate). From June 2015 to February 2016, Charles was assigned on a Short Term Domestic Assignment with Shell Global Solutions, advising clients in the Asia Pacific. Prior to joining the Corporation, he was a Senior Associate in the Corporate and Special Projects Department of Villaraza Cruz Marcelo and Angangco (Carpio Villaraza Cruz). His practice involved Mergers and Acquisitions, Capital Markets, Securities Regulation, Real Estate, Infrastructure and Public Utilities and Taxation. He finished his Bachelor of Science Degree in Management minor in Finance, Honorable Mention, from the Ateneo de Manila University in 2003. He then went on to complete his L.l.B from the University of the Philippines College of Law in 2007, graduating with honors.

2. Significant Employees

There is no significant employee or personnel who is not an executive officer but is expected to make a significant contribution to the business.

3. Family Relationships

The Company has no director or officer related to any other director or officer up to the fourth degree of consanguinity.

4. Involvement in any Legal Proceedings

For the past five years, none of the enumerated Directors or By-Laws' Executive Officers or any of their property is involved in any material pending legal proceedings in any court or administrative agency of the Government, except that, in connection with the leak of petroleum products from the First Philippine Industrial Corporation's white oil pipeline, the West Tower Condominium Corporation filed on 15 October 2011 a complaint for violation of Article 365 of the Revised Penal Code against several directors (Messrs. Chua, Buenaventura and Zobel) and an officer (Mr. Gamab) of the Corporation. The Corporation used said pipeline to transport its products from the Tabangao refinery to its Pandacan depot. As at 24 November 2015, PSPC has complied with the removal of its facilities in Pandacan in compliance with the Supreme Court order.

To the knowledge and/or information of the Corporation, none of the current and nominated directors and officers was involved during the past five (5) years in any bankruptcy proceedings. Neither have they been convicted by final judgment in any criminal proceeding, or subject to any order, judgment or decree of competent jurisdiction, permanently or temporarily enjoining, barring, suspending, or otherwise limiting their involvement in any type of business, securities, commodities or banking activities, or found in an action by any court or administrative bodies to have violated a securities and commodities law.

B. Executive Compensation

1. General

The compensation of PSPC's directors and officers is primarily based on its By-Laws provisions.

Directors. Article III Section 6 of the Corporation's Amended By-Laws provides:

"Section 6 - Compensation: The Directors as such shall not receive any salary or compensation for their services, but for their attendance for each regular or special meeting of the Board of Directors, they shall receive an honorarium not exceeding such amounts as may be laid down from time to time by the stockholders of the Corporation. Nothing herein contained shall preclude any Director from serving the PSPC in any other capacity and receiving compensation therefor."

Officers. Article IV, Section 4 of the Corporation's Amended By-Laws provides that:

"Section 4 - Compensation: The Board of Directors shall from time to time fix the compensation of the Officers and agents of the PSPC."

The total annual compensation was all paid in cash. The total annual compensation of officers includes the basic salary, the mid-year bonus and the 13th month pay.

The company has a registered, non-contributory retirement plan. All regular employees are covered by the said retirement plan. The Executive Officers are regular employees of the Corporation.

The Corporation has no standard arrangement with regard to the remuneration of its existing directors and officers aside from the compensation received as herein stated.

There are no other actions to be taken with regard to election, any bonus, profit sharing, pension/retirement plan granting of extension of any option, warrant or right to purchase any securities.

2. Summary Compensation Table

<table>
<tr><th colspan="2"></th><th colspan="2">Projected 2016</th><th colspan="2">2015</th><th colspan="2">2014</th></tr>
<tr><th>Names</th><th>Principal Position</th><th>Basic pay</th><th>Other variable pay</th><th>Basic pay</th><th>Other variable pay</th><th>Basic pay</th><th>Other variable pay</th></tr>
<tr><td>Edgar O. Chua (Filipino)</td><td>Chairman and President</td><td rowspan="6">Php 82.47 million</td><td rowspan="6">Php 63.16 million</td><td rowspan="6">Php 75.71 million</td><td rowspan="6">Php 51.23 million</td><td rowspan="6">Php 71.0 million</td><td rowspan="6">Php 28.5 million</td></tr>
<tr><td>Shaiful B. Zainuddin (Malaysian)</td><td>Vice President – Finance and Treasurer</td></tr>
<tr><td>Homer Gerrard L. Ortega (Filipino)</td><td>Vice President – Human Resources</td></tr>
<tr><td>Eduard Geus (Dutch)</td><td>Vice President – Manufacturing</td></tr>
<tr><td>Dennis G. Gamab (Filipino)</td><td>Vice President – Trading and Supply</td></tr>
<tr><td>Anthony Lawrence D. Yam (Filipino)</td><td>Vice President – Retail</td></tr>
</table>

Ramon Del Rosario (Filipino)	Vice President – Communications						
Jannet C. Regalado (Filipino)	Vice President – Legal Corporate Secretary (until 12 May 2015)						
Erwin R. Orocio (Filipino)	Assistant Corporate Secretary (until 12 May 2015) Corporate Secretary (12 May 2015 to present)						
Ma. Lourdes O. Dino (Filipino) Charles Edward M. Cheng	Asst. Corporate Secretary (12 May 2015 to 22 March 2016) Asst. Corporate Secretary (22 March 2016 to present)						
All Directors as a Group		Php 8.69 million		Php 8.915 million		Php 8.085 million	

3. Compensation of Directors

The following amounts were paid to Board Members:

1. Director's Honorarium for attendance in Board Meetings is Php 75,000.00 per director. Total Director's Annual Retainer's Fee (Non-Shell Directors only) is Php 1,000,000.00 per director. Honorarium for attendance at Board Committee Meetings (Non-Executive Directors only) is Php 40,000.00 per director.
2. All the non-executive directors except for Mr. Sebastian C. Quiniones, Jr., are entitled to the above amounts paid.

4. Employment Contracts and Termination of Employment and Change-in-Control Arrangements

All staff, including the Executive Officers, has a standard employment letter accomplished on their respective dates of hiring by PSPC.

5. Warrants and Options Outstanding: Repricing

There are no outstanding warrants or options being held by the various Executive Officers and Directors, singly or as a group.

C. Security Ownership of Certain Record and Beneficial Owners and Management

1. Security Ownership of Certain Record and Beneficial Owners

Title of Class	NAME, ADDRESS OF RECORD OWNER AND REALATIONSHIP WITH ISSUER	NAME OF BENEFICIAL OWNER AND RELATIONSHIP WITH RECORD OWNER	CITIZENSHIP	NO. OF SHARES	PERCENT
Common	Shell Overseas Investments B.V. Carel van Bylandtlaan 30, 2596 HR the Hague The Netherlands - Parent PSPC	Shell Overseas Investments B.V. is both the Beneficial and Record Owner[1]	Dutch	1,081,364,501	68.18%
Common	The Insular Life Assurance PSPC, Ltd. The Insular Life Bldg., Ayala Avenue cor. Paseo de Roxas, Makati City - Shareholder	The Insular Life Assurance PSPC, Ltd. is both the Beneficial and Record Owner[2]	Filipino	310,078,999	19.55%
Common	Spathodea Campanulata Inc. General Aviation Center Domestic Airport Compound Pasay City - Shareholder	Spathodea Campanulata Inc. is both the Beneficial and Record Owner[3]	Filipino	81,551,154	5.14%

[1] The Board of Directors of Shell Overseas Investments B.V. (SOI) has the power to decide how SOI's shares in PSPC are to be voted.

[2] The Board of Directors of The Insular Life Assurance PSPC, Ltd. has the power to decide how The Insular Life Assurance shares in PSPC are to be voted.

[3] The Board of Directors of Spathodea Campanulata Inc. has the power to decide how Spathodea Campanulata Inc.'s shares in PSPC are to be voted.

2. **Security Ownership of Management as of 30 April 2016**

TYPE OF CLASS	NAME OF BENEFICIAL OWNER	POSITION	AMOUNT AND NATURE OF BENEFICIAL OWNERSHIP	NATIONALITY	PERCENTAGE
Common	Edgar O. Chua	Director/Chairman & President	53 (direct)	Filipino	0.0000032%
Common	Shaiful B. Zainuddin	Director /Treasurer & VP- Finance	1 (direct)	Malaysian	0.00000014%
Common	Fernando Zobel de Ayala	Director	1 (direct)	Filipino	0.00000014%
Common	Nina D. Aguas	Director	39 (direct)	Filipino	0.0000025%
Common	Anabil Dutta	Director	1 (direct)	Indian	0.00000014%
Common	Mona Lisa Bautista Dela Cruz	Director	7 (direct)	Filipino	0.00000043%
Common	Cesar A. Buenaventura	Director	1 (direct)	Filipino	0.00000014%
Common	Eduard R. Geus	Director/VP – Manufacturing	1 (direct)	Dutch	0.00000014%
Common	Anthony Lawrence D. Yam	Director/VP-Retail	1 (direct)	Filipino	0.00000014%
Common	Sebastian Cortez Quiniones, Jr.	Director	1 (direct)	Filipino	0.00000014%
	Ramon Del Rosario	VP - Communications	None	Filipino	Not Applicable
	Homer Gerrard L. Ortega	VP-Human Resources	None	Filipino	Not Applicable
	Dennis G. Gamab	VP – Trading and Supply	None	Filipino	Not Applicable
	Atty. Jannet C. Regalado	VP-Legal	None	Filipino	Not Applicable
	Atty. Erwin R. Orocio	Corporate Secretary	None	Filipino	Not Applicable
	Atty. Ma. Lourdes O. Dino	Asst. Corporate Secretary	None	Filipino	Not Applicable
	Atty. Charles Edward M. Cheng	Asst. Corporate Secretary	None	Filipino	Not Applicable
Security Ownership of all Directors and Officers			106		0.0000067%

3. Voting Trust Holders of 5% or More

The Company knows of no person holding more than 5% of common shares under a voting trust or similar agreement.

4. Changes in Control

The Company is not aware of any change in control or arrangement that may result in a change in control of the Company since the beginning of its last fiscal year.

D. Certain Relationships and Related Transactions

The Corporation, in its regular course of trade or business, enters into transactions with affiliated companies. For details on these transactions, please refer to Note 22 of the 2015 Audited Financial Statements.

No other transaction was undertaken by the Corporation in which any Director or Executive Officer was involved or had a direct or indirect material interest. During the last two years, there were no transactions to which the company was a party concerning transactions with:

(a) Any director/executive director
(b) Any nominee for election as director
(c) Any security holder of certain record, beneficial owner or Management
(d) Any member of the immediate family of subpar (1) (a), (b) or (c) of this paragraph (d).

Shell Overseas Investments B.V. owns 68% of the total issued and outstanding capital stock of the Corporation as of 31 December 2015.

PART V – CORPORATE GOVERNANCE

PSPC's Board of Directors is composed of eleven (11) directors, three (3) of whom are independent directors. Four (4) directors are executive directors. PSPC has adopted its Manual of Corporate Governance, which requires regular review to provide an avenue for its continuous improvement.

The evaluation system consists of a questionnaire that is annually revisited, reviewed and revised, as necessary, to measure PSPC's adherence to good corporate governance, towards over-all business sustainability and success. In this connection, PSPC has joined the Institute of Corporate Directors and has since been in close coordination with the Institute for the establishment of such questionnaire or rating measure to determine the level of compliance by the Board and Management with the Corporation's Manual of Corporate Governance. The Board of Directors has likewise approved the establishment of such an Evaluation and Monitoring System for compliance with the Manual of Corporate Governance. This evaluation system ensures that good corporate governance structures are built and maintained to create value for PSPC and provide accountability and control systems commensurate with the risks involved.

Measures are constantly being undertaken to further improve the Corporation's corporate governance. Monitoring implementation and change is paramount to ensure that the Corporation's Manual remains relevant, adjustable to local and international developments and continues to reflect best practice in the area of good corporate governance.

The Manual likewise provides for a Full-Business Interest Disclosure for all incoming officers of the PSPC in order to address possible conflict of interest issues. PSPC's internal policy on Conflicts of Interest applicable to all employees is well aligned with this requirement.

PSPC requires the Executive Directors as well as the Independent Directors to attend seminars on Corporate Governance. Non-Executive Directors have also attended seminars on Corporate Governance and are much aware of the same.

There has been so far no sanction imposed as a result of violation of the Manual of Corporate Governance. The Corporation is committed to strictly adhere to the requirements of the said Manual.

Components of the monitoring system:

Key Compliance Activities	Action Points	Milestone Dates	Person/ Entity Responsible	Status	Reason For Non-Compliance /Deviation from Manual
1. Appointment of Compliance Officers and Disclosure to the SEC				DONE	
2. Creation of a Board Charter which details the functions and responsibilities of the Board				DONE	
3. Records of Attendance level of directors in board meetings to be prepared and accessible to shareholders				Done on a yearly basis	
4. Appointment of members of Nomination Committee				DONE	
5. Appointment of members of Audit Committee				DONE	
6. Appointment of members of Remuneration Committee				DONE	

7. Directors to provide information on business interests and directorships in other corporations (Full business interest disclosure)			Nomination Committee	DONE	
8. Assessment of "Independence" of directors based on disclosures in item 7 above				DONE	
9. Establishment of selection procedure for new directors under pertinent SEC rules and best practice recommendations		March 2005, as updated pursuant to SEC Memorandum Circular Nos. 16-2002 and 9-2011.	Nomination Committee	DONE	
10. Continuous assessment of Board performance via questionnaire			Corporate Secretary	DONE	
11. Conduct an induction pro- gram for incoming Board members on PSPC's financial, Strategic, operational and risk mgt. position and the role of committees		After election of directors	Audit Committee and Corporate Secretary	As and when there are new directors	
12. Attendance in Corporate Governance Workshops (Sec. 4.1 of PSPC's Manual)		After election of directors	VP- Finance (per PSPC's Manual)	DONE. Newly elected directors shall be required	
13. Dissemination of copies of the PSPC's Manual to all classes of business and service functions with one copy under custody of HR dept. (Sec. 3.3)			Corporate Secretary	DONE	

PART VI – EXHIBITS and SCHEDULES

Reported Items via SEC Form 17-C

The following items were reported and submitted in 2015 via the SEC Form 17-C:

Date Submitted	Item No/Description	Details
2 March 2015	Item 9 (a) (3) – Any decision taken to carry out extraordinary investments or the entering into financial or commercial transactions that might have a material impact on the issuer's situation. Item 9 (a) (29) – Any restructuring of the company's equity which has been approved by the Board of Directors.	Disclosure on the Board Resolution directing the Management to progress preparations for a capitalization increase amounting to Eighteen Billion Pesos (Php 18,000,000,000.00) to reset the Corporation's gearing to an appropriate level, which has reached 91% as of 31 December 2014.
18 May 2015	Item 4 – Election of Registrant's Directors and Officers Item 9 (a) (3) – Any decision taken to carry out extraordinary investments or the entering into financial or commercial transactions that might have a material impact on the issuer's situation. Item 9 (a) (29) – Any restructuring of the company's equity which has been approved by the Board of Directors. Item 9 (b) – Appointment of Auditors	Election of the Corporation Directors, Committee Members and Officers on 12 May 2015 Disclosure on the increase in authorized capital stock and Rights issue via Stock rights offer. Appointment of Isla Lipana & Co. as auditors of the corporation.

12 October 2015	Item 9 (b) Other Events	Disclosure on the Media coverage on CTA Case No. EB 1007/1003 Filed with the CTA En Banc Re: Levy of Excise Tax on Importations of CCG/LCCG.
31 December 2015	Item 9 (b) Other Events – Sworn Certification on the Attendance in Board Meetings for 2015	Submission of the required report on the attendance in Board meetings of members of the Board of Directors.
17-C Submitted within the last 6 months	**Item No/Description**	**Details**
5 January 2016	Item 4 (a) Other Events – Resignation, Removal or Election of Registrant's Directors	Disclosure on the resignation of Mr. Carlos Araneta and the demise of Mr. Cesar Bautista.
23 March 2016	Item 9 (a) 12) – Postponement of Stockholder's Meeting according to the By-Laws or as previously scheduled Item 3(b) – Appointment of New Independent Accountant Item 4 (a) – Resignation, Removal or Election of Registrant's Directors of Officers	Disclosure on the deferral of the Annual General Meeting of the Stockholders from the third Tuesday of April (the date scheduled in the Company By-Laws) to 13 May 2016. Appointment of Sycip Gorres Velayo and Co., member of Ernst and Young International, as External Auditors for 2016. Appointment of the following directors to fill the vacancies in the Board of Directors: 1. Ms. Nina D. Aguas to replace Mr. Vicente R. Ayllon, effective 22 March 2016; and 2. Mr. Anabil Dutta to replace Mr. Carlos Araneta Appointment of Atty. Charles Edward M. Cheng as the new Assistant Corporate secretary, replacing Atty. Ma. Lourdes O. Dino, effective 22 March 2016

At the Annual Stockholders' Meeting of 05 May 2015, the following were elected as directors:

Name	Directorship
Fernando Zobel de Ayala	Independent Director
Cesar B. Bautista	Independent Director
Cesar. A. Buenaventura	Independent Director
Vicente R. Ayllon	Director
Carlos R. Araneta	Director
Mayo Jose B. Ongsingco	Director
Edgar. O. Chua	Executive Director
Shaiful B. Zainuddin	Executive Director
Sebastian C. Quiniones, Jr	Director
Anthony Lawrence D. Yam	Executive Director
Eduard R. Geus	Executive Director
Mona Lisa B. Dela Cruz	Independent Director

Additionally, at the Organizational Board Meeting of the same date, the following By-Laws Officers and Committee members were elected:

Position	Name of Officer
Chairman & President	Edgar O. Chua
Vice President for Finance and Treasurer	Shaiful B. Zainuddin
Vice President for Manufacturing	Eduard R. Geus
Vice President for Communications	Ramon D. Del Rosario
Vice President for Retail	Anthony Lawrence D. Yam
Vice President for Human Resources	Homer Gerrard L. Ortega
Vice President for Supply and Distribution	Dennis G. Gamab
Vice President for Legal	Jannet C. Regalado
Corporate Secretary	Erwin R. Orocio
Asst. Corporate Secretary	Ma. Lourdes O. Dino
Board Audit Committee	
Chairman	Cesar B. Bautista
Member	Cesar A. Buenaventura
Member	Sebastian C. Quiniones, Jr
Compensation and Remuneration Committee	
Chairman	Fernando Zobel de Ayala
Member	Shaiful B. Zainuddin
Member	Vicente R. Ayllon
Member (non-voting)	Homer Gerrard L. Ortega

Nomination Committee	
Chairman	Cesar A. Buenaventura
Member	Edgar O. Chua
Member (non-voting)	Jannet C. Regalado
Member (non-voting)	Homer Gerrard L. Ortega

SIGNATURES

Pursuant to the requirements of Section 17 of the Code and Section 141 of the Corporation Code, this report is signed on behalf of the issuer by the undersigned, thereunto duly authorized, in the City of Makati on 12th of May 2016.

Issuer:

Signature and Title: ______________________
EDGAR O. CHUA
Chairman of the Board/President

Signature and Title: ______________________
SHAIFUL B. ZAINUDDIN
Vice President – Finance

Signature and Title: ______________________
ERWIN R. OROCIO
Corporate Secretary

SUBSCRIBED AND SWORN to before me this 12Th day of May 2016 affiant(s) exhibiting to me their Community Tax Certificates/Passport, as follows:

NAMES	CTC. NO.	DATE OF ISSUE	PLACE OF ISSUE
Edgar O. Chua	03655063	12th Jan 2016	Bacoor, Cavite
Erwin R. Orocio	02889746	11th Feb 2016	Muntinlupa City

NAMES	PASSPORT NO.	DATE OF ISSUE	PLACE OF ISSUE
Shaiful B. Zainuddin	A37131922	16 January 2016	Mini UTC Keramat, Malaysia

MA. LOURDES O. DINO
NOTARY PUBLIC FOR & IN MAKATI CITY
156 VALERO ST., SALCEDO VILLAGE, MAKATI CITY
ROLL NO. 52857
IBP LIFETIME NO. 012486 - CALMANA CHAPTER
UNTIL DECEMBER 31, 2017/APPOINTMENT NO. M-111
PTR NO. MKT5330398 MAKATI CITY 08 JANUARY 2016
MCLE COMPLIANCE NO. V-0014287 / FEB. 16, 2016

Doc. No. 71
Page No. 16
Book No. I
Series of 2016