

COVER SHEET

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S.E.C. Registration Number

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(Company's Full Name)

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

Reynaldo P. Abilo

Contact Person

+632 3 4994001

Company Telephone Number

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Month

3	1			
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Day

17 - A

FORM TYPE

0	5			
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Month

1	4			
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Day

Fiscal Year

2nd Wednesday of May
Annual General Meeting as
per By-Laws

CERTIFICATE OF PERMIT TO OFFER SECURITIES FOR SALE DATED 14 OCTOBER 2016
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Secondary License Type, If Applicable

C	G	F	D	
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Dept. Requiring this Doc.

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Amended Articles Number/Section

315

Total No. of Stockholders

Total Amount of Borrowings	
39,290,000,000	
Domestic	Foreign

To be accomplished by SEC Personnel concerned

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File Number

LCU

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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 PSPC CODE OF THE PHILIPPINES

1. For the fiscal year ended
2. Commission identification number
3. BIR Tax Identification Number
4. Exact name of issuer as specified in its chapter
5. Province, country, or other jurisdiction of incorporation or organization
6. Industry Classification Code: (SEC Use Only)
7. Address of issuer's principal office *Postal code*
8. Issuer's telephone number, including area code
9. Former name, former address, and formal fiscal year, if changed since last report
10. Securities registered pursuant to Sections 8 and 12 of the Code, or sections 4 and 8 of RSA

<i>Title of Class</i>	<i>Number of shares common stock outstanding and amount of debt outstanding</i>
<input type="text" value="Common Stock"/>	<input type="text" value="1,613,444,202"/>

11. Are any or all of the securities listed on a Stock Exchange? Yes No
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 PSPC Code of the Philippines, during the preceding twelve (12) months (or for such shorter period the registrant was required to file such reports)
- Yes No
- (b) has been subject to such filing requirements for the past ninety (90) days
- Yes No

PART I – BUSINESS

(A) Description of Business

(1) Business Development

Shell Pilipinas Corporation (the “Company”) was incorporated in the Philippines and registered with the Securities and Exchange Commission (SEC) on 09 January 1959 primarily to engage in the refining and marketing of petroleum products. The Company conducted its initial public offering (“IPO”) to list in the Philippine Stock Exchange on 03 November 2016.

The Company is 55% owned by Shell Overseas Investments BV (“SOIBV”), a corporation registered under the laws of the Netherlands and 45% owned by Filipino and other foreign shareholders. The ultimate parent of the Company is Shell plc., incorporated in the United Kingdom.

The Company during its Stockholder’s Meeting on 11 May 2021 amended its Primary Purpose in the Articles of Incorporation. The Primary Purpose now is to purchase, acquire, import, manufacture, refine, transport, use, and store any and all kinds of petroleum and petroleum products, components, additives, lubricants, bitumen, chemical and/or petrochemical products; and to market, distribute, and sell at wholesale, export, exchange, deal in, and dispose of such products and by-products which may be produced, developed, or made therefrom.

On August 10, 2022, the Board approved the change in corporate name of the Company to “Shell Pilipinas Corporation” and the amendment and broadening of the Corporation’s Secondary Purpose to include retail trade as it aims to grow its non-fuel retail segment that introduces the Company’s wider future forward approach towards energy transition that will reposition it beyond petroleum, shifting towards sustainable and cleaner energy solutions. The SEC approval was obtained on 15 March 2023.

During the Company’s special stockholders meeting on 21 November 2023, the stockholders approved the amendment in the Articles of Incorporation to (1) directly engage in the electric vehicle charging station business and to sell various services related to electric charging and (2) to sell technical services related to the company’s lubricants business to non-buyers of its lubricants products. This aligns with the Company’s approach towards energy transition in step with society, evolving beyond petroleum, towards sustainable and cleaner energy solutions for the Company, people, community and environment today and for the future.

Shell Pilipinas celebrates its 109 years in the Philippines in 2023. Throughout history, the Company has been committed in partnering with the country in nation-building and powering progress in the Philippines.

As at 31 December 2023, Shell Pilipinas 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.

Shell Pilipinas Operational Highlights

In 2023, Shell Pilipinas has shown resilience amidst fluctuating oil prices, sustained high interest rates and high inflation by delivering Php1.2 billion of net income and generating strong cash flows from operations of Php4.3 billion.

Shell Pilipinas’ mobility network continued to expand with 36 new mobility sites opened in 2023, bringing the nationwide count to more than 1,100 Shell-branded stations. Mobility also launched the new and improved formulation of Shell V-Power fuels during the year.

Recognizing the evolving needs of customers, the Company continued to expand its non-fuel retailing business. Shell Café was launched in 2023, in 13 locations to attract more customers to mobility destinations with its more premium offering of coffee, fresh food, and baked goods menu. Affordable

food choices and other products are made available in its more than 239 Select shops, 103 Deli2go stores and over 390 quick service restaurants, lifestyle brands, and clip-ins present on the sites. The Company has also put up 218 Select Express stations nationwide – a smaller version of the typical Select shops. Other services such as oil change and car maintenance are also offered through its more than 480 SHOC+ and Helix Service Centers (HSC).

During the year, Shell Pilipinas stayed true to its commitment to integrate sustainability in its operations as well as in the products and services that it offers to customers. Two new Shell Recharge stations were opened in 2023, one at the Shell Mobility TPLEX junction in Rosario, La Union and the other one in the Neo Building at the Bonifacio Global City. In addition, Shell Pilipinas has partnered with SUN Mobility, a leading provider of energy infrastructures and services for electric vehicles, to explore the pilot deployment of an advanced battery-swapping technology for two and three-wheeled electric vehicles.

Shell Pilipinas continued elevating customer journey and experience. In 2023, Lubricants introduced the Shell Advantage Rewards App (SHARE), a transformative loyalty program that extends benefits to thousands of mechanics and retail staff across partner workshops nationwide. In addition to this, the Shell Fleet App was launched in April, which is a digital platform built to provide a digital solution for SMEs to help them manage their fleet more conveniently.

Wholesale Commercial Fuels remained to be a leading supplier of quality products and services to resilient industry sectors such as manufacturing, marine, and power. Lubricants had an outstanding year in increasing its customer base with new products and services, maintaining its market leadership. Construction & Road business has sustained growth by successfully capturing the expansion of construction projects nationwide. Aviation improved its earnings performance through winning new key customers and renegotiating contracts.

This Annual Report is submitted together with the Company's Annual and Sustainability Report (ASR) for 2023. In its eighth ASR, the Company details its sustainability efforts – how it contributes to the United Nations Social Development Goals, and its social investment priorities. The same report discloses information on its Diversity and Inclusion (D&I) initiatives, Health, Safety, Security and Environment (HSSE) performance, corporate governance standards.

(2) Business of Shell Pilipinas

(i) Principal products or services and their markets

Shell Pilipinas solely operates under the downstream oil and gas segment. It is primarily engaged in importing, transporting, using and storing any and all kinds of petroleum and petroleum products, components, additives, lubricants, bitumen, chemical and/or petrochemical products; and to market, distribute, and sell at wholesale, export, exchange, deal in, and dispose of such products and by-products which may be produced, developed, or made therefrom.

Shell Pilipinas is one of the leading fuel mobility players in the country, boasting a strong network of over 1,100 Shell-branded mobility stations nationwide. Through its mobility arm, the Company markets Shell V-Power Racing, Shell V-Power Gasoline, and Shell V-Power Diesel as its premium offering, and FuelSave Gasoline and FuelSave Diesel for its main grade offers. Recognizing that its customers' needs go beyond fuel, the Company has non-fuel offerings through Shell Select convenience stores and Deli2go and Shell Cafe. It also offers full vehicle servicing such as oil change and other car and motorcycle maintenance through Shell Oil Helix Oil Change+, Helix Service Centers (HSC) and Shell Advance Motor Express (SAMCE).

Shell Pilipinas' commercial product portfolio includes wholesale commercial fuels, jet fuels, lubricants, and bitumen. Wholesale commercial fuel premium products include, among others, Shell Fuel Save Diesel and Shell Fuel Oil Plus. The wholesale commercial fuels product portfolio includes diesel, gasoline, kerosene, fuel oil and blended fuels. Shell Pilipinas is a key supplier of wholesale commercial fuels to the manufacturing, mining, marine, power, transport and other

sectors and counts a number of major conglomerates operating in the Philippines as its loyal customers.

Shell Pilipinas also offers sustainable products and services to support energy transition. Mobility offers electric vehicle charging under Shell Recharge and has also piloted battery swapping services. Nature Based Solutions carbon credits are also offered to Mobility, Wholesale Commercial Fuels and Lubricants customers to help in their decarbonization journey. Paving the way towards decarbonisation, Construction & Road business pioneered Shell Bitumen FreshAir which is a low carbon road pavement technology which effectively reduces specific gases and particulate matter from asphalt mixtures by 40%. Shell Instapave is another low-carbon solution which is used as a road surface treatment in preventive maintenance.

Geographical segmentation does not apply to Shell Pilipinas' business.

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

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

<i>Net Sales</i>	Domestic	Exports	Total
2023, in million pesos	251,695	1,621	253,316
2023, in percentage	99%	1%	100%
2022, in million pesos	289,739	1,744	291,483
2022, in percentage	99%	1%	100%
2021, in million pesos	175,981	1,175	177,156
2021, in percentage	99%	1%	100%

(iii) Distribution methods of the products

Shell Pilipinas' integrated supply chain is composed of 24 fuel distribution terminals and supply points which include 3 MR-capable import facilities, 10 lubricants warehouses and 2 specialties facilities spread throughout the Philippine archipelago. This includes the Shell Import Facility Tabangao (SHIFT) in Batangas City, the North Mindanao Import Facility (NMIF) in Cagayan De Oro City, and the Subic Import Facility. Shell is set to open its fourth import terminal located in Darong, Santa Cruz, Davao del Sur, in 2024.

Main fuel products imported through the Shell trading network are transported from the Subic and Tabangao import terminals through marine vessels and lorries to supply the demand in Luzon. Marine vessels also transport imported products from NMIF to other parts of the country. Shell Pilipinas contracts a fleet of time-chartered and guaranteed seaworthy ocean vessels and barges that meet international safety standards. Lorries contracted from private professional haulers are used for inland distribution of products.

The logistics network is further optimized to replenish stocks in other strategically located terminals in the country. Local distribution to customers is managed by third party logistics service providers.

(iv) New products

Mobility

The new and improved formulation of Shell V-Power was launched in 2023. The improved formulation redefines high-performance fuels through its enhanced cleaning, protection and restoration of engines. A product of over five years of research and Shell's 100-year long heritage in innovation, the new Shell V-Power cleans 100% of deposits and prevent future build up on vital engine parts. It helps restore up to 100% of engine performance.

Lubricants

To continue Shell Lubricants leadership in consumer and commercial road transport sectors, SPC launched 2 key products in 2023. Helix SUV is a fully synthetic lubricants specifically designed to the rapidly growing SUV segment in the Philippines. More than 60% of all new passenger vehicle registration in 2023 are SUVs and SPC is the first to launch a product specially designed for the unique requirements of SUVs. Rimula R4PLUS, on the other hand, caters to heavy duty diesel engines that are responsible for last mile deliveries.

Commercial Fuels

Shell's New Fuel Save Diesel formulation aims to tackle a number of vehicle and operational challenges to help alleviate business pressures by helping lower costs, protect your assets and maintain operational efficiency. The new formulation has 5 active ingredients that address the industries' main concerns on Internal Diesel Injector Deposits (IDIDs) and Exhaust Gas Recirculation (EGR), as well as foaming and corrosion.

(v) Competition

The Philippine oil industry is composed of numerous players in the mobility and commercial segments. Based on the market share data available from DOE, Shell Pilipinas retains its top 2 position in terms of total demand of petroleum products in the country as of YTD Q3 2023. The two largest companies, Petron and Shell Pilipinas, hold around 38% while the balance is made up of numerous smaller players.

The Company's value delivery is maintained and protected through the Company's differentiated offerings and integrated supply chain. Its differentiated fuels portfolio providing both economy and performance-driven formulas, combined with innovative and high-quality services, drives the Company's growth in a competitive fuels market. The Company also leads the industry in the sustainable products segment. On the other hand, its integrated, competitive, and reliable supply chain and highly efficient mobility network assures its customers with the reliability and quality of its offerings.

Shell Pilipinas also leverages on Shell's regional trading organization to globally source petroleum products and hence captures purchasing benefits from accessing a wider trading organization that is buying petroleum products for all of Shell's Asian operations.

International and Market Forces in the Industry

The downstream oil industry is heavily impacted by market fluctuations, foreign exchange volatilities, economic and political developments overseas. There are fluctuations in average global fuel prices for petroleum product such as gasoline, diesel, fuel oil, aviation fuel from ~\$116/bbl as of 31 December 2022 to ~\$96/bbl last December 2023.

Being a petroleum product importer, Shell Pilipinas is exposed to these ongoing volatilities in regional product prices and foreign exchange.

Shell Pilipinas is no longer directly exposed to movements in regional refining margins since it closed its refinery in 2020 and transitioned into a pure-import supply chain model.

(vi) Sources of supply and the names of principal suppliers

Its affiliation with the Shell Group provides Shell Pilipinas long-term and secure access to finished petroleum products. Shell Pilipinas' product import requirements are supplied by Shell International Eastern Trading Co. (SIETCO), a trading company based in Singapore, using term supply agreements. This enables Shell Pilipinas to benefit from the consistency and reliability provided by the Shell Group's single market interface approach.

Bulk of Shell Pilipinas' finished products requirements are sourced from Asian countries such as Singapore, Korea, and China. As confirmed with SIETCO, the refineries where it obtains its petroleum products from, do not use Russian crude as feedstock.

(vii) Major customers

Shell Pilipinas 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 petroleum products; (b) reimbursement of expenses; (c) entering into lease agreements; (d) placing short-term placements; and (e) royalty fees arrangement. 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.

Since the IPO, Shell Pilipinas has established a separate Related Party Transaction (RPT) Board Committee that performs oversight functions over related party transactions of the Company. Shell Pilipinas also has a Related Party Transaction Policy that provides guidelines on the governance and control processes for RPT transactions.

Below are the material related party transactions of Shell Pilipinas:

- i. The Company has a long-term loan from Bank of the Philippine Islands (BPI). The loan was drawn in 2021 and 2023 in which a director of the Bank holds office as a director of the Company.
- ii. Shell Pilipinas purchases petroleum products from Shell International Eastern Trading Co. (SIETCO), an entity under common shareholdings.
- iii. Shell International Petroleum Company (SIPC) of the United Kingdom and Shell Global Solutions International B.V. (SGS) of The Netherlands, entities under common shareholdings, provide management advisory, business support, and research and development and technical support services to Shell Pilipinas under certain terms and conditions.
- iv. Shell Pilipinas leases from Tabangao Realty, Inc. (TRI) land for several depots and mobility sites located around the country. Lease term ranges from 3 to 50 years and is renewable, thereafter, paid via rental and throughput fees.
- v. Shell Brands International AG ("SBI"), an entity under common shareholdings, entered into Trade Marks and Manifestation License Agreement with Shell Pilipinas pursuant to which SBI, the licensor, grants Shell Pilipinas, the licensee, a non-exclusive right to reproduce, use, apply and display the Shell trade mark and other manifestation. In consideration, the Company shall pay a royalty fee, which shall be computed as certain percentage of business contribution of each class of business. Royalty rate varies from 0.7% to 6.8% depending on class of business, subject to a minimum royalty amount. This agreement can be terminated by either party without any penalty.
- vi. The Company purchases lubricants products from The Shell Company of Thailand Limited, an entity under common shareholdings.

- vii. Shell Pilipinas receives billings from entities under common shareholdings for group-shared expenses related to IT maintenance, shared services, personnel and other administrative costs. On the other hand, the Company charges entities under common shareholdings for group-shared expenses related to personnel and other administrative costs and other services.
- viii. Shell Pilipinas has five common members between its Board of Directors and Board of Trustee of Shell Pilipinas Foundation Inc. The Company has contributed towards donations and program recovery expenses of the foundation.

(ix) Trademark Ownership and License Agreement

Trademark Ownership

The trademark 'SHELL' and other trademarks of the Shell Group are, generally, registered under the name of Shell Brands International AG. Such intellectual properties are considered as Shell Group's assets rather than the properties of individual companies, such as Shell Pilipinas.

License Agreements

The use of trademarks and trade name by Shell Pilipinas 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 the Company 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 on 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, the policy is to consult IPS 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 Shell Pilipinas, 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 that are being used are protected by registering the same in the appropriate territories and registries.

(x) Government approvals needed for principal products

As part of running the facilities that store and handle petroleum products, Shell Pilipinas coordinates with various government stakeholders to comply with several regulations and regularly obtain approvals, permits and/or certifications as necessary. In general, these ensure that the company facilities are conforming to national or accepted international standards on health, safety, and environment. A major stakeholder is the Department of Environment and Nature Resources and its attached agencies such as the Environmental Management Bureau, to which these company sites obtain various certifications and registrations (Environmental Compliance Certificate/Certificate of Non-Coverage, Wastewater Discharge Permit, Permit-to-Operate Air Pollution Source and Control Installations, Chemical Control Order, Hazardous Waste Generator ID Registration, Hazardous Waste Permit-to-Transport, PCL Compliance Certificate, etc.). Facilities also maintain Permits-to-Produce Biofuel-Blended Diesel (B2) & E-Gasoline (E10) and Permit-to-Operate a storage facility, under the remit of the Bureau of Internal Revenue. Shell Pilipinas is accredited by the Department

of Energy as a Biofuels Participant and have the required accreditations for importation from the Bureau of Customs.

Several authorities also require facility inspections and certifications (Permit to Operate-PPA, Certificate of Annual inspection-PEZA, Certificate of Compliance-ERC, Fire Safety Inspection Certificate-BFP, Statement of Compliance of a Port facility-OTS). The company's terminals are also mandated to have permits issued by local government units (Business Barangay Clearance, Business Permit (or Mayor's Permit), Real Property Tax, Sanitary Permit, Zoning Permit/Certificate). There are also approvals / registrations required for specific aspects of running the operations (Annual Registration-BIR, License to Handle CPECS and Purchaser's License for Controlled Chemicals-PDEA, Portable Radio License-NTC, Water Permit -NWRB, Certificate of Accreditation of Oil Spill Equipment/Materials-PCG).

Mandatory Fuel Marking

On 19 December 2017, the Philippine government has enacted R.A. 10963 (Tax Reform for Accelerated Inclusion) which included a provision on mandatory marking of fuel products to curb oil smuggling. Implementing rules and regulations from the government on the fuel marking program were released on 05 July 2019 through Joint Circular No 001.2019 by the Department of Finance, Bureau of Internal Revenue and Bureau of Customs. The Joint Circular mandates the marking of refined, manufactured and imported gasoline, diesel and kerosene after duties and taxes have been paid. As confirmed with the fuel marking consortium, the Tabangao refinery is the first refinery to be marked in the country and NMIF is the first import terminal to be marked in Mindanao.

The government commenced conducting random field testing and confirmatory testing on fuel to check its compliance towards the mandatory fuel marking requirement in 2020. This initiative is targeted to help curb smuggling.

Data gathered by the government consortium in 2021 identified homogeneity issues of the fuel marker in storage tanks for several oil industry players resulting to a deferment of the program's enforcement phase. The government has identified terminals/locations where fuel marking operations are instructed to shift from vertical tanks dosing to truck/lorry marking to immediately address the homogeneity issues.

The automated injection system fuel marking facility for SHIFT, which is funded by the Department of Finance as part of the fuel marking program, has been completed and on-line from September 2022. The Subic terminal shifted their marking operations to truck marking in December 2022. Shell Pilipinas has also proposed to the Department of Finance to upgrade its own fuel marking facility at Shell North Mindanao Import Facility to an automated injection system (AIS) technology to minimize the homogeneity risks identified in the present fuel marking dosing operations by the consortium. The target implementation/completion of this project is Q1 2024.

Biofuels Act

The Biofuels Act of 2006 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 (GHG) 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.

Shell Pilipinas currently blends diesel with 2% coconut methyl ester (CME) and gasoline with 10% ethanol as mandated in the current PNS.

On December 2021, the Department of Energy Technical Committee on Petroleum Products and Additives (TCPA) has finalized the draft national standards for 3%, 4% and 5% CME blend into diesel and were endorsed to the Bureau of Product Standards. The implementation of these new

standards is subject to the DOE's implementation plan for the succeeding years. Mandatory implementation of B3 (3% CME) to replace B2 (2% CME) is expected to start in October 2024.

Utilization of Locally-Produced Bioethanol in the Production of E-Gasoline

Consistent with The Biofuels Act of 2006, DC2011-12-0013 was implemented. It mandated the exhaustion of locally-sourced bioethanol in order to sustain and expand the local bioethanol industry. Shell Pilipinas sources its local bioethanol in accordance with its Local Monthly Allocation as computed and circulated by the Department of Energy's Oil Industry Management Bureau (OIMB).

Euro IV (PH) Equivalent Specifications

On 07 September 2010, the DENR issued a DENR Administrative No 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 01 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. Shell Pilipinas, as a regular permanent member of the Technical Committee on Petroleum Products and Additives (TCPA), 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 01 January 2016. All Shell terminals and mobility stations supply Euro IV-compliant fuels since 01 January 2016.

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.

No further impact from the effect of Clean Water Act towards the Company's Shell Mobility stations is expected. No major change from the Pollution Head Accreditation Board has been received. All sites continue to comply with the quarterly SMRs and Discharge Permit to DENR or LLDA.

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 said 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 local tankers and barges hauling oil and/or contributing oil (petroleum products) in Philippine waterways and coast wise shipping routes. This new fund, named the Oil Pollution Management Fund ("OPMF"), is on top of the requirement under the 1992

CLC and 1992 Fund Conventions and will be administered by the Maritime Industry Authority (“MARINA”). The circular was published in November 2021, and the imposition of the 10 centavos/liter fee has taken into effect starting 10 December 2021.

Oil Spill Prevention and Control

The Oil Pollution Compensation Act 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.

The Philippine Coast Guard **MC 01-2005** provides implementing guidelines pursuant to PD No. 600, PD No. 979 as rationalized in accordance with the International Convention for the Prevention of Pollution from Ships, MARPOL 73/78. This MC applies to oil marine pollution in all bodies of water within the territorial jurisdiction of the Philippines including ports, coastlines, lakes, rivers and their tributaries.

Under the Policies of this MC, below are some of the requirements:

- Oil refineries/terminals/depots and tanker owners engaged in black products and persistent oil shall be provided with at least complete set of oil containment and recovery equipment, sorbent dispersants and other MARPOL combating accessories duly accredited by the PCG sufficient to prevent, control, and mitigate a medium discharge.
- Oil companies and tanker owners shall submit to CPCG their respective contingency plans for approval and execution in case of oil spillages in their areas and conduct regular team training on managing oil spill operations, handling and operations, handling and operation of MARPOL combating equipment. A dedicated oil spill response team shall be organized to react to land and ship originated oil spills.

(xi) Amount spent on research and development

Under existing agreement with Shell International Petroleum Company (“SIPC”) an entity under common control, SIPC provides research and development services to Shell Pilipinas.

R & D Costs	2023	2022	2021
Amount (in Million Php)	162.84	91.78	133.89
Net Sales	253,316	291,483	177,157
	0.06%	0.03%	0.08%

(xii) Costs and effects of compliance with environmental laws

Compliance with various environmental laws entails costs on the part of Shell Pilipinas, resulting in higher production costs and operating expenses. In 2023, Shell Pilipinas’ provision for environmental remediation is Php63.1 million.

(xiii) Manpower

Shell Pilipinas has a total of 479 regular employees as of 31 December 2023. This includes senior executives, junior executives, junior staff and operatives.

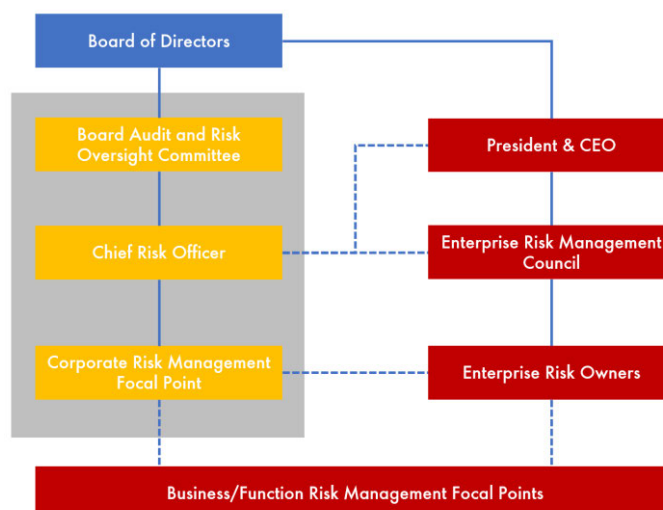
The junior staff and operatives belong to the labor organization, Kapisanan Ng Mga Manggagawa sa Shell (“KMS”), whose members comprise the rank and file workers assigned to Shell Pilipinas’ network of depots and installations. The current Collective Bargaining Agreement (“CBA”) with KMS is effective from 16 January 2022 to 15 January 2027.

Last April 2023, a new benefit called Choice Pot was launched. This is a flexible benefit given to all local employees which they can use to spend on the things that matter to them in the areas of (a)

physical and mental wellness, (b) personal growth, (c) family care, and (d) sustainability. This allows each staff to prioritise preferences while aligning with company values.

(xiv) Major risks involved/Risk management

Effective risk management increases the value from business decisions because conscious choices are made in relation to risks that have an impact on, or result from, these business decisions. Risk management is an integral part of Shell Pilipinas' management activities (strategy, planning, execution, operation, monitoring, and appraisal). The Shell Pilipinas Enterprise Risk Management Policy explicitly states that management of risks resides with the Enterprise Risk Management Council and the various General Managers (GM) or Head of each Business or Function.



- A. **Board Audit and Risk Oversight Committee (BARC)** – provides oversight on the ERM process, approves the ERM policy and any changes thereto
- B. **Chief Risk Officer** – supervises the entire ERM process and spearheads the development, implementation, maintenance, and continuous improvement of ERM processes and documentations
- C. **Enterprise Risk Management Council** – provides strategic leadership on enterprise risk management decisions, resolves conflicts arising from differing risk management strategies
- D. **Corporate Risk Management Focal Point** – oversees the end-to-end Enterprise Risk Management process, establish a consolidated enterprise risk register from submissions from the Business/Function Risk Focal Points
- E. **Enterprise Risk Owners** - responsible for proper assessment of likelihood and impact of enterprise level risks included in the enterprise risk matrix, responsible for establishing the Risk Management Plan
- F. **Business/Function Risk Focal Points** - ensure timely and complete submission of Business/Function risk matrix and risk register to the Corporate Risk Management Focal

Risk Response Strategies & Accountabilities

To manage risk effectively for Shell Pilipinas, every Business and Function is required to:

1. State clear business strategies and objectives;
2. Assess internal and external business environment;
3. Identify risks that business is exposed in its operating environment;
4. Analyze the potential impact and likelihood to the businesses; and
5. Determine effectiveness of risk responses to, among other objectives:
 - Achieve business objectives;
 - Safeguard Company assets from inappropriate use, loss or fraud;
 - Facilitate economic, effective, efficient and safe operations;

- Enable compliance with the Shell Pilipinas Control Framework.
6. Monitor, communicate and report changes in the risk environment and the effectiveness of actions taken to manage identified risks on an ongoing basis.

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, and liquidity risks, among others, are under the responsibility of the Corporate Finance Department in coordination with business and function managers.

Major Risks & General Responses

A. Operational / Business Risks

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

1. 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 mobility outlets which do not conform to Health, Safety, Security & Environmental standards as well as to Philippine National standards remained as key concerns, particularly due to the impact on sales and safety. To counteract these market practices, Shell Pilipinas, in coordination with key industry players and government, has sustained its advocacy to promote brand protection and consumer awareness.

Moreover, industry and government have intensified the drive against illegal refilling activities through the Fuel Marking Program. Shell Pilipinas has been complying to the site and terminal marking and has also been providing technical input to the Philippine Institute for Petroleum (PIP) to support the program's success.

2. Operational risks

Impact of unanticipated or prolonged shutdowns in key facilities such as depots could have a severe impact on Shell Pilipinas' ability to meet customer requirements. Shell Pilipinas has an asset master plan which includes preventive maintenance activities to ensure strong reliability performance. Calamities such as typhoons and earthquakes, are considered normal occurrences in the Philippines. Severe calamities can disrupt operations, particularly the Company's supply chain. Shell Pilipinas has a Business Continuity Plan to ensure the continued supply of quality products nationwide.

3. Regulatory risks

Abrupt changes in laws and regulations can pose detrimental results on Shell Pilipinas' financial and business operations. Changes in tax regulations, customs rules and licensing procedures can make it difficult to sustain viable business operations in some segments. Shell Pilipinas regularly engages with government agencies and ensures strong partnerships with local government units to ensure risks are identified in advance and mitigation plans are put in place to address them.

B. Corporate Risks

(I) Market risk

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

1. Foreign currency exchange risk

Shell Pilipinas is exposed to fluctuations in exchange rates, primarily with respect to the importations of petroleum products denominated in US dollars. Foreign currency exchange risk may also arise from future commercial transactions and recognized assets and liabilities denominated in a currency other than Shell Pilipinas' functional currency.

Foreign exchange currency risks are not hedged. Shell Pilipinas does not enter into significant derivative contracts to manage foreign currency risks. Since foreign currency exposure is significantly concentrated on purchase of fuel products, Shell Pilipinas manages foreign currency risk by planning the timing of its importation settlements with related parties and considering the forecast of foreign exchange rates.

2. Cash flow and fair value interest rate risk

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

Shell Pilipinas has no significant exposure to fair value interest rate risk as the Company only has short-term fixed interest-earning assets and interest-bearing liabilities.

Shell Pilipinas' interest-rate risk arises from its borrowings. Borrowings obtained at variable rates expose the Company to cash flow interest-rate risk. As at 31 December 2023 and 2022, the Company's loans payable carry floating rates based on a certain index plus applicable premium.

Shell Pilipinas does not enter into significant hedging activities or derivative contracts to cover risk associated with borrowings.

3. Commodity and other price risk

Commodity price risk is the risk that future cash flows may fluctuate because of changes in market prices. Shell Pilipinas is affected by price volatility of certain commodities such as petroleum products. To minimize Shell Pilipinas' risk of potential losses due to volatility of petroleum product prices, the Company may implement commodity hedging for petroleum products. The hedges are intended to protect inventories from risk of downward prices and therefore lower margins. For consumer (buy) hedging transactions, if prices go down, hedge positions may show marked-to-market losses; however, any loss in the marked-to-market position is offset by the resulting lower physical raw material cost. While for producer (sell) hedges, if prices go down, hedge positions may show marked-to-market gains; however, any gain in the marked-to-market position is offset by the resulting lower selling price.

Shell Pilipinas is not significantly exposed to price risk on equity securities and proprietary club shares as investments held by the Company are classified in the statement of financial position as equity through other comprehensive income financial assets and 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.

Shell Pilipinas maintains cash and certain other financial instruments with various major financial institutions. To minimize this risk, the Company 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.

Shell Pilipinas 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. Also, there are collaterals and security deposits taken from customers which enables effective management of the risk.

There is no concentration of credit risks as at statement of financial position dates as Shell Pilipinas deals with a large number of homogenous trade customers.

(III) Liquidity risk

Liquidity risk is the risk that suitable sources of funding for Shell Pilipinas' business activities may not be available. The Company 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 Shell Pilipinas' liquidity reserve on the basis of expected cash flow.

(3) Description of Properties

Shell Pilipinas operates on various leased property for its import terminals, storage installations, depots and various mobility (formerly retail) stations located throughout the Philippines.

Shell Pilipinas' full-import supply chain model is primarily supported by its three MR-capable import terminals - the 263ML finished products capacity Shell Import Facility – Tabangao (SHIFT) in Batangas serving Luzon and Northern Visayas, the 80ML finished products capacity terminal in Subic that serves the demand of Northern Luzon, and the 94ML finished products capacity Northern Mindanao Import Facility (NMIF) in Cagayan De Oro (CDO) serving the rest of the Visayas and Mindanao.

SHIFT, Shell Pilipinas' largest terminal, is located on a 160-hectare land in Tabangao, Batangas City, 121 kilometers south of Manila and was recently inaugurated as an import facility last June 2021. SHIFT consists of Product & Component tanks, and jetties.

NMIF is the first full-import facility constructed by Shell Pilipinas in 2016, enabling a more efficient and economical distribution to provide energy security for Visayas and Mindanao. The landmark project in CDO consists of product and component tanks.

Shell Pilipinas' third import facility located in Subic was opened recently in 2020, enhancing access to fuel products in North and Central Luzon while also supporting efforts to restart the country's economy amidst the COVID-19 pandemic. This newest addition to Shell Pilipinas' network of import terminals consists of product and component tanks.

In April 2022, Shell Pilipinas broke ground its fourth import facility in Darong, Southern Mindanao which aims to provide a more stable, undisrupted supply of energy in the region. It has a rated capacity of 67 million liters and expected to achieve full operational status in 2024.

Aside from the Company strong network of import terminals, Shell Pilipinas also has a network of installations and depots scattered all over the archipelago including those that are third-party owned.

(4) Legal Proceedings

(a) Excise tax on Importations of Catalytic Cracked Gasoline (CCG) and Light Catalytic Cracked Gasoline (LCCG)

Shell Pilipinas Corporation vs. Commissioner of Customs, Collector of Customs of the Port of Batangas, Bureau of Customs and Bureau of Internal Revenue

SC G.R. Nos. 227651 & 227087

Filed 03 December 2009

Matter Summary:

From 2004 to 2009, the Company imported shipments of CCG and LCCG into the Philippines in accordance with the BIR Authority to Release Imported Goods (ATRIG) stating that the importation of CCG and LCCG is not subject to excise tax. Upon payment of VAT as assessed in the ATRIGs, the Bureau of Customs (BOC) allowed the entry of the imported CCG and LCCG without payment of excise tax. CCG and LCCG, being intermediate or raw gasoline components, are then blended with refinery products to produce unleaded gasoline that is compliant with applicable Philippine regulatory standards, particularly the Clean Air Act of 1999 and the Philippine National Standards (the “resulting product”). Prior to the withdrawal of the resulting product from the Company’s refinery, the Company paid the corresponding excise taxes.

In 2009, the District Collector of the Port of Batangas issued a letter demanding from the Company the payment of deficiency excise tax, VAT and penalties covering importation entries from 2006 to 2008. The Company requested the cancellation of the demand letter for lack of factual and legal basis. The District Collector of the Port of Batangas denied the request of the Company and declared that the law mandated the payment of excise tax on importation of unleaded gasoline and that it made no distinction or qualification on whether or not it was for consumption or sale to the domestic market. The District Collector of the Port of Batangas then reiterated his previous demand and threatened enforcement of Section 1508 of the Tariff and Customs Code of the Philippines (TCCP) which would hold the delivery or release of imported articles when an importer has an outstanding and demandable account.

The Company appealed before the Commissioner of Customs (COC). In the meantime, the Director of the DOE-Oil Industry Management Bureau issued a letter reiterating the earlier DOE finding that CCG and LCCG imports were raw materials or blending components in the production or processing of gasoline in its finished form. The then BIR Commissioner issued a memorandum confirming and reiterating the initial ruling in 2004 to the effect that CCG and LCCG are intermediate products or blending components which are not subject to excise tax under Section 148 of the NIRC.

The COC denied the appeal of the Company and demanded the payment of excise tax and VAT for the Company’s CCG and LCCG importations this time from 2004 to 2009. The Company filed a motion for reconsideration of the Letter-Decision, which was denied by the COC. The COC then ordered the Company to pay the principal amount of Php7.4 billion and pay the excise tax and VAT on all incoming CCG and LCCG shipments.

The Company thereafter filed a petition for review with the Court of Tax Appeals (CTA) for the purpose of appealing the ruling of the COC as well as to apply for the issuance of a temporary restraining order (TRO) to immediately prevent the COC from seizing future shipments of the Company pursuant to Section 1508 of the TCCP. The Company likewise applied for the issuance of a suspension order for the purpose of ensuring the preservation of the status quo while the merits of the appeal are being heard by the CTA.

While the case was pending in the CTA, the BIR Commissioner at that time issued on 15 December 2009 a Letter-Ruling declaring that the CCG and LCCG imports of the Company were subject to excise tax on the ground that the law did not make any distinction or qualification on whether or not the imports were intended for consumption or for blending with other substances. The ruling effectively reversed the earlier rulings of former BIR Commissioners.

Following the reversal of the ruling by the BIR Commissioner, the BOC started collecting excise taxes in January 2010 on shipments of the Company. The Company paid the BOC assessments under protest and on 27 January 2010, filed a Supplemental Petition seeking to annul the 15 December 2009 ruling by the BIR Commissioner.

In view of the paramount public interest, the government agreed not to exercise Section 1508 of the TCCP on condition that the Company posts a surety bond.

On 04 March 2010, the CTA approved the surety bond posted by the Company and enjoined the COC, the Collector of Customs at the Port of Batangas, the BOC and all persons acting under their direction or authority from undertaking any actions under Section 1508 of the TCCP and/or from all remedies to collect from petitioner the excise taxes and VAT, with increments, subject of the case.

On 27 November 2012, the CTA 3rd Division issued a Resolution granting the Company's Motion for Summary Judgment. The Court deemed that BOC's demand for the payment of excise taxes on importations of LCCG/CCG during the period 2004 to 2009 without merit, rendering the discussion on whether the CCG/LCCG are properly classified (under Section 148(e) or Section 148(f) of the NIRC, as amended) moot and academic. The CTA 3rd Division ruled in favour of the Company and respondent was prohibited from collecting the alleged unpaid excise taxes and VAT thereon, on the Company's importations of CCG/LCCG for the relevant periods in 2004 to 2009.

The BOC filed a Petition for Review with the CTA en banc. Meanwhile, the Company 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 - first, upon importation and the other upon withdrawal of the finished grade products from the refinery.

In its 28 September 2015 decision, the CTA en banc reversed the CTA Third Division, ruled partially in favour of the BOC and the BIR and held that the Company is liable to pay excise taxes and VAT on the importation of CCG and LCCG but only for the period from 2006 to 2009. The CTA en banc recognized the Company's defense of amnesty applied for periods from 2004 to 2005, thereby partially reducing the liability to shipments made from 2006 to 2009. Both parties filed motions for reconsideration of the CTA en banc decision. The BIR and BOC filed an Omnibus Motion for Partial Reconsideration and Clarification to question the decision of the CTA en banc in relation to the assessment of the unpaid excise taxes, VAT and penalties for the years 2004 and 2005. The Company, in turn, filed an Opposition to the said motion. The Company likewise filed a motion for reconsideration of the CTA en banc decision in relation to the assessment of the unpaid excise taxes, VAT and penalties for the years 2006 to 2009.

On 21 September 2016, the Company received an Amended Decision of the CTA en banc upholding its 28 September 2015 ruling and holding that the Company is liable to pay the Government for alleged unpaid taxes for the importation of CCG and LCCG for the period from 2006 to 2009 totaling Php5.7 billion.

On 06 October 2016, the Company filed the appropriate appeal with the Supreme Court. The BOC and the BIR also filed their Petition for Review on Certiorari seeking to bring back the liability of the Company to Php7.4 billion plus interest and surcharges.

Status:

The Supreme Court consolidated the said petitions and the parties have filed their respective Comments. The Government and the Company filed their Reply on 22 January 2018 and 06 June 2018, respectively. On 06 March 2020, the Office of the Solicitor General filed a Motion for Early Resolution. The Company subsequently filed a motion for leave to file an opposition on 23 March 2020. Awaiting action by the Supreme Court. No change in status as of 31 December 2023.

Management believes that provision should not be recognized as at 31 December 2023 and 31 December 2022 since it is the Company's assessment that liability arising is not probable because

its factual and legal positions are strong. The Company continues to take appropriate legal action and remediation with respect to such case.

(b) Excise tax on Importations of Alkylate

Shell Pilipinas Corporation vs. Commissioner of Internal Revenue et al.

CTA Case No. 8535, Court of Tax Appeals, 2nd Division

Filed 24 August 2012

Matter Summary:

Following the ruling of the BIR authorizing the collection of excise taxes on CCG/LCCG importations, the Company began importing Alkylate as its blending component. The COC issued Customs Memorandum Circular No. 164-2012 directing the BOC and its officers to take the “appropriate action” in relation to BIR Ruling dated 29 June 2012 (Ruling No. M- 059-2012) issued by the BIR Commissioner. In the ruling dated 29 June 2012, the BIR Commissioner held that Alkylate is also subject to excise tax upon importation. The BIR Ruling further held that the Company is liable for the amount of Php1.9 billion representing the unpaid taxes, on the importations of Alkylate from 2010.

A Petition for Review of the BIR ruling was filed with the CTA. On 18 September 2012, the Company filed a Motion for the Issuance of a Suspension Order to stop the implementation of Ruling No. M-059-2012.

On 22 October 2012, the CTA issued a Resolution approving the issuance of a Suspension Order stopping the collection of alleged deficiency excise taxes (and VAT) for the period from 2010 to June 2012, upon the posting by the Company of a surety bond. Said bond was duly filed and the CTA approved the same on 30 October 2012.

In a Resolution dated 28 January 2013, the CTA denied the BIR/BOC Motion to Dismiss the case. Subsequent appeals (Petitions for Certiorari) from the denial of the Motion to Dismiss have been filed by the BOC and the BIR with Supreme Court.

On 02 June 2014, the Company filed a Petition for Certiorari with Application for the Issuance of a Temporary Restraining Order and/or Writ of Preliminary Injunction with the SC 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 07 July 2014, the SC 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 the Company.

Meanwhile, in the main case before the CTA, on 31 July 2014, the Company filed a Motion for Judgment on the Pleadings. This Motion was denied by the tax court on 13 February 2015. On 16 March 2015, the Company filed a Motion for Reconsideration from this denial of the Motion for Judgment on the Pleadings.

As disclosed in Note 9, the Company has excise duties and VAT paid under protest amounting to Php4.6 billion for certain Alkylate shipments.

Status:

On 02 May 2023, Shell Pilipinas Corporation received a copy of the Decision dated 27 April 2023 of the CTA Special Second (2nd) Division, which ruled that Alkylate is not subject to excise tax and granted SPC’s Amended Petition for Review dated 05 October 2012. The CTA invalidated Document No. M-059-2012 dated 29 June 2012 issued by the Commissioner of Internal Revenue as well as the Letter dated 01 October 2012 of the Collector of Customs of the Port of Batangas which sought to impose taxes on SPC’s previous alkylate importations. Thus, the CTA prohibited the government from collecting, in any manner, excise taxes and value-added tax on SPC’s Alkylate importations.

Motions for Reconsideration were filed by the Collector of Customs on 8 May 2023 and the Bureau of Customs on 17 May 2023. SPC's consolidated opposition was filed on 1 June 2023.

Motions for Reconsideration were filed by the Collector of Customs on 8 May 2023 and the Bureau of Customs on 17 May 2023. SPC's consolidated opposition was filed on 1 June 2023.

On 10 July 2023, SPC received the Minute Resolution dated 22 June 2023 of the CTA stating that the Motions for Reconsideration, as well as the Consolidated Opposition, are now considered submitted for resolution.

On 24 October 2023, the CTA denied the Motions for Reconsideration.

Thereafter, the Commissioner of Internal Revenue filed with the CTA En Banc a Petition for Review dated 15 December 2003 on 19 December 2023. Meanwhile, the Bureau of Customs and Collector of Customs of the Port of Batangas were given until 02 January 2024 to file their Petition for Review with the CTA En Banc.

Claims from government includes Php4.6 billion of excise duties and VAT paid under protest for certain Alkylate shipments. Php1.8 billion of which, pertains to the payment made under protest in January 2022.

On 27 December 2023, SPC filed its Petition for Review for Refund of Excise Tax before the Commissioner of Internal Revenue and the CTA. The case has been docketed as CTA Case No. 11367.

(c) Republic of the Philippines rep. by Bureau of Customs vs. Shell Pilipinas Corporation & Filipino Way Industries

SC G.R. No. 209324 Supreme Court

Civil Case No. 02-103191, Regional Trial Court of Manila

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 the company. The Company 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 the payment of duties and taxes for the Company's importations.

The Court of Appeals had earlier upheld the dismissal of the case by the RTC Manila Branch 49 that dismissed the case. In a Decision dated 09 December 2015, the Supreme Court remanded the case to the RTC for the conduct of the trial proceedings so that the Bureau of Customs could attempt to prove the alleged fraudulent acquisition and use of TCCs.

Status:

In a Decision dated 16 February 2021, the RTC dismissed the case on the merits. The Bureau of Customs filed a Notice of Appeal.

SPC received the Appellant's Brief of the Republic on 21 February 2023. SPC filed its Appellee's Brief on 22 May 2023, within the extended deadline. On 29 June 2023, SPC received a copy of the Reply Brief of the Republic.

On 07 August 2023, SPC filed its Motion for Leave to File and to Admit Attached Rejoinder Brief of even date. The Court of Appeals, in the Resolution dated 07 September 2023, admitted the Rejoinder Brief and reiterated that the appeal is submitted for decision.

(d) Excise Tax Refund Case

There are also tax cases filed by the Company for its claims from the government amounting to Php2.2 billion as of 31 December 2023 in the CTA and SC. Management believes that the ultimate outcome of such cases will not have a material impact on the Company's financial statements.

(e) Other significant case

Case filed by the West Tower Condominium Corporation (WTCC)

West Tower Condominium Corp. et al. vs. Judge Elpidio R. Calis et al
SC G.R. No. 215901, Supreme Court
Filed 11 June 2012

Matter Summary:

The Company is a respondent in this Petition for Certiorari filed by West Tower Condominium Corp, 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 trial court 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 Regional Trial Court requiring the payment of filing fees. 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. West Tower Condominium Corporation, 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, the Company asked the Court of Appeals to deny the motion for reconsideration filed by West Tower Condominium Corporation, 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 West Tower Condominium Corporation, et al. West Tower Condominium Corporation, 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. The Company 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. Awaiting Supreme Court's action. No change in status as of 31 December 2023.

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

Shell Pilipinas common shares were listed as “SHLPH” with the Philippine Stock Exchange on 03 November 2016.

The principal market where Shell Pilipinas’ common share is traded is the Philippine Stock Exchange.

The high and low sale prices for the end of 2023 were as follows:

FROM	TO	HIGH (Php)	LOW (Php)
03 January 2023	31 January 2023	18.70	16.50
03 February 2023	28 February 2023	18.24	17.00
01 March 2023	31 March 2023	17.28	16.06
03 April 2023	28 April 2023	17.12	16.16
02 May 2023	31 May 2023	17.02	15.54
01 June 2023	30 June 2023	16.00	14.00
03 July 2023	31 July 2023	14.82	14.00
01 August 2023	31 August 2023	14.88	13.82
01 September 2023	29 September 2023	14.46	13.50
02 October 2023	31 October 2023	13.92	12.50
03 November 2023	30 November 2023	13.06	11.60
01 December 2023	29 December 2023	11.88	10.78

As of 29 December 2023, the last trading day in 2023, Shell Pilipinas (SHLPH) stock closed at Php10.94.

2. Holders – There are three hundred and five (315) stockholders excluding treasury shares, the top twenty (20) of which are:

	Name	No. of Shares Held	% of Shares Held
1	Shell Overseas Investments B.V.	890,860,212	55.21%
2	The Insular Life Assurance Company, Ltd.	265,465,395	16.45%
3	PCD Nominee Corp - Filipino	215,757,374	13.38%
4	PCD Nominee Corp - Foreign	130,367,486	8.08%
5	Spathodea Campanulata Inc.	67,184,265	4.16%
6	Rizal Commercial Banking Corporation	28,863,475	1.79%
7	Victoria L. Araneta Properties, Inc.	2,312,245	0.14%
8	Pan Malayan Management & Investment Corporation	1,298,536	0.08%
9	Gregorio Araneta III	1,177,720	0.07%
10	Carousel Holdings, Inc.	1,000,000	0.06%
11	Miguel P. De Leon	817,447	0.05%
12	Nieva Paz L. Erana	665,970	0.04%
13	Homer Lee Ante or Sara Jem Maggay Ante	500,000	0.03%
14	Maria Lina A. de Santiago	467,541	0.03%
15	E. Zobel Inc.	329,785	0.02%
16	Margarita J. Ortoll	298,500	0.02%
17	Teresa Velasquez Fernandez	294,057	0.02%

	Name	No. of Shares Held	% of Shares Held
18	Leon, Miguel P. De	272,459	0.02%
19	Henry O. Chusuey	215,000	0.01%
20	Jose Araneta Albert	203,877	0.01%

3. Dividends

On 10 August 2022, the Board declared dividend of Php1.00 pertaining to the 2021 audited Net Income After Tax from its unrestricted retained earnings as of 30 June 2022 (17-Q results) of Php4.6 billion, acting on the endorsement of the Board Audit and Risk Oversight Committee, to shareholders of record on 25 August 2022 with payout date on 19 September 2022.

At 31 December 2023, the Company has unrestricted retained earnings available for dividend declaration (see Schedule I of the Audited Financial Statements) of Php246 million. The possibility of declaring dividends will be reviewed by the Board in succeeding meetings based on Shell Pilipinas' earnings, free cash flow, investment program and other factors.

As at 31 December 2023, cost of treasury shares, accumulated earnings of its associates, unrealized mark to market gains and recognized deferred tax assets are not considered for dividend declaration as per SEC Rule 68, as amended and SEC Memorandum Circular No. 11.

(B) Description of Shell Pilipinas' Shares

(1) Capital stock and treasury shares as at 31 December 2022 to 2023 consist of:

	Number of shares	Amount
Authorized capital stock, common shares at P1 par value per share	2.5 billion	2,500,000
Issued shares	1,681,058,291	1,681,058
Treasury shares	(67,614,089)	(507,106)
Issued and outstanding shares	1,613,444,202	1,173,952

As at 31 December 2023, Shell Pilipinas has 315 shareholders excluding treasury shares (31 December 2022 - 319), 279 of whom hold at least 100 shares of the Company's common shares (31 December 2022 - 282).

Each common share is entitled to one vote.

(2) Debt Securities

Shell Pilipinas does not have any outstanding debt securities.

(3) Stock Ownership Plan

Shell Pilipinas currently does not have a stock ownership plan or program. The privilege extended to the Company was an allocation whereby each qualified employee could purchase, for his/her own account, up to 4,290 the Company shares during the IPO.

PART III - FINANCIAL INFORMATION

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

Financial condition as of the year ended 31 December 2023 compared to the year ended 31 December 2022

The following is a discussion of Shell Pilipinas' current and non-current assets and liabilities as of the year ended 31 December 2023 compared to the year ended 31 December 2022.

Current assets

Shell Pilipinas' current assets decreased from Php49,833.3 million as of 31 December 2022 to Php43,435.7 million as of 31 December 2023 primarily due to the following:

Trade and other receivables decreased by Php3,227.2 million, or 16.4% from Php19,690.8 million as of 31 December 2022 to Php16,463.6 million as of 31 December 2023 primarily driven by the decrease in sales and fuel products prices globally.

Inventories decreased by Php3,085.9 million, or 17.2% from Php17,939.9 million as of 31 December 2022 to Php14,854.1 million as of 31 December 2023 primarily driven by decrease in average global fuel prices for petroleum products such as gasoline, diesel, fuel oil, aviation fuel from ~\$116/bbl as of 31 December 2022 to ~\$96/bbl by 31 December 2023 and optimization of inventory volume.

Prepayments and other current assets increased by Php1,161.5 million, or 12.7% from Php9,143.5 million as of 31 December 2022 to Php10,305.0 million as of 31 December 2023 mainly driven by prepaid corporate income tax, creditable withholding tax and advance payment for leases.

Cash decreased by Php1,160.4 million, or 39.2 % from Php2,957.2 million as of 31 December 2022 to Php1,796.8 million as of 31 December 2023 resulted from a deliberate action to minimize the amount of cash on hand.

Current financial assets decreased by Php85.7 million or 84.1% from Php101.9 million as of 31 December 2022 to Php16.2 million as of 31 December 2023 mainly driven by the fair value of the derivative assets from outstanding commodity forward contracts.

Non-Current Assets

Shell Pilipinas' non-current assets increased from Php67,203.2 million as of 31 December 2022 to Php72,486.5 million as of 31 December 2023 primarily due to the following:

Property, plant and equipment, net increased by Php3,836.4 million, or 14.1% from Php27,262.7 million as of 31 December 2022 to Php31,099.1 million as of 31 December 2023 due to additional mobility stations built during the year, upgrades made to existing mobility sites and enhancement of the supply chain network.

Long-term receivables, rentals and investments, net increased by Php1,002.3 million, or 8.9% from Php11,305.3 million as of 31 December 2022 to P12,307.6 million as of 31 December 2023 mainly due to increase in excise duty claims.

Right to use assets net, increased by Php479.7 million, or 2.4% from Php20,113.3 million as of 31 December 2022 to Php20,593.0 million as of 31 December 2023 due to additions and renewal of lease contracts.

Other assets increased by Php 186.6 million, or 4.0% from Php4,641.3 million as of 31 December 2022 to Php4,828.0 million as of 31 December 2023 mainly driven by increase in pension asset.

Investment at FVOCI increase by Php161.0 million, or 19.7% from Php816.9 million as of December 2022 to Php977.8 million as of December 2023 mainly driven by proprietary club shares and equity securities which are carried at fair value.

Deferred income tax assets, net, decreased by Php387.0 million, or 12.7% from Php3,037.5 million as of 31 December 2022 to Php2,650.5 million as of 31 December 2023 primarily due to utilization of MCIT from prior years.

Current Liabilities

Shell Pilipinas' current liabilities decreased from Php59,770.8 million as of 31 December 2022 to Php47,849.0 million as of 31 December 2023 primarily due to the following:

Trade and other payables decreased by Php9,384.7 million, or 28.5% from Php32,926.0 million as of 31 December 2022 to Php23,541.4 million as of 31 December 2023 primarily driven by decrease in overall global fuel product prices.

Short-term loans increased by Php6,463.0 million, or 36.3% from Php17,827.0 million as of 31 December 2022 to Php24,290.0 million as of 31 December 2023 primarily due to higher working capital requirements.

Current portion of loans payable decreased by Php9,000.0 million, or 100.0% from 9,000.0 million as of 31 December 2022 to nil as of 31 December 2023 due to the replacement of a maturing loan with a new medium-term loan drawn in February 2023.

Non-Current Liabilities

Shell Pilipinas' non-current liabilities increased from Php28,336.2 million as of 31 December 2022 to Php37,791.6 million as of 31 December 2023 primarily due to the following:

Long term debt increased by Php9,000.0 million, or 150.0% from Php6,000.0 million as of 31 December 2022 to Php15,000.0 million as of 31 December 2023 due to the new medium-term loan drawn last February 2023 with a 5-year duration.

Lease liabilities, increased by Php139.8 million, or 0.8% from Php18,126.3 million as of 31 December 2022 to Php18,266.1 million as of 31 December 2023 primarily driven by additions and renewals of lease contracts.

Provisions increased by Php140.7 million, or 3.9% from Php3,625.9 million as of 31 December 2022 to Php3,766.6 million as of 31 December 2023 primarily driven by remeasurement of asset retirement obligation due to changes in discount and inflation rate.

Equity

Shell Pilipinas' total equity increased from Php28,929.4 million as of 31 December 2022 to Php30,281.7 million as of 31 December 2023 primarily due to the following:

Retained earnings increased by Php1,182.9 million, or 31.2% from Php3,788.2 million of 31 December 2022 to Php4,971.1 million as of 31 December 2023 primarily driven by the earnings for the period.

Other reserves increased by Php125.3 million, or 13.8% from Php910.0 million as of 31 December 2022 to Php1,035.3 million as of 31 December 2023 due to increase in fair value of equity instruments.

Financial condition as of the year ended 31 December 2022 compared to the year ended 31 December 2021

The following is a discussion of Shell Pilipinas' current and non-current assets and liabilities as of the year ended 31 December 2022 compared to the year ended 31 December 2021.

Current assets

Shell Pilipinas' current assets increased from Php36,475.6 million as of 31 December 2021 to Php49,833.3 million as of 31 December 2022 primarily due to the following:

Trade and other receivables increased by Php7,111.7 million, or 44.6% from Php15,940.1 million as of 31 December 2021 to Php23,051.8 million as of 31 December 2022 primarily driven by the increase in sales and finished products prices globally.

Prepayments and other current assets increased by Php2,886.5 million, or 96.3% from Php2,997.8 million as of 31 December 2021 to Php5,884.3 million as of 31 December 2022 mainly driven by prepaid corporate income tax and increase in input VAT credit from higher importations.

Inventories increased by Php2,086.4 million, or 13.2% from Php15,853.5 million as of 31 December 2021 to Php17,939.9 million as of 31 December 2022 primarily driven by increase in average global fuel prices for petroleum products such as gasoline, diesel, fuel oil, aviation fuel from ~\$82/bbl as of 31 December 2021 to ~\$94/bbl by 31 December 2022.

Cash increased by Php1,272.9 million, or 75.6 % from Php1,684.3 million as of 31 December 2021 to Php2,957.2 million as of 31 December 2022 primarily as a result of stronger cash generation from operations and financing activities partially offset by dividends paid during the year and strategic spend on capital projects to increase its mobility network and enhance its supply chain.

Non-Current Assets

Shell Pilipinas' non-current assets increased from Php58,673.6 million as of 31 December 2021 to Php67,203.2 million as of 31 December 2022 primarily due to the following:

Property, plant and equipment, net increased by Php3,843.3 million, or 16.4% from Php23,419.4 million as of 31 December 2021 to Php27,262.7 million as of 31 December 2022 due to additional mobility stations built during the year, upgrades made to existing mobility sites and enhancement of the supply chain network.

Long-term receivables, rentals and investments, net increased by Php3,451.0 million, or 43.8% from Php 7,880.5 million as of 31 December 2021 to P11,331.5 million as of 31 December 2022 mainly due to increase in excise duty claims including the second tranche of payment under protest of alleged excise tax on importation of alkylate.

Right to use assets net, increased by Php2,148.8 million, or 12.0% from Php17,964.5 million as of 31 December 2021 to Php20,113.3 million as of 31 December 2022 owing to additions and renewal of lease contracts.

Deferred income tax assets, net, decreased by Php1,093.1 million, or 26.5% from Php4,130.7 million as of 31 December 2021 to Php3,037.5 million as of 31 December 2022 primarily due to utilization if NOLCO from prior years.

Other assets increased by Php 179.6 million, or 3.4% from Php5,278.6 million as of 31 December 2021 to Php5,458.2 million as of 31 December 2022 mainly driven by increase in fair value of equity securities and proprietary club shares.

Current Liabilities

Shell Pilipinas' current liabilities increased from Php32,704.3 million as of 31 December 2021 to Php59,770.8 million as of 31 December 2022 primarily due to the following:

Short-term loans increased by Php9,607.0 million, or 116.9% from Php8,220.0 million as of 31 December 2021 to Php17,827.0 million as of 31 December 2022 primarily due to higher working capital requirements driven by the increase in global fuel product prices, peso depreciation, and high inflation.

Current portion of loans payable increased by Php9,000.0 million, or 100.0% million from nil as of 31 December 2021 to Php9,000.0 million as of 31 December 2022 due to the reclassification of the portion of long-term debt that will mature within three-months from 31 December 2022. This has been replaced with a Php 9,000.0 million new Medium-Term Loan drawn in February 2023, which was split equally between BPI and Metrobank.

Trade and other payables increased by Php8,458.6 million, or 34.6% from Php24,467.5 million as of 31 December 2021 to Php32,926.0 million as of 31 December 2022 primarily driven by increase in overall global petroleum product prices and depreciation of Philippine peso.

Non-Current Liabilities

Shell Pilipinas' non-current liabilities decreased from Php36,273.4 million as of 31 December 2021 to Php28,336.2 million as of 31 December 2022 primarily due to the following:

Long term debt decreased by Php9,000.0 million, or 60.0% from Php15,000.0 million as of 31 December 2021 to Php6,000.0 million as of 31 December 2022 due to the reclassification of the portion of long-term debt that will mature within three-months from 31 December 2022. A Php 9,000.0 million new Medium-Term Loan was drawn in February 2023; it was split equally between BPI and Metrobank.

Lease liabilities, increased by Php2,197.1 million, or 13.8% from Php15,929.2 million as of 31 December 2021 to Php18,126.3 million as of 31 December 2022 primarily driven by additions and renewals of lease contracts.

Provision and other liabilities decreased by Php1,134.3 million, or 21.2% from Php5,344.2 million as of 31 December 2021 to Php4,209.9 million as of 31 December 2022 primarily driven by remeasurement of asset retirement obligation due to changes in discount and inflation rate.

Equity

Shell Pilipinas' total equity increased from Php26,171.5 million as of 31 December 2021 to Php28,929.4 million as of 31 December 2022 primarily due to the following:

Retained earnings increased by Php2,462.3 million, or 185.7% from Php1,325.9 million of 31 December 2021 to Php3,788.2 million as of 31 December 2022 primarily due to the increase in profits during the year. This increase is net of dividends paid amounting to P1,612.5 million.

Other reserves increased by Php243.5 million, or 36.5% from Php666.5 million as of 31 December 2021 to Php910.0 million as of 31 December 2022 due to increase in fair value of equity instruments and performance share plan.

Results of operations for the year ended 31 December 2023 compared to the year ended 31 December 2022

Net sales decreased by Php38,166.5 million, or 13.1%, from Php291,482.6 million for the year ended 31 December 2022 to Php253,316.1 million for the year ended 31 December 2023 mainly driven by the decrease in sales and lower pump prices due to the general decrease in global oil prices.

Cost of sales decreased by Php32,943.1 million, or 12.4% from Php266,119.8 million for the year ended 31 December 2022 to Php233,176.7 million for the year ended 31 December 2023 driven by decrease in global fuel prices for petroleum product from ~\$116/bbl as of 31 December 2022 to ~\$96/bbl by end of 31 December 2023 and decrease in sales volume.

Gross profit decreased by Php5,223.4 million, or 20.6% from Php25,362.9 million for the year ended 31 December 2022 to Php20,139.4 million for the year ended 31 December 2023 primarily as result of decrease in marketing volumes and inventory holding loss as a result of decrease in global oil prices.

Selling, General and Administrative expenses increased by Php692.4 million, or 4.2% from Php16,679.6 million for the year ended 31 December 2022 to Php17,372.0 million for the year ended 31 December 2023 primarily as a result of increased spending on outside services, higher depreciation, and logistics and transshipment, partially offset by lower repair and maintenance cost, lower spend on advertising and promotions, communications and utilities, and travel and transportation.

Impairment reversal increased by Php977.0 million, or 100.0%, from nil for the year ended 31 December 2022 to Php977.0 million for the year ended 31 December 2023 primarily as a result of reversal of asset impairment previously booked due to an evaluation of pathways in the Tabangao terminal as a competitive import facility.

Other operating losses (income) net increased by Php1,276.9 million, or 41,660.0%, from Php3.1 million loss for the year ended 31 December 2022 to Php1,273.8 million income for the year ended 31 December 2023 primarily driven by the commodity hedging net mark to market gain in 2023 as compared to 2022 due to the oil price and market premium volatility globally and appreciation of the Philippine Peso.

Finance expense increased by Php1,657.5 million, or 80.2%, from Php2,067.6 million for the year ended 31 December 2022 to Php3,725.2 million for the year ended 31 December 2023 mainly driven by increase in interest and finance charges.

Other income (charges) increased by Php1,447.4 million, or 126.3%, from Php1,146.3 million loss for the year ended 31 December 2022 to Php301.1 million income for the year ended 31 December 2023, mainly due to reversal of provision and help in foreign currency gain during the year.

Net Income After Tax for the period reduced by Php2,892.8 million or 71.0% from an income of Php4,075.7 million for the year ended 31 December 2022 to an income of Php1,182.9 million for the year ended 31 December 2023. This is primarily driven by decrease in sales, increase in borrowing costs and inventory holding loss.

Core income decreased by Php515 million, or 18.2% from Php2,824 million for the year ended 31 December 2022 to Php2,309 million for the year ended 31 December 2023. Significant improvement in marketing earnings delivery is overshadowed by increase in borrowing costs.

EBITDA decreased by Php1,347.9 million, or 11.3% from a profit of Php11,952.0 million for the year ended 31 December 2022 to a profit of Php10,604.0 million for 31 December 2023 mainly due to impact of pre-tax inventory holding gain of Php2,072.7 million in 2022 that reversed into a pre-tax inventory holding loss of Php2,362.7 million in 2023.

Results of operations for the year ended 31 December 2022 compared to the year ended 31 December 2021

Net sales increased by Php114,325.8 million, or 64.5 %, from Php177,156.9 million for the year ended 31 December 2021 to Php291,482.6 million for the year ended 31 December 2022 mainly driven by the increase in sales and higher pump prices due to the general increase in global oil prices.

Cost of sales increased by Php111,707.1 million, or 72.3% from Php154,412.7 million for the year ended 31 December 2021 to Php266,119.8 million for the year ended 31 December 2022 driven by increase in global fuel prices for petroleum product from ~\$82/bbl as of 31 December 2021 to ~\$94/bbl by end of 31 December 2022 and increase in sales volume.

Gross profit increased by Php2,618.7 million, or 11.5% from Php22,744.2 million for the year ended 31 December 2021 to Php25,362.9 million for the year ended 31 December 2022 primarily as result of increase in marketing volumes and inventory gains as a result of increase in global oil prices.

Selling, General and Administrative expenses increased by Php1,331.9 million, or 8.7% from Php15,347.7 million for the year ended 31 December 2021 to Php16,679.6 million for the year ended 31 December 2022 primarily as a result of increased spending on logistics and transshipment, higher depreciation, communication and utilities, employee benefits and outside services, partially offset by lower repair and maintenance cost.

Impairment losses decreased by Php300.4 million, or 100.0%, from Php300.4 million for the year ended 31 December 2021 to nil for the year ended 31 December 2022 due to the completion of impairment activities in the former refinery.

Other operating income/expense net decreased by Php1,917.9 million, or 100.2%, from Php1,914.8 million income for the year ended 31 December 2021 to Php3.1 million loss for the year ended 31 December 2022 primarily driven by oil price and market premium volatility globally and depreciation of Philippine Peso leading to commodity hedging net mark to market loss in 2022 as compared to 2021. This is partially offset by the growth in non-fuel retail business.

Finance income increased by Php114.4 million, or 3,732.8%, from Php3.1 million for the year ended 31 December 2021 to Php117.5 million for the year ended 31 December 2022, mainly due to help in unrealized foreign currency gain during the year.

Finance expense increased by Php1,083.5 million, or 48.2%, from Php2,248.0 million for the year ended 31 December 2021 to Php3,331.4 million for the year ended 31 December 2022 mainly driven by increase in realised foreign exchange loss due to weakening of peso against other foreign currencies.

Net Income After Tax for the period improved by Php220.0 million or 5.7% from an income of Php3,855.7 million for the year ended 31 December 2021 to an income of Php4,075.7 million for the year ended 31 December 2022. This is primarily driven by stronger marketing performance supported by volume growth and inventory holding gains offset by loss from mark to market and foreign exchange.

Core income increased by Php503 million, or 21.7% from Php2,321.0 million profit for the year ended 31 December 2021 to Php2,824 million for the year ended 31 December 2022 primarily driven by stronger marketing delivery with 10% increase in volumes tempered by the impact of foreign exchange loss due to material depreciation of the Philippine peso.

EBITDA decreased by Php413.3 million, or 3.3% from a profit of Php12,365.3 million for the year ended 31 December 2021 to a profit of Php11,952.0 million for 31 December 2022 mainly due to impact of decrease in pre-tax inventory holding gain of Php4,859.5 million in 2021 down to Php2,072.7 million in 2022.

SUMMARY FINANCIAL AND OPERATING INFORMATION

Shell Pilipinas' selected financial data as of and for the years ended 31 December 2021, 2022 and 2023 were derived in each case from the audited financial statements of the Company.

KEY FINANCIAL RATIOS AND OPERATING DATA

Key financial ratios

	As of/for the year ended 31 December		
	2021	2022	2023
Current ratio ¹	1.1	0.8	0.9
Acid test ratio ²	1.0	0.4	0.4
Solvency ratio ³	15.7%	11.0%	10.7%
Debt to equity ratio ⁴	0.8	1.1	1.3
Debt ratio ⁵	0.2	0.3	0.3
Return on assets ⁶	4.1%	3.5%	1.0%
Return on equity ⁷	15.1%	14.6%	4.0%
Return on average capital employed ⁸	17.5%	13.6%	8.1%
Return on core average capital employed ⁹	9.8%	10.4%	6.4%

¹ Current ratio is computed by dividing current assets over current liabilities.

² Acid test ratio is computed by dividing current assets net of prepayments and inventories over current liabilities

³ Solvency ratio is computed by dividing net operating income after tax over total liabilities

⁴ Debt to equity ratio is computed by dividing net debt (short-term borrowings and loans payable less cash) by equity (exclusive of other reserves).

⁵ Debt ratio is computed as net debt divided by total assets.

⁶ Return on assets is computed as profit (loss) for the period divided by total assets.

⁷ Return on equity is computed as profit (loss) for the period divided by equity (exclusive of other reserves).

⁸ Return on average capital employed is defined as EBIT as a percentage of the average capital employed for the period. Capital employed consists of total equity, short-term borrowings and loans payable. Average capital is calculated as the mean of the opening and closing balances of capital employed for that period.

⁹ Return on core average capital employed is defined as EBIT adjusted for COSA adjustment & one-off items and as a percentage of the average capital employed for the period. Capital employed consists of total equity, short-term borrowings and loans payable. Average capital is calculated as the mean of the opening and closing balances of capital employed for that period.

Key operating data

	As of/for the year ended 31 December		
	2021	2022	2023
Mobility volumes sold (million litres) ¹	2,184	2,158	2,241
Commercial volumes sold (million litres) ²	1,582	1,996	1,755
Others (million litres) ³	65	44	48

Note:

¹ Mobility volumes sold indicates the total volume of fuels and lubricants sold through the mobility business for the period.

² Commercial volumes sold indicates the total volume of wholesale commercial fuel, jet fuel, lubricants and specialities sold for the period.

³ Others volume sold indicates the total volume of the refinery (in 2020) and supply for the period.

OTHER FINANCIAL DATA

4Q 2023	4Q 2022		Financial year 2023	Financial year 2022
63,051,928	78,229,943	Net sales	253,316,128	291,482,629
(59,276,760)	(73,256,400)	Cost of sales	(233,176,703)	(266,119,767)
3,775,168	4,973,543	Gross profit	20,139,425	25,362,862
(5,304,162)	(5,202,100)	Selling, general and administrative expenses	(17,372,037)	(16,679,594)
997,008	-	Asset Impairment reversal	997,008	-
45,379	288,595	Other operating income (losses), net	1,273,814	(3,065)
(486,607)	60,038	Income (loss) from operations	5,038,210	8,680,203
(882,611)	(583,431)	Finance expense	(3,725,170)	(2,067,642)
238,697	117,328	Other income (charges)	301,101	(1,146,285)
(1,130,521)	(406,065)	Income (loss) before income tax	1,614,141	5,466,275
258,566	74,925	Provision for (benefit from) income tax	(431,239)	(1,390,528)
(871,955)	(331,140)	Net income (loss)	1,182,902	4,075,747
(0.54)	(0.21)	Earnings (loss) per share – Basic and Diluted	0.73	2.53

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

Uncertainties that may impact the Company's liquidity are disclosed in the Corporate Risks section of this annual report.

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

There are no identified material or significant events during the reporting period that may trigger direct or contingent financial obligation to Shell Pilipinas. The Company's pending legal cases are discussed in Note 28 of the Audited Financial Statements.

Material off-balance-sheet transactions, arrangements, obligations (including contingent obligations) and other relationships of Shell Pilipinas with unconsolidated entities or other persons created during the reporting period.

Shell Pilipinas does not have any off-balance sheet arrangements with unconsolidated entities.

Capital Expenditures

For the year 2023, a budget of ~Php5 to 6 billion has been allotted for capital expenditures, subject to additional spend deemed necessary by the Company in order to accelerate growth and enhance supply chain operations. Bulk of the capital expenditures will be allocated to build new mobility stations and growth projects, and the improvement of existing supply and distribution facilities.

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 SPC's financial performance.

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.

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.

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

The accounting firm of Sycip Gorres Velayo & Co. (E&Y Philippines) was appointed as the external auditor of Shell Pilipinas for the year ended 31 December 2016 following the appointment of Ernst & Young as Group Auditor for Shell Plc on 12 May 2016 and continued as the external auditor for 31 December 2023.

There are no disagreements with auditors 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 as of 31 December 2023:

Min Yih Tan (Singaporean) is the Chairman of the Board of Shell Pilipinas Corporation starting 01 January 2020. Mr. Tan is likewise the Senior Vice President – Mobility Asia. He is a key member of the Global Mobility Leadership Team and leads its Global Network Leadership Team. He has held the following positions in the Shell Group: Vice President – Mobility Network; General Manager, Mobility Network Development; General Manager, Global Mobility & Commercial Strategy; General Manager, Commercial Fuels (East); and General Manager, Lubricants (S. E. Asia). Prior to joining Shell, Mr. Tan worked in ExxonMobil where he held a series of commercial, operational and staff leadership roles in downstream businesses spanning Mobility, Marine, Lubricants, Commercial Vehicles & Cards and Technology, including a stint based in Fairfax, Virginia as Global Planning Advisor. He is a president Commissioner at Shell Indonesia and Director of Shell Oman Marketing and Shel Singapore. He holds a Bachelor of Science in Mechanical Engineering, Postgraduate Diploma in Marketing and an MBA. From 2020 to 2023, he attended seminars on corporate governance.

Lorelie Q. Osial (Filipino) is the President and Chief Executive Officer of the Corporation since 01 December 2021, the first female CEO since its incorporation. She also chairs the Nomination Committee. She has 20 years of experience with Shell. She joined the Upstream business and since then, has worked in various business-facing finance roles in production, projects, regional, shareholder and joint venture environments in Upstream and Midstream Asia, the Middle East, and North Africa. She has a degree in Accountancy from Silliman University (cum laude) and is a Certified Public Accountant. She holds an MBA degree from the University of Western Australia.

Cesar A. Buenaventura (Filipino) has been with the Corporation since 1956 and was Chairman and CEO from 1975 to 1990. He is currently an Independent Director of the Corporation. He is likewise Chairman of Buenaventura Echauz and Partners Inc. and Chairman of Mitsubishi Hitachi Power System Philippines. He is Vice Chairman of DMCI Holdings and director of Concepcion Industrial Corporation, Semirara Mining and Power Corporation, Petroenergy Resources Corporation, I People Inc, and Manila Water. He is Founding Chairman of the Shell Pilipinas Foundation, Inc. and Founding Member of the Makati Business Club. He is a recipient of many awards, to name a few: Management Man of the year in 1985; The Honorary Officer of The British Empire (O B E) in 1990 by Her Majesty Queen Elizabeth II; and one of the top 100 graduates of the College of Engineering University of the Philippines in its 100th year history. He received the degree of Bachelor of Science in Civil Engineering from the University of the Philippines in 1950 and a master's degree in Civil Engineering from Lehigh University in 1954 as a Fulbright scholar. From 2015 to 2023, he attended seminars on corporate governance.

Lydia B. Echauz (Filipino) is an Independent Director of the Corporation since 16 May 2017. The Philippine legislature has invited Dr. Echauz to share her insights on proposed legislation on Education. Dr. Echauz currently holds directorships in publicly listed companies Meralco and D&L Industries, Inc.; as well as PLDT Beneficial Trust Fund, Tahanan Mutual Building and Loan Association, Inc., Philstar Group, Riverside College Inc., NBS College, Inc. and Fern Realty Corp. Dr. Echauz is also Trustee of the Henry Sy Foundation, Inc., SM Foundation, Inc., Felicidad T. Sy Foundation, Inc., De La Salle College of St. Benilde, Mano Amiga Academy, Museo del Galeon, Inc. and Akademyang Filipino Association, Inc. She was a 10-year President of Far Eastern University (PLC), FEU Silang, FEU Diliman, and FEU East Asia College. She served as Director of Development Bank of the Philippines from 2013 to 2016. She was a 16-year Dean of the Graduate School of Business, De La Salle University, Associate Director of the Ateneo de Manila Graduate School of Business and faculty member of the University of the East College of Business Administration. She earned her AB Major in Economics and Mathematics from St. Theresa's College, MBA from Ateneo de Manila University and DBA from De La Salle University. From 2017 to 2023, she attended seminars on corporate governance.

Fernando Zobel de Ayala (Filipino) is an Independent Director of the Corporation. He is a former President and Chief Operating Officer of Ayala Corporation, one of the Philippines' largest conglomerates involved in real estate, financial services, telecommunications, water, electronics, automotive, power, transport, education, and healthcare. Mr. Zobel de Ayala currently serves as Chairman of the Board at AC Health, Director of Ayala Corporation and the Bank of the Philippine Islands, and as a Special Advisor to the Board of Ayala Land Inc. He previously served as Ayala Corporation's President and COO for 15 years, before assuming the role of CEO until 2022. He serves as Director of Shell Pilipinas Corporation and Vice Chairman and Director of the Fort Bonifacio Development Corporation. He also serves on several civic boards and advisory groups including as Chairman of Ayala Foundation, member of the Board of Trustees of Georgetown University, Caritas Manila, Pilipinas Shell Foundation, and Asia Society. He is also a member of the Asia Philanthropy Circle, The Metropolitan Museum International Council, TATE Asia Pacific Acquisitions Committee and Habitat for Humanity International's Asia Pacific Development Council. Mr. Zobel de Ayala holds a liberal arts degree from Harvard College and a CIM from INSEAD, France. From 2015 to 2023, he attended seminars on corporate governance.

Nina D. Aguas (Filipino) was re-appointed Non-Executive Director of the Corporation on 10 August 2021. She is the Executive Chairperson of The Insular Life Assurance Co., Ltd., where she also served as a Non-Executive Director from 2016 to 2018. She was the first woman CEO of Insular Life after more than a century of its operations. She currently holds the following positions: Chairman of the Board of Bank of Florida; Independent Director of Monde Nissin Corporation; Director of Unionbank of the Philippines; Trustee of Insurance Institute for Asia and Pacific; and member of the Advisory Council for Gender and Development of the World Bank Group. She is a business leader with over 30 years in mobility, wealth, investments and private banking. She managed global and regional and country-level businesses and operations in large international companies in developed and emerging markets in the Asia-Pacific and the US. She was recognized by Forbes Magazine as one of the 25 Asia Power Businesswomen in 2019. She holds a Bachelor of Science in Commerce, Accounting degree from the University of Santo Tomas and Certified Public Accountant. From 2021 to 2023, she attended seminars on corporate governance.

Amando Tetangco, Jr. (Filipino) is an Independent Director of the Corporation since 11 May 2021. He was a career central banker for over four decades. He served as the Governor of the Bangko Sentral ng Pilipinas for two consecutive terms (July 2005 - July 2017). He held other government positions, such as Chairman of the Anti-Money Laundering Council, the Financial Stability Coordination Council and the Philippine International Convention Center. Prior to his appointment as Governor, he was Deputy Governor in charge of the Banking Services Sector, Economic Research and Treasury of the BSP. He worked at the Management Services Division of SGV and Co. in 1973 - 1974. Currently, he also serves as an independent director in various companies in the property development, resort and leisure, telecommunications, auto, hotel, health care and credit information sectors, and is a trustee in foundations involved in education, environment and other social services. Mr. Tetangco graduated from the Ateneo de Manila University with an AB Economics degree and obtained his Master's degree in Public Policy and Administration (Development Economics) from the University of Wisconsin-Madison, USA. In 2023, he was conferred the Honorary Doctorate in Management by the Asian Institute of Management. He attended various training programs at different institutions including the Harvard Business School and the New York Institute of Finance. From 2021 to 2023, he attended seminars on corporate governance.

Reynaldo P. Abilo (Filipino) has been appointed Executive Director of the Corporation since 01 January 2021. He is likewise the Vice President-Finance, Treasurer and Chief Risk Officer of the Corporation. He is also a director on the boards of other Shell-affiliated companies. Prior to his current assignment, he was the Corporate Assurance Manager that established the assurance and internal audit function of the Company. Mr. Abilo joined Shell in 2009 as the Retail Economics Manager in the Philippines where he distinguished himself by winning the 2012 Global CFO award for site profitability analysis and 2013 Downstream Director Award for Dealer Operated platform strategy. From 2012 to 2016, he was the Global Planning & Appraisal Manager for Marine Lubricants as well as Project & Economics Lead for Downstream Global Commercial ("GC") based in Singapore where he successfully managed the various planning, appraisal, and reporting processes for Marine and capital investments in GC. In addition, he was appointed as Special

Projects Advisor supporting the Global Downstream Marketing Growth Strategy as the Finance Lead. Prior to Shell, he worked in Ernst & Young and Colgate-Palmolive for a number of years in various finance positions in supply chain, sales and marketing. He is a Certified Public Accountant with over 16 years of experience in audit, accounting, economics, strategy development, business performance management, and commercial decision support. He graduated Cum Laude from the University of the Philippines (Diliman) with a Bachelor's degree in Business Administration and Accountancy. He placed 11th in the October 2004 CPA Board exams. From 2017 to 2023, he attended various seminars on corporate governance.

Luis C. la Ó (Filipino) is a Non-Executive Director of the Corporation since 03 May 2018. He is the Non-Executive Vice Chairman of the Board of The Insular Life Assurance Co., Ltd. Before he became the Chairman of Insular Life, he first joined as a Non-Executive Trustee on 22 January 2015. He was a former Chairman of the Board of Directors of MAPFRE INSULAR Insurance Corporation. He previously occupied the following roles: Regional Vice President for Asia of the MAPFRE Group- Spain, President of Provident Insurance Corporation of the Soriano Group and Senior Vice President of Universal Reinsurance Corporation of the Ayala Group. He obtained his Bachelor of Science degree in Management at Ateneo de Manila University. He completed his Master's degree in Business Management from De La Salle University. He also finished a course on General Insurance from the College of Insurance, Chartered Institute of London, United Kingdom. From 2018 to 2023, he attended seminars on corporate governance.

Randolph T. Del Valle (Filipino) is the Vice-President – Mobility (formerly, Retail) of the Corporation effective 01 January 2020. He has been re-appointed as Executive Director of the Corporation on 09 November 2021. He is responsible for the Downstream Marketing Mobility Business that covers more than 1,000 sites serving approximately 1 million customers/day enabled by a strong team of 15,000 employees, retailers and service champions. He brings with him more than 20 years of experience across different businesses. During his role as Global Head of Strategy & Planning for DS Mobility Network based in Singapore, he helped shape a number of important Mobility Growth Projects (Russia, Indonesia, China and the US), evolved Network Strategy & Planning processes and methodology toward a holistic value maximization approach with various Integrated Mobility Offers (Fuels, NFR, New Fuels including EV) and prepared the business to test new ideas in line with Energy Transition through Innovation. Prior to this, he was in Group Strategy Consultancy based in London, UK /Hague, NL where he led various high-impact projects in Upstream, Integrated Gas, Shell Business Operations and Downstream. He was also part of the selected core team member that played a pivotal role in effectively planning and executing Shell's largest strategic acquisition of BG Group in 2015/2016. He has also held various local, regional and global roles: Mobility Marketing (Global On-Site Ops Excellence-PMTDR, Cards, Payment, Loyalty, Pricing, Fuels Marketing) as well as in Sales & Operations (as Territory Manager, District Manager and Operations Manager). Randy is passionate about people development, innovation/energy transition development, team success and puts customers first. Randy is a Chemical Engineer where he earned his Bachelor of Science in Chemical Engineering from the University of San Carlos (USC), Cebu. He also has an MBA degree from London Business School, UK. In 2023, he attended a seminar on corporate governance.

Stuart Chaplin (British) is a Non-Executive Director of the Corporation since 10 August 2022. He is a member of the Board Audit and Risk Oversight and Sustainability Committees. He is currently the Vice President – Finance of Shell LNG Marketing & Trading and Shell Energy Asia & Australia, Global Shipping & Maritime. He is a former Chief Risk Officer of Shell Trading & Supply, and a trustee of Shell Foundation and a member of its audit and investment committees. He has also held the following positions in the Shell Group: Global Commercial Finance Manager & Director Shell Brands international; Global Head of Business Accounting & Analysis; Senior Manager, M&A and Financing; among others. He is currently a Director of Cleantech Solar, a solar developer based in Singapore and operating across India & Southeast Asia, and FuelNG, a joint venture between Keppel Offshore & Marine and Shell. He is a fellow of the Chartered Institute of Management Accountants (CIMA) and the Association of Corporate Treasurers (AMCT). He earned his MA in Economics and Management from the University of St. Andrews, United Kingdom. In 2022 and 2023, he attended a seminar on corporate governance.

The Corporate and By-Laws Executive Officers of the Corporation as of 31 December 2023 are as follows:

Min Yih Tan*	Non-Executive Chairman of the Board	Singaporean
Lorelie Q. Osial*	President and Chief Executive Officer	Filipino
Reynaldo P. Abilo*	Vice President – Finance/Treasurer/Chief Risk Officer	Filipino
Randolph T. Del Valle*	Vice President – Mobility	Filipino
Sergio C. Bernal, Jr.	Vice President – Corporate Relations	Filipino
Paulo Angelo N. Arias	Vice President – Human Resources	Filipino
Erwin R. Orocio	Managing Counsel & Chief Compliance Officer	Filipino
Albert A. Lim	Vice President – Wholesale Commercial Fuels	Filipino
Kit Arvin M. Bermudez	Vice President – Supply and Distribution	Filipino
Jacqueline B. Famorca	Vice President – Lubricants starting 23 March 2023	Filipino
Mark Hadrian P. Gamo	Corporate Secretary	Filipino
Ralph Gabrielle D. Del Rosario	Assistant Corporate Secretary starting 10 May 2023	Filipino
Angelica M. Castillo	Corporate Controller and Investor Relations Manager	Filipino
Erwin Riñon	Corporate Audit and Assurance Manager	Filipino

*Member of the Board of Directors

Below are the profiles of Corporate/By-Laws Executive Officers:

Paulo Angelo N. Arias (Filipino) was appointed Vice President-Human Resources and member of the Nomination Committee, effective 01 September 2022. Prior to his appointment, Mr. Arias was the Global Head of International Mobility and Reward Operations of Shell Shared Services (Asia) B.V., Philippines. Globally, he led the international mobility, reward, quality assurance and systems operations function of Global HR with an organizational size of 300 staff. He was also the Center Lead for HR Operations in the Philippines with 550 staff. He has over 25 years of experience in the Shell Group: Regional Operations Manager – HR Operations, Shell Shared Services (Asia) B.V., Philippines; International Mobility Policy Manager, Shell International B.V., The Netherlands; Director, Shell Offshore (Personnel) Services, B.V.; Policy, Process and Systems Adviser – Global Upstream, Shell International B.V., The Netherlands; Chemicals HR Manager – Asia Pac/Mid East, Ventures and Projects, Shell Eastern Petroleum (Pte) Ltd, Singapore; HR General Manager, Shell Markets Middle East Ltd, UAE; and Manufacturing HR & HSSE Manager / Country HSSE Focal Point, Shell Pilipinas Corporation, Philippines; among others. Mr. Arias earned his BS Mechanical Engineering degree from the University of the Philippines and his MBA from the University of New South Wales (NSW). He also underwent the Strategic HR Management Program from the IMD. In 2023, he attended a seminar on corporate governance.

Kit Arvin M. Bermudez (Filipino) was appointed Vice President – Supply and Distribution on 10 August 2021. He has been with Shell for more than 23 years with experience in the Downstream-Mobility and Strategy. His career stamps are founded on strong operational delivery focus, HSSE and high achievement track records, delivering high performance results in teams handled across different positions, cultures, and geographies to include base country the Philippines and extending to the Middle East (Oman), Europe (Italy), and Asia (Singapore). He started as a Mobility Convenience Store Operations Executive when he joined us from San Miguel Corporation in 1997. He then became a Territory Manager before being posted to Milan, Italy for a business development role where he won a European VP Award for his contribution to Mobility Italy’s pricing strategy. He came back to the local Mobility Business as a District Manager (DM) and then moved to the Operations Manager (OM) role. He was then posted to Oman for three years as the National Sales and Operations Manager before transferring to Singapore as a member of the Strategy and Portfolio Team. He led the Downstream Integrated Strategy Review for the Philippines in 2013 and the Chemical Logistics Project in Bukom which eventually won the Downstream Strategy and Portfolio (DX) EVP Award for Creativity and Innovation. He was also a part of the Chief Executive Review for 2013 Portfolio work stream that also won another DX EVP Award. He came back to Mobility

(formerly Retail) to support the growth of Mobility East's convenience retailing business as the Regional Convenience Mobility Manager before he returned to the Philippines to take up his role as the Marketing Delivery Manager. In 2019, he was appointed as a National Sales Manager. He has been a consistent high performer and has significantly progressed the growth and development of the Mobility business in the Philippines. He attended seminars on corporate governance from 2021 to 2023.

Sergio C. Bernal, Jr. (Filipino) was appointed as the Vice President-External Relations on 08 August 2019. He graduated from De La Salle University in Manila with a Bachelor's degree in Industrial Management Engineering. Mr. Bernal started his career in sales before taking up other roles including Business Development, Training and Marketing in local, regional and global posts. Serge was the JV General Manager for LPG from 2009-2011, when the JV achieved remarkable volume and revenue targets and HSSE performance. He then moved back to Shell Philippines, taking up sales and marketing leadership roles in lubricants, where Serge led teams to achieve over 110% sales growth and at the same time built a strong high-performing team, winning global recognition. Serge himself was a recipient of 2 Global EVP awards for Project Pearl and Project Kindle. In his last lubricant marketing role, Serge was in charge of both the Philippines and Thailand. From 2022 to 2023, he attended seminars on corporate governance.

Angelica M. Castillo (Filipino) was appointed as the Corporate Controller and Investor Relations Manager on 01 April 2017. In this role, she was voted as IR Magazine's Best Investor Relations Officer (small cap) in South East Asia. She also received the 2019 Shell plc CFO Award for delivering value through a finance-led E2E integration. She joined Shell in 2015 as Process Manager in Expenditure where she won the EVP Award for Operational Excellence for various process improvement, performance measurement, and automation initiatives. Prior to Shell, she worked in BP's management consulting group based in Singapore where she drove operational improvement projects for BP's upstream, downstream and support functions. She started her career at KPMG Philippines where she led mergers and acquisitions due diligence and corporate finance engagements receiving the KPMG Advisory Star Award for Asia Pacific in 2012. Ms. Castillo has a Bachelor of Science degree in Accountancy from De La Salle University where she obtained full scholarship from Shell Pilipinas Corporation. She holds a Master in Business Administration degree from INSEAD. She is also a Chartered Financial Analyst and is a Certified Public Accountant. In 2023, she attended a seminar on corporate governance.

Ralph Gabrielle D. Del Rosario (Filipino) was appointed Assistant Corporate Secretary of the Corporation effective 10 May 2023 having joined the Legal Team in April 2023. Prior to joining the Corporation, he undertook private practice specializing in corporate law for over six years, where he handled mergers, acquisitions, and corporate structuring, including corporate secretarial work, and advising regarding protests on tax assessments and tax refunds. A CPA-Lawyer, he holds a Juris Doctor degree (2016) and a Bachelor of Science in Business Administration and Accountancy degree (2011), both from the University of the Philippines.

Jacqueline B. Famorca (Filipino) was appointed Vice President – Lubricants on 23 March 2023. She is responsible for maintaining Lubricants business' strong market share in various industries and in continuing to be the partner of choice for innovative lubricant products and fluid solutions. Jackie has a strong track record with over 20 years of experience in local and regional roles, having managed Mobility B2C and B2B businesses, and in various capacities including Contracts & Procurement, Category Management, Service Delivery, Operational Excellence, Sales & Business Management. In her previous role as Mobility Senior District Manager, she led the business growth and recovery of Metro Manila for both Fuels and Non-Fuels category. She earned recognition as the Top District Manager for Q1 2023 and Top District for the Philippines. Jackie has also led the Fleet Solutions B2B team, successfully delivering a significant increase in operating profit. In this role she was recognized in 2019 as the Global Sales Team Manager of the Year and back-to-back Regional Sales Team Manager for 2018-2019.

Mark Hadrian P. Gamo (Filipino) was appointed as the Corporate Secretary of the Corporation. He is concurrently a Legal Counsel of the Corporation. He was with Shell Global Litigation Asia Pacific Team, a position he occupied since joining the Corporation in June 2012 until July 2021. In said capacity, he managed various litigation matters of Shell in the Philippines and in some other

countries in the Asia Pacific region. Prior to joining the Corporation, he was a Senior Associate at the Litigation Department of Villaraza Cruz Marcelo & Angangco. He obtained his Juris Doctor degree from the Ateneo De Manila School of Law in 2006 where he graduated with honors and in the top 20 of his class. In 2002, he graduated from Ateneo De Manila University with a Bachelor of Arts degree in Economics. From 2021 to 2023, he attended seminars on corporate governance.

Albert A. Lim (Filipino) was appointed Vice President – Wholesale Commercial Fuels on 10 August 2021. Mr. Lim joined the Corporation in 1998 as a commercial sales account manager and eventually moved to a marketing role for the Philippines and thereafter, for East (Asia Pacific). He is a well-rounded Shell Commercial Fuels leader with over 20 years of experience both locally and globally. He headed the implementation of global and regional projects and pioneered initiatives in Commercial Fuels on hedging and exposure management, integrated planning and portfolio optimization activities. Prior to his current role, Mr. Lim was the Corporation’s Business Development and Pricing Manager. He holds a degree in Management Engineering from the Ateneo De Manila University. In 2021 to 2023, he attended a seminar on corporate governance.

Erwin R. Orocio (Filipino) was appointed Chief Compliance Officer and Member of the Corporate Governance and Nomination Committees of the Corporation on 10 November 2020. He is likewise the Managing Counsel with over 24 years of legal experience. He was previously the Corporate Secretary of the Corporation and various Shell companies in the Philippines. He ensured the delivery of the 2016 Initial Public Offering of the Corporation and its evolution as a publicly listed Company whose governance practices are now being recognized internationally. He is a director of Shell Energy Philippines, Inc., Shell Chemicals Philippines, Inc., and Shell Solar Philippines Corporation. He is also a trustee of Shell Pilipinas Foundation, Inc. He was a former trustee, Vice President and Treasurer of the Shell Employees’ Savings and Loan Association, Inc., a financial institution regulated by the Bangko Sentral ng Pilipinas. Erwin is 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 Recaña & 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 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. From 2015 to 2023, he attended seminars on corporate governance.

Erwin R. Riñon (Filipino) was appointed as the Corporate Audit and Assurance Manager of the Corporation effective 11 November 2021. He is a former Governance, Risk, Assurance (GRA) Officer of Shell Philippines Exploration B.V. (SPEX) and Retail Finance Advisor of SPC. He was appointed the Finance Transition Lead for the SPEX divestment, and led engagements with buyers, banks, advisory firms, government agencies, and JV Partners. In the area of controllership, he headed a team of accountants, who delivered high quality, credible, and timely insights for both internal and external stakeholders. In his previous role as SPEX’s GRA Officer, he ensured that a fit-for-purpose governance and risk control process and risk-based assurance framework were in place. His key accomplishments include a consistent 100% controls effectiveness, more transparent and focused risk management discussion and actions, digitalization initiatives, and controls rationalization. He led the Integrity Initiative and Extractive Industries Transparency Initiative (EITI) activities in SciP that helped SPEX gain external recognition from MAP, FINEX, and the DOF. He is recognized as a trusted business partner by internal and external stakeholders, high in curiosity on macro environment, opportunities, and risks and collaboration with teams to anticipate value opportunities and risks, leading to decision points and interventions. Erwin is a CPA of the Philippines and the New York State. He placed 6th in the 1997 PH CPA licensure exam. He earned his Bachelor of Science in Accountancy degree from the University of Nueva Caceres, Naga City, Philippines. In 2022 and 2023, he attended a seminar on corporate governance.

(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

Shell Pilipinas 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

To the best knowledge and belief and after due inquiry, none of the Directors, nominees for election as directors, or By-Laws' executive officers of Shell Pilipinas and affiliates have in the five year period preceding this report: (1) had any petition filed by or against any business of which such person was a general partner or executive officer either at the time of the bankruptcy or within a two-year period of that time; (2) convicted by final judgment in a criminal proceeding, domestic or foreign, or have been subjected to a pending judicial proceeding of a criminal nature, domestic or foreign, excluding traffic violations and other minor offenses; (3) subjected to any order, judgment, or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, domestic or foreign, permanently or temporarily enjoining, barring, suspending or otherwise limiting their involvement in any type of business, securities, commodities or banking activities; or (4) found by a domestic or foreign court of competent jurisdiction (in a civil action), the SEC or comparable foreign body, or a domestic or foreign exchange or other organized trading market or self-regulatory organization, to have violated a securities or commodities law or regulation and the judgment has not been reversed, suspended, or vacated., except that:

1. In connection with the leak of petroleum products from the First Philippine Industrial Corporation's (FPIC) 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. Included in the complaint were Messrs. Buenaventura and Zobel as well as former Director Gamab and a former officer (Mr. Javier) of the Corporation. The Corporation used said pipeline to transport its products from the Tabangao refinery to its Pandacan terminal. In its Resolution dated 22 February 2018, the Office of the City Prosecutor of Manila dismissed the Complaint for lack of probable cause.
2. On 24 March 2011, a civil case was filed against FPIC and its directors and officers (which include former officers of Shell Pilipinas), First Gen Corporation, Chevron, and Shell Pilipinas. The above-mentioned former officers of Shell Pilipinas were Dennis G. Gamab (Vice-President – Trading & Supply), Dennis C. Javier (Vice President – Wholesale Commercial Fuels), Edgar O. Chua (then the Chairman and President of Shell Pilipinas), and Willie J. Sarmiento (then the Vice President – Finance). This case was later on ruled as an ordinary civil case for damages and directed that the same be re-raffled to a regular court and that each of the individual complainants file a separate action for damages, as the damage suffered by one is not necessarily the same for all, and accordingly, pay the appropriate filing fees, which ruling has been questioned in the Court of Appeals and now currently pending with the Supreme Court. The Company has also asserted that it is not liable for the alleged damages suffered by the complainants.

(B) Executive Compensation

(1) General

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

Directors. Article III Section 6 of Shell Pilipinas' 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 meetings 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 Shell Pilipinas. Nothing herein contained shall preclude any Director from serving the Company in any other capacity and receiving compensation therefor.”

Officers. Article IV, Section 4 of Shell Pilipinas’ 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 Shell Pilipinas.”

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.

Shell Pilipinas 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 Company.

Shell Pilipinas 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

Names	Principal Position	Projected 2024		2023		2022	
		Basic pay	Other variable pay	Basic pay	Other variable pay	Basic pay	Other variable pay
Lorelie Q. Osial (Filipino)	Director/President/Chief Executive Officer						
Randolph T. Del Valle (Filipino)	Director/Vice President - Retail						
Reynaldo P. Abilo (Filipino)	Director/Treasurer/Vice President - Finance/ Chief Risk Officer						
Sergio C. Bernal, Jr. (Filipino)	Vice President - External Relations and Government Relations						
Albert A. Lim (Filipino)	Vice President - Wholesale Commercial Fuels						
Paulo Angelo N. Arias	Vice President – Human Resources						
Jacqueline Famorca	Vice President – Lubricants						
Kit Arvin Bermudez (Filipino)	Vice President – Supply and Distribution						
Erwin R. Riñon (Filipino)	Corporate Assurance Manager						
Erwin R. Orocio (Filipino)	Chief Compliance Officer/Managing Counsel						
Mark Hadrian P. Gamo (Filipino)	Corporate Secretary						
All Directors as a Group		Php39.98 million		Php42.49 million		Php34.86 million	

(3) Compensation of Directors

The following amounts are payable to Board Members:

1. Non-Executive Chairman's and Non-Executive Director's Honorarium for attendance in Board Meetings is Php200,000.00 per meeting; Non-Executive Chairman's Annual Retainer is Php1,800,000.00; A Non-Executive Director's Annual Retainer is Php1,200,000.00. A Non-Executive Chairman and Non-Executive Directors' Honorarium for attendance at Board Committee Meetings is Php100,000.00 per director. For 2023, the following were paid to the Director:

Names	Position	2023	
		Retainer	Honorarium
Cesar Buenaventura	Independent Director	PHP 1,200,000.00	PHP 2,500,000.00
Lydia B. Echauz	Independent Director	PHP 1,200,000.00	PHP 2,100,000.00
Amando M. Tetangco, Jr.	Independent Director	PHP 1,200,000.00	PHP 1,700,000.00
Fernando Zobel de Ayala	Independent Director	PHP 1,200,000.00	PHP 1,400,000.00
Nina D. Aguas	Non-Executive Director	PHP 1,200,000.00	PHP 1,300,000.00
Luis la 'O	Non-Executive Director	PHP 1,200,000.00	PHP 2,000,000.00

2. Two of the Company's directors, Mr. Min Yih Tan, and Mr. Stuart Chaplin were and are not paid the above amounts as of 31 December 2023.

(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 Shell Pilipinas.

(5) Warrants and Options Outstanding: Re-pricing

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 Relationship 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 Company	Beneficial and Record Owner	Dutch	890,860,233	55.21%
Common	The Insular Life Assurance Company, Ltd. The Insular Life Bldg., Ayala Avenue cor. Paseo de Roxas, Makati City - Shareholder	Beneficial and Record Owner	Filipino	265,465,395 (inclusive of shares held through broker)	16.45%
Common	PCD Nominee Corporation (Filipino) 37th Floor Tower 1 The Enterprise Center 6766 Ayala Avenue corner Paseo de Roxas, Makati City - Shareholder	PCD Nominee Corporation	Filipino	215,371,547 (exclusive of shares held by The Insular Life Assurance Company, Ltd.)	13.34%
Common	PCD Nominee Corporation (Filipino) 37th Floor Tower 1 The Enterprise Center 6766 Ayala Avenue corner Paseo de Roxas, Makati City - Shareholder	PCD Nominee Corporation	Foreign	129,753,713	8.04%

(2) Security Ownership of Management as of 31 December 2023

TYPE OF CLASS	NAME OF BENEFICIAL OWNER	POSITION	AMOUNT AND NATURE OF BENEFICIAL OWNERSHIP	NATIONALITY	PERCENTAGE
Common	Min Yih Tan	Non-Executive Director/ Chairman of the Board	Indirect: 1	Singaporean	0%
Common	Cesar A. Buenaventura	Independent Director	Direct: 200,001	Filipino	0.01240%
Common	Lydia B. Echauz	Independent Director	Direct: 2,000 Indirect: 1	Filipino	0.00012%
Common	Fernando Zobel de Ayala	Independent Director	Direct: 1	Filipino	0%
Common	Amando M. Tetangco, Jr.	Independent Director	Indirect: 1	Filipino	0%
Common	Nina D. Aguas	Non-Executive Director	Direct: 164,357 Indirect: 0	Filipino	0.01019%
Common	Lorelie Q. Osial	Director/ President/ Chief Executive Officer	Direct: 0 Indirect: 1	Filipino	0%
Common	Reynaldo P. Abilo	Director/ Treasurer/ Vice President - Finance/Chief Risk Officer	Direct: 16,000 Indirect: 1	Filipino	0.00099%
Common	Randolph T. Del Valle	Executive Director/ Vice President - Mobility	Direct: 0 Indirect: 1	Filipino	0%
Common	Stuart Chaplin	Non-Executive Director	Indirect: 1	British	0%
Common	Luis C. la Ó	Non-Executive Director	Indirect: 1	Filipino	0%
Common	Sergio C. Bernal, Jr.	Vice President - Corporate Relations	Direct: 5,290	Filipino	0.0003%
Common	Paulo Angelo N. Arias	Vice President - Human Resources	None	Filipino	Not Applicable
Common	Jacqueline B. Famorca	Vice President – Supply and Distribution	None	Filipino	Not Applicable

TYPE OF CLASS	NAME OF BENEFICIAL OWNER	POSITION	AMOUNT AND NATURE OF BENEFICIAL OWNERSHIP	NATIONALITY	PERCENTAGE
Common	Albert A. Lim	Vice President – Wholesale Commercial Fuels	Direct: 4,290	Filipino	0.00027%
Common	Erwin R. Orocio	Chief Compliance Officer/ Managing Counsel	Direct: 6,290	Filipino	0.00039%
Common	Mark Hadrian P. Gamo	Corporate Secretary	Direct: 3,000	Filipino	0.0002%
Common	Ralph Gabrielle D. del Rosario	Assistant Corporate Secretary	None	Filipino	Not Applicable
Common	Erwin R. Riñon	Corporate Audit and Assurance Manager	None	Filipino	Not Applicable
Security Ownership of all Directors and Officers			Direct: 400,229 Indirect: 1,608		0.0250%

(3) Voting Trust Holders of 5% or More

To the best of its knowledge, Shell Pilipinas is not aware of any person holding more than 5% of common shares under a voting trust or similar agreement.

(4) Changes in Control

Shell Pilipinas 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

Shell Pilipinas, in its regular course of trade or business, enters into transactions with affiliated companies. For details on these transactions, please refer to Note 25 of the 2023 Audited Financial Statements.

No other transaction was undertaken by Shell Pilipinas 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. owned 55.215% of the total issued and outstanding capital stock of Shell Pilipinas as of 31 December 2023.

PART V – CORPORATE GOVERNANCE

Shell Pilipinas Corporation was awarded by the Institute of Corporate Directors (ICD) with Two Golden Arrows at the 2023 Golden Arrows Awards. This is a testament to the commitment of the Company to deliver timely and transparent information to stakeholders and to continuously strive to uphold and enhance corporate governance. The Golden Arrow recognizes companies that achieved a score of at least 80 points in the ASEAN Corporate Governance Scorecard (ACGS) Assessment.

The Corporation conducted Corporate Governance Trainings for its Board of Directors and management team in partnership with the ICD.

The first part was held on 14 November 2023 with the topic “Brand Architecture: A Valuable Framework for Setting Strategy” delivered by Mr. Emanuel A. Soriano, Jr., an Associate Member and Teaching Fellow of the ICD. The session focused on the principles and correct framework in building the right brand architecture – which is integral in the responsibility of the Board of Directors and management team in setting the right strategy for the Corporation.

The second part was held on 13 and 15 December 2023 with the topic “Adopting an Entrepreneurial Mindset” delivered by Mr. Armand Cacacho, also a Teaching Fellow of the ICD. This trained the Board of Directors and management team about the skills, frameworks, and tools on entrepreneurship, innovation, creativity, and risk-taking that can create new markets, revenue streams, and growth for the Corporation.

On 6 December 2022, the Corporation hosted a SEC-Accredited Corporate Governance learning event for its officers and directors, this time focusing on Public-Private Partnerships, with Atty. Alberto Agra (a renowned law professor and then the Chairman of the Philippine Reclamation Authority) as the subject matter expert.

On 11 November 2022, the Board approved the amendment of the Related Party Transactions Policy, as endorsed by the Related Party Transactions Committee, to reflect the robust process of benchmarking and compliance with local tax regulations.

On 06 May 2022, the Board approved the amendments of the following:

1. Revised Manual on Corporate Governance, as endorsed by the Corporate Governance Committee – Section 2.2.6.1(e) of the Revised Manual on Corporate Governance was amended to align the period of rotation of external auditors with the guidelines of the Board of Accountancy and the SEC
2. Board Audit and Risk Oversight Committee Charter, as endorsed by the BARC – to formalize BARC’s current practice for performance evaluation in the BARC Charter.

On 23 March 2022, the Board approved the amendments to the following corporate governance documents:

1. Updated Securities Dealing Code
2. Revised Related Party Transaction Policy, as endorsed by the RPT Committee
3. Revised Board Audit and Risk Oversight Committee Charter, as endorsed by BARC

On 24 and 25 November 2021, the Corporation held its second Virtual In-House Corporate Governance Training Sessions held on November 24 and 25 through Microsoft Teams (“Training”). The topic of the Training was Shell Scenarios: Building Resilient Mindsets. Ms. Geraldine Wessing, Chief Political Advisor from the Shell Group, delivered the Training. The Training commenced with the Founding Principles of a Scenario mindset, the Scenarios and the need to use them. The guiding principles in Scenarios: The Long View, Outside-in Thinking, and Multiple Perspectives are used to make better decisions. The participants applied the learnings in the Philippine setting for each Scenarios.

Following a competitive tender process and pursuant to the endorsement from the RPT Committee and Board approval, the Corporation secured a five-year loan amounting to Php6 billion with the

Bank of the Philippines Islands, a related party, replacing an existing Php6 billion short-term loan. The loan will reduce the Corporation's exposure to short-term volatilities in the market and maximize the low interest rate for its cash requirements. This will not impact its gearing which remains healthy. The drawdown date of the loan was on 20 December 2021.

On 10 November 2021, the Corporation received the Certificate of Approval of Equity Restructuring dated 05 November 2021 from the Securities and Exchange Commission (the "Commission"). Accordingly, the Corporation's deficit amounting to Php4,304,059,000.00 in its Audited Financial Statements as of 31 December 2020 was wiped out against its additional paid-in capital ("APIC") of Php26,161,736,000.00. Said approval is subject to the condition that the Corporation's remaining APIC of Php21,857,677,000.00 shall not be used to wipe out future losses without the approval of the Commission. The Board of Directors of the Corporation approved its equity restructuring at its Regular Meeting held on 25 March 2021.

On 09 November 2021, the Board of Directors approved the contracts of the Corporation with Shell International Eastern Trading Company (SIETCO), the trading arm of the Shell Group, after a favorable endorsement from the RPT Committee. Due to the materiality of the contracts, an external independent party evaluated the fairness of the contract terms. Transactions with SIETCO accounted for 96% of the related party transactions of the Corporation as of Q3 2021. The relevant advisement report was timely disclosed in compliance with Sec Memorandum Circular No. 10 on Rules on Material Related Party Transactions (MRPT) for Publicly-Listed Companies and the Corporation's RPT Policy.

On 11 October 2021, the Corporation became the first Philippine energy company to support Task Force on Climate-related financial disclosures (TCFD) and adopt its recommendations in providing decision-useful, climate-related information for its stakeholders. It will start to report on said disclosures in its 2021 Annual and Sustainability Report.

The Corporation appointed an external facilitator to conduct a Board Effectiveness Evaluation covering 2020. The directors completed the assessment in February 2021. The external firm also conducted interview with the President and Chief Executive Officer. Results of the evaluation were reported to the Corporate Governance Committee in July 2021. The Committees and their respective Secretariats were engaged to address the recommendations and set the way forward.

On 11 May 2021, the Corporation held its second virtual Annual Stockholders' Meeting. It recorded a quorum of more than 80% of the total outstanding shares of the Corporation. Total votes cast reached 1.295 billion shares and the elected directors garnered favorable votes of more than 13.352 billion votes. The Corporation also increased the number of its independent directors with the election of former Governor Amando M. Tetangco, Jr. He will be part of the Board Audit and Risk Oversight Committee and Sustainability Committee. He was the Governor of the Bangko Sentral ng Pilipinas (BSP) and Chairman of the Monetary Board for two six-year terms covering 04 July 2005 to 02 July 2017.

On 28 April 2021, the Corporate Governance Committee received the results of the Board Evaluation Survey covering the period of 2020 and has approved on 29 July 2021 the key action items to strengthen the Board's and the Committees' effectiveness.

On 26 March 2021, the Corporation launched its reset and refocused five-year strategy (2021-2025) which includes:

1. Transforming retail fuel stations to broader mobility destinations
2. Pursuing a reliable, competitive, and sustainable supply chain, and
3. Driving lower carbon operations, products, and solutions

On 21 January 2021, the Sustainability Committee (formerly, CSR Committee) has amended its Charter to make it more relevant to the Corporation and the Board. This has been approved by the Board on 21 March 2021. The Committee's objective has been amended to support one of the Mission Statements of the Corporation which is "to be a partner in nation-building through multi-sector collaboration, especially with national and local government, civil society/NGOs and

communities, on sustainability initiatives.” The duties of the Sustainability Committee would be focused on:

1. Sharing external sustainability best practices and trends
2. When there is an opportunity, steering the Business to provide additional resources or support to particular social performance, social investment and sustainability initiatives;
3. Providing support needed with regard to engagement with external stakeholders;
4. Support communication on the Corporation’s social performance, social investment and sustainability initiatives, if needed; and
5. Reviewing the sustainability-related content of the Annual Report prior to its issuance.

In 2020, the Corporation was conferred by Capital Finance International with the Best Energy Corporate Governance Award, a recognition for the Corporation’s comprehensive governance code and its strong fit-for-purpose corporate structure that is guided by its core values of honesty, integrity, and respect for people.

On 16 June 2020, the Corporation held its first virtual Annual Stockholders’ Meeting. The meeting was held virtually for the safety of the shareholders, stakeholders, directors and officers of the Corporation in the midst of the COVID-19 pandemic, and in compliance with government regulations prohibiting mass gatherings. It was the first time that its shareholders were allowed to participate in absentia or via remote communication. The meeting recorded a quorum of more than 84% of the total outstanding shares of SHLPH. Total votes cast reached 1.355 billion shares and the elected directors garnered favorable votes of more than 14.617 billion votes.

Pursuant to the new SEC Rules on Material Related Party Transactions for Publicly-Listed Companies, Shell Pilipinas amended its Related Party Transaction Policy to align its requirements with the said rules. The rules cover any related party transactions amounting to ten percent (10%) or higher of a Company’s total assets based on its latest audited financial statements.

On 31 May 2018, the Corporation filed its first Integrated Annual Corporate Governance Report. It disclosed the Corporation’s state of compliance with the recommendations under SEC Memorandum Circular No. 19, Series of 2016, otherwise known as the Code of Corporate Governance for Publicly-Listed Companies. The Report harmonized the corporate governance reportorial requirements of the Securities and Exchange Commission and the Philippine Stock Exchange.

On 31 May 2017, the Corporation filed its Revised Manual on Corporate Governance (“Revised Manual”) in compliance with the Code of Corporate Governance for Publicly-Listed Companies, which aims to develop a strong corporate governance culture consistent with regulatory and statutory developments in this space.

As part of its initiatives, the Corporation separated the roles of the Chairman from the President and that of the Corporate Secretary from the Chief Compliance Officer. The Corporation also created the Corporate Governance Committee, composed of independent directors, to assist in its corporate governance responsibilities and to take on, among others, the functions formerly assigned to the Compensation and Remuneration Committee. The Corporate Governance Committee ensures compliance with and proper observance of corporate governance principles and practices and ensures that these are reviewed and updated regularly and consistently implemented in form and substance.

The Corporation, through its Chief Compliance Officer, carries out an evaluation to measure the Corporation’s adherence to good corporate governance towards overall business sustainability and success. This evaluation ensures that good corporate governance structures are built and maintained to create value for the Corporation and provide accountability and control systems commensurate with the risks involved. In this connection, the Corporation has collaborated with the Institute of Corporate Directors and other accredited organizations to determine the level of compliance by its Board and Management with corporate governance best practices. The Revised Manual also requires an assessment of Board performance which the Corporate Governance Committee oversees. All directors and key officers are required to attend corporate governance seminars.

Measures are constantly being undertaken to improve the Corporation’s corporate governance. Monitoring implementation and change is paramount to ensure that the Corporation’s Revised Manual remains relevant and adjustable to uncertain and complex local and international environments. It is subject to annual review by the Board.

Another initiative taken by the Corporation is the renaming of the BARC, befitting of its responsibility to ensure an effective and integrated risk management process in place through an enterprise risk management (“ERM”) framework. The first company-wide Annual Risk Management Workshop was held on September 13, 2023 to reinforce the importance of risk management at all levels of the organization.

BARC also provides oversight over Management’s activities in managing credit, market, liquidity, operational, legal and other risk exposures of the Corporation. To carry out these very critical activities, various officers like the Corporate Audit & Assurance Manager and Chief Risk Officer have been nominated and shall report, in one way or another, to the BARC.

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

The Corporation is committed to strictly adhere to the requirements of the Revised Manual. There has been no violation nor sanction imposed on the Company so far and we intend to continue with this feat. The Chief Compliance Officer is responsible for determining violation/s through notice and hearing, and will recommend to the Chairman the imposable penalty, for further review and approval of the Board.

The Corporation adopted the Revised Corporate Disclosure Guide to conform with the Revised Manual’s steer for the Corporation to perform its corporate governance commitment as a publicly-listed Company. The Corporation provides a comprehensive, accurate and timely report of its financial condition, results and business operations, material fact or event and non-financial information (economic, environmental, social and governance) which underpin sustainability.

The Nomination Committee of the Corporation also adopted its own Charter. It included the nomination guidelines and process, statement on diversity and inclusion as well as review of the effectiveness of the nomination process. The Related Party Transaction Committee has also updated its Charter and Policy as part of its periodic review.

Components of the monitoring system:

Key Compliance Activities	Action Points	Milestone Dates	Person/ Entity Responsible	Status	Reason for Non-Compliance/ Deviation from Manual
1. Separation of the roles of Chairman and President		01 November 2016	Board	Done	
2. Adoption of Securities Dealing Code		27 February 2017	Board	Done	
3. Submission to the Philippine Stock Exchange of the first Compliance Report on Corporate Governance		31 March 2017	Corporate Secretary	Done	
4. Adoption of the Revised Manual on Corporate Governance which details the functions and responsibilities of the Board and its Committees		16 May 2017	Board	Done	

Key Compliance Activities	Action Points	Milestone Dates	Person/ Entity Responsible	Status	Reason for Non-Compliance/ Deviation from Manual
5. Creation of the Corporate Governance Committee		16 May 2017	Board	Done	
6. Adoption of Corporate Governance Committee Charter		16 May 2017	Board	Done	
7. Appointment of Chief Compliance Officer		16 May 2017	Board	Done	
8. Renaming of the Board Audit Committee to Board Audit and Risk Oversight Committee		16 May 2017	Board	Done	
9. Establishment of selection procedure for new directors under pertinent SEC rules and best practice recommendations		16 May 2017 based on the Revised Manual	Nomination Committee	Done	
10. Appointment of Chairman and Members of Board Committees consistent with the requirements of item 4 above		16 May 2017	Nomination Committee and Board	Done	
11. Directors to provide information on business interests and directorships in other corporations (Full business interest disclosure)			Nomination Committee	Done	
12. Assessment of "Independence" of directors based on disclosures in item 11 above			Nomination Committee	Done	
13. Appointment of Corporate Audit & Assurance Manager		01 June 2017	Board	Done	
14. Approval of the Revised Corporate Disclosure Guide		08 August 2017	Corporate Disclosure Committee	Done	
15. Approval of the Revised Related Party Transaction Committee Charter and Policy		27 February 2018	Board	Done	
16. First Non-Executive Directors Meeting		03 May 2018	Non-Executive Directors	Done	
17. Appointment of Lead Independent Director		03 May 2018	Non-Executive Directors	Done	
18. Submission of the first Integrated Annual Corporate Governance Report		30 May 2018	Board	Done	
19. Approval of the Internal Audit Charter		08 August 2018	Board	Done	
20. Approval of the Nomination Committee Charter		21 March 2019	Board	Done	
21. Approval of the Revised Related Party Transaction Committee Policy		21 March 2019	Board	Done	

Key Compliance Activities	Action Points	Milestone Dates	Person/ Entity Responsible	Status	Reason for Non-Compliance/ Deviation from Manual
22. Implementation of Related Party Transaction Policy			Related Party Transaction Committee	Done	
23. Approval of the Revised Related Party Transaction Policy		08 August 2019	Related Party Transaction Committee and Board	Done	
24. Information drive on the Revised Related Party Transaction Policy			Related Party Transaction Committee	Done	
25. First SEC-Accredited In-House Corporate Governance Training		08 November 2019	Corporate Secretary	Done	
26. Approval of the Revised Internal Audit Charter		26 March 2020	BARC and Board	Done	
27. Approval of the Revised BARC Charter		26 March 2020	BARC and Board	Done	
28. Records of Attendance level of directors in board meetings to be prepared and accessible to shareholders			Corporate Secretary	Done on a yearly basis	
29. Disclosure of Results of Stockholders' and Board Meetings			Corporate Secretary	Done	
30. Disclosure of Public Ownership Report			Corporate Secretary	Done every quarter	
31. Disclosure of Top 100 Stockholders			Corporate Secretary	Done every quarter	
32. Disclosure of changes in beneficial ownership of directors, officers and principal stockholders			Corporate Secretary	Done as and when transactions occur	
33. Conduct of Investors' and Analysts' Briefings			Investor Relations Office	Done every quarter	
34. Continuous assessment of Board performance via questionnaire			Corporate Governance Committee and Corporate Secretary	Done annually	
35. Review of vision, mission and core values			Corporate Governance Committee	Done annually	
36. Conduct an induction program for incoming Board members on Shell Pilipinas' financial, strategic, operational and risk		After election of Directors	Corporate Governance Committee Secretariat	As and when there are new directors	

Key Compliance Activities	Action Points	Milestone Dates	Person/ Entity Responsible	Status	Reason for Non-Compliance/ Deviation from Manual
management position and the role of committees					
37. Attendance in Corporate Governance Workshops (Sec. 4 of Shell Pilipinas' Revised Manual)		After election of Directors	Corporate Governance Committee and Corporate Secretary	Done	
38. Dissemination of copies of Shell Pilipinas' Revised Manual to all classes of business and service functions with one copy under custody of HR dept. (Sec. 3 of Shell Pilipinas' Revised Manual)			Corporate Secretary	Done	
39. Held first Virtual Annual Stockholders' Meeting allowing shareholders to attend and vote in absentia or via remote communication		16 June 2020	Corporate Secretary	Done	
40. Approval of the Revised Internal Audit Charter		25 March 2021	BARC and Board	Done	
41. Approval of the Sustainability Committee Charter (formerly, Corporate Social Responsibility Committee Charter)		25 March 2021	Sustainability Committee (formerly, Corporate Social Responsibility Committee) and Board	Done	
42. Board approval of equity restructuring to wipe out deficit		25 March 2021	Board of Directors	Done	
43. Launched the next five-year strategy (2021 to 2025)		26 March 2021	Management	Done	
44. Results of the Board Evaluation Survey covering the period of 2020		28 April 2021	Corporate Governance Committee	Done	
45. Increase in the number of independent directors from three to four in the 2021 Annual Shareholders' Meeting		11 May 2021	Shareholders	Done	
46. Approved the key action items on Board Evaluation Survey		29 July 2021	Corporate Governance Committee	Done	
47. Submitted the Advisement Report on the contracts with SIETCO, a material reportable RPT		06 November 2021	RPT Committee and Secretariat	Done	
48. Disclosure of loan with BPI, a material RPT		20 December 2021	Corporate Disclosure Committee	Done	

Key Compliance Activities	Action Points	Milestone Dates	Person/ Entity Responsible	Status	Reason for Non-Compliance/ Deviation from Manual
49. Updated Securities Dealing Code		24 March 2022	Board	Done	
50. Revised Related Party Transaction Policy		24 March 2022	RPT Committee and Board	Done	
51. Revised Board Audit and Risk Oversight Committee Charter		24 March 2022	BARC and Board	Done	
52. Revised Board Audit and Risk Oversight Committee Charter		24 March 2022	BARC and Board	Done	
53. Revised Manual on Corporate Governance (rotation of external auditor)		06 May 2022	Corporate Governance Committee and Board	Done	
54. Further Revised Board Audit and Risk Oversight Committee Charter (evaluation process)		06 May 2022	BARC and Board	Done	
55. Amendment to the RPT Policy		11 May 2022	RPT Committee and Board	Done	

Summary of trading in the Company shares by the directors and key officers for the last financial year

None for the year

PART VI – EXHIBITS and SCHEDULES

Reported Items via SEC Form 17-C

The following items were reported and submitted in 2023 via the SEC Form 17-C:

Date Published	Item No/Description	Details
01 February 2023	Item 9 – Other Events Change in Directors and/or Officers	<p>Please be informed that Mr. Fernando Zobel de Ayala, Independent Director of the Corporation, has returned from his medical leave.</p> <p>In view of this:</p> <ul style="list-style-type: none"> a. Mr. Fernando Zobel de Ayala will resume his Chairmanship of the Board’s Corporate Governance Committee. Mr. Cesar A. Buenaventura will remain a member of the said Committee; and b. Mr. Cesar A. Buenaventura will resume his Chairmanship of the Board Audit and Risk Oversight Committee. Mr. Amando M. Tetangco, Jr. will continue to be a member of the said Committee.
01 March 2023	Item 9 – Other Events Material Information/ Transactions	<p>Following a competitive tender process, SHLPH secured a five-year loan amounting to Php9 billion evenly split with the Bank of the Philippines Islands and Metrobank. This also renews an existing 5-year loan with BPI maturing on March 8, 2023. The loan will reduce SHLPH’s exposure to short-term volatilities in the market as it benefits from the low interest rate for its cash requirements.</p>
16 March 2023	Item 9 - Other Events Notice of Analysts’/ Investors' Briefing	<p>Please be advised that Pilipinas Shell Petroleum Corporation (PSPC) will hold an Analysts’ and Investors’ Briefing via webcast. The Financial and Operating Results of the Company will be discussed.</p> <p>Details are as follows: Date: March 30, 2023 (Thursday) Time: 4:00 PM (GMT+8) Duration: 1 hour</p> <p>RSVP: To register for the webcast, please email PSPC-Investor-Relations@shell.com on or before March 26, 2022 (12:00 PM GMT+8). Please include the following details:</p> <ol style="list-style-type: none"> 1. Full Name 2. Company 3. Job Title 4. Email Address <p>Webcast dial-in details will be sent upon RSVP.</p> <p>A Q&A segment will commence immediately after the presentation of the Financial and Operating Results. Feel free to send your questions in advance to PSPC-Investor-Relations@shell.com.</p>

Date Published	Item No/Description	Details
17 March 2023	Item 9 – Other Events Amendments to By-Laws	<p>At the Regular Meeting of the Board of Directors of Pilipinas Shell Petroleum Corporation (the “Corporation”) held on 21 March 2019 at its principal office, at which meeting a quorum was present and acting throughout, the Board of Directors approved the amendment of the By-Laws of the Corporation to allow stockholders to vote through remote communication or in absentia. The Corporation will first implement this for the 2020 Annual Stockholders’ Meeting. A stockholder who participates through remote communication or in absentia shall be deemed present for purposes of quorum. It will be submitted to its shareholders for approval during the 2019 Annual Stockholders’ Meeting.</p> <p>During the Annual Stockholders' Meeting on 07 May 2019, stockholders ratified the resolution of the Board of Directors approving the amendments of the By-Laws of the Corporation to allow stockholders to vote through remote communication or in absentia.</p> <p>On 17 March 2023, SHLPH received approval from the Securities and Exchange Commission regarding the amendments of the By-Laws of the Corporation to allow stockholders to vote through remote communication or in absentia.</p>
20 March 2023	Item 9 – Other Events Amendments to Articles of Incorporation	<p>At the Regular Meeting of the Board of Directors of Pilipinas Shell Petroleum Corporation (“SHLPH”) held on 10 August 2022 via teleconferencing, at which meeting a quorum was present and acting throughout, the following matters were discussed and approved, among others:</p> <ol style="list-style-type: none"> 1. Change of Corporate Name 2. New Secondary Purpose <p>Regarding (1), the corporate name of SHLPH will be proposed to be amended from “Pilipinas Shell Petroleum Corporation” to “Shell Pilipinas Corporation”. This introduces SHLPH’s wider future forward approach towards energy transition that will reposition it beyond petroleum, shifting towards sustainable and cleaner energy solutions for the company, people, community and environment.</p> <p>On (2), the Second Article, Secondary Purpose (c) of the Articles of Incorporation of SHLPH will be amended and broadened to include retail trade as SHLPH aims to grow its Non-Fuels Retail (NFR) segment.</p>

Date Published	Item No/Description	Details
		<p>Moreover, in its virtual Special Stockholders' Meeting on 26 September 2022 through Shell Operated Webcast, stockholders representing at least 79.073% (final figures subject to validation by Rizal Commercial Banking Corporation) of the total issued and outstanding capital approved the change in corporate name from "Pilipinas Shell Petroleum Corporation" to "Shell Pilipinas Corporation" and the new Secondary Purpose to allow retail trade.</p> <p>On 17 March 2023, SHLPH received approval from the Securities and Exchange Commission regarding the change in its corporate name from "Pilipinas Shell Petroleum Corporation" to "Shell Pilipinas Corporation" and the new Secondary Purpose to allow retail trade.</p>
20 March 2023	Item 9 – Other Events Amendments to Articles of Incorporation	<p>At the Regular Meeting of the Board of Directors of the Corporation held on 12 August 2020 via teleconferencing, at which meeting a quorum was present and acting throughout, the following matters were discussed and approved:</p> <ol style="list-style-type: none"> 1. The transformation of the Tabangao Refinery into a world-class full import facility 2. Amendment of the Primary Purpose of its Articles of Incorporation <p>On (1), Tabangao Refinery will be converted transformed into a world-class full import and storage terminal for finished products and components to support the long-term sustainable plan of the Corporation. This will translate to an estimated asset impairment of Php 6 billion (post tax) to be recognized in 3Q2020. Said impairment will not have a cash impact on the Corporation.</p> <p>On (2), the Primary Purpose of the Articles of Incorporation of the Corporation will be amended and broadened to:</p> <p>“To purchase, acquire, import, manufacture, refine, transport, use and store any and all kinds of petroleum and petroleum products, components, additives, lubricants, bitumen, chemical and/or petro-chemical products; and to market, distribute and sell at wholesale, export, exchange, deal in and dispose of such products and by-products which may be produced, developed or made therefrom.”</p> <p>Consequently, secondary purpose item (c) will be deleted and all subsequent secondary purposes will be renumbered accordingly.</p>

Date Published	Item No/Description	Details
		<p>Moreover, in its virtual Annual Stockholders' Meeting on 11 May 2021 through Shell Operated Webcast, stockholders representing at least 75.314% (final figures subject to validation by Rizal Commercial Banking Corporation) of the total issued and outstanding capital approved the transformation of the Tabangao Refinery into a world-class full import and storage terminal for finished products and components to support the long-term sustainable plan of the Corporation. Consequently, the Primary Purpose of the Articles of Incorporation of the Corporation have been amended.</p> <p>On 17 March 2023, SHLPH received approval from the Securities and Exchange Commission regarding the amendment to the Primary Purpose of the Articles of Incorporation of the Corporation.</p>
20 March 2023	Item 9 – Other Events Amendments to By-Laws	<p>At the Regular Meeting of the Board of Directors of Pilipinas Shell Petroleum Corporation (“SHLPH”) held on 10 August 2022 via teleconferencing, at which meeting a quorum was present and acting throughout, the Board approved the amendment of the corporate name of SHLPH from “Pilipinas Shell Petroleum Corporation” to “Shell Pilipinas Corporation”.</p> <p>Moreover, in its virtual Special Stockholders' Meeting on 26 September 2022 through Shell Operated Webcast, stockholders representing at least 79.073% (final figures subject to validation by Rizal Commercial Banking Corporation) of the total issued and outstanding capital approved the change in corporate name from “Pilipinas Shell Petroleum Corporation” to “Shell Pilipinas Corporation”.</p> <p>On 17 March 2023, SHLPH received approval from the Securities and Exchange Commission regarding the change in corporate name from “Pilipinas Shell Petroleum Corporation” to “Shell Pilipinas Corporation”.</p>
21 March 2023	Item 9 – Other Events Change in Corporate Name and/or Stock Symbol	<p>On 17 March 2023, SHLPH received approval from the Securities and Exchange Commission regarding amendments to its Articles of Incorporation and By-Laws, including the change of corporate name to "Shell Pilipinas Corporation".</p>
24 March 2023	Item 9 – Other Events Notice of Annual Stockholders' Meeting	<p>Shell Pilipinas Corporation announces its Virtual Annual Stockholders' Meeting on 09 May 2023 at 2:00 pm.</p>

<p>24 March 2023</p>	<p>Item 9 – Other Events Material Information/ Transactions Regular Meeting of the Board of Directors held on 23 March 2023</p>	<p>At the Regular Meeting of the Board of Directors of Shell Pilipinas Corporation (the “Corporation”) held on 23 March 2023 in person and via teleconferencing, at which meeting a quorum was present and acting throughout, the following matters were discussed and approved:</p> <ol style="list-style-type: none"> 3. Appointment of Ms. Jacqueline B. Famorca as Vice President for Lubricants 4. 2022 Audited Financial Statements (“AFS”) 5. The Matter of Dividends based on 2022 AFS 6. Bank Mandates 7. Sycip Gorres Velayo and Co. as External Auditors for 2023 8. 2023 Virtual Annual Stockholders’ Meeting (“Meeting”) 9. Amendment of By-Laws: Change of Corporate Seal to “Shell Pilipinas Corporation” <p>Regarding item (1), the appointment of Ms. Jacqueline B. Famorca as Vice President for Lubricants was approved by the Board upon the endorsement of the Nomination Committee.</p> <p>Regarding items (2) and (5), the 2022 AFS and re-appointment of external auditors were approved by the Board upon the endorsement of the Board Audit and Risk Oversight Committee.</p> <p>On item (3), the Corporation is constrained from declaring dividends on the basis of its unrestricted retained earnings as of 31 December 2022.</p> <p>On item (6), based on Section 1, Article II of the By-Laws of the Corporation, its annual shareholders’ meeting shall be held “on the second Tuesday in May of each year.” For 2023, said date falls on 09 May. Moreover, the Meeting will be conducted virtually. Closing of Stock and Transfer Book is set on 12 April 2023 to determine the list of stockholders entitled to the Notice of Annual Stockholders’ Meeting. Further details will be disclosed promptly.</p> <p>On item (7), the Board resolved to amend Article VII, Section 1 of the By-Laws as follows:</p> <p>“ARTICLE VII CORPORATE SEAL</p> <p>Section 1. Seal: The corporate seal of the Company, unless otherwise ordered by the Board of Directors, shall be circular in form and shall bear the words:</p> <p>SHELL PILIPINAS CORPORATION Est. 1959 Philippines</p> <p>When affixed to any instrument the corporate seal of the Company shall be attested by the Secretary or Assistant Secretary.”</p>
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Date Published	Item No/Description	Details
29 March 2023	Item 9 – Other Events Material Information/ Transactions	Audited Financial Statements for the years ended December 31, 2022 and 2021, and Independent Auditor's Report
29 March 2023	Item 9 – Other Events Press Release	<p>Shell Pilipinas Corporation sustains its recovery momentum by generating Php4.1 billion net income in 2022, up by 6% from Php3.9 billion the previous year. This was achieved amidst a challenging year with high inflation, fuel price volatility brought by the Russia-Ukraine war, and Philippine Peso depreciation.</p> <p>The energy company's 2022 gains are attributed to its strong marketing performance as the year's volume delivery increased by 10%, and a sustained high premium fuel penetration. Operational cash flow, excluding movement in working capital, stands at Php1.8 billion, up from 2021's Php1.1 billion.</p> <p>"Powering progress for the Philippines will remain to be our commitment. The environment and our customers' needs are shifting, and Shell Pilipinas is well positioned to be a trusted partner in meeting the current and changing needs of our customers. We continue to be reliable, agile, flexible, and adaptive in this ever-changing landscape," says Lorelie Quiambao-Osial, Shell Pilipinas President and Chief Executive Officer.</p>
30 March 2023	Item 9 – Other Events Press Release	<p>Shell Pilipinas Corporation sustains its recovery momentum by generating Php4.1 billion net income in 2022, up by 6% from Php3.9 billion the previous year. This was achieved amidst a challenging year with high inflation, fuel price volatility brought by the Russia-Ukraine war, and Philippine Peso depreciation.</p> <p>The energy company's 2022 gains are attributed to its strong marketing performance as the year's volume delivery increased by 10%, and a sustained high premium fuel penetration. Operational cash flow, excluding movement in working capital, stands at Php1.6 billion, up from 2021's Php1.1 billion.</p> <p>"Powering progress for the Philippines will remain to be our commitment. The environment and our customers' needs are shifting, and Shell Pilipinas is well positioned to be a trusted partner in meeting the current and changing needs of our customers. We continue to be reliable, agile, flexible, and adaptive in this ever-changing landscape," says Lorelie Quiambao-Osial, Shell Pilipinas President and Chief Executive Officer.</p>
12 April 2023	Item 9 – Other Events Appointment/Election of new Vice President for Lubricants	Appointment/Election of Jacqueline B. Famorca as Vice President for Lubricants effective 23 March 2023.

Date Published	Item No/Description	Details
26 April 2023	Item 9 - Other Events Notice of Analysts'/ Investors' Briefing	<p>Please be advised that Shell Pilipinas Corporation (SPC) will hold an Analysts' and Investors' Briefing via webcast. The Financial and Operating Results of the Company will be discussed.</p> <p>Details are as follows: Date: May 11, 2023 (Thursday) Time: 4:00 PM (GMT+8) Duration: 1 hour</p> <p>RSVP: To register for the webcast, please email PSPC-Investor-Relations@shell.com on or before May 8, 2023 (12:00 PM GMT+8). Please include the following details:</p> <ol style="list-style-type: none"> 1. Full Name 2. Company 3. Job Title 4. Email Address <p>Webcast dial-in details will be sent upon RSVP.</p> <p>A Q&A segment will commence immediately after the presentation of the Financial and Operating Results. Feel free to send your questions in advance to PSPC-Investor-Relations@shell.com.</p>
03 May 2023	Item 9 – Other Events Material Information/ Transactions	<p>On 02 May 2023, SHLPH received a copy of the Decision dated 27 April 2023 of the Court of Tax Appeals Special Second (2nd) Division, which ruled that Alkylate is not subject to excise tax and granted SHLPH's Amended Petition for Review dated 05 October 2012. The Court of Tax Appeals invalidated Document No. M-059-2012 dated 29 June 2012 issued by the Commissioner of Internal Revenue as well as the Letter dated 01 October 2012 of the Collector of Customs of the Port of Batangas which sought to impose taxes on SHLPH's previous alkylate importations. Thus, the Court of Tax Appeals prohibited the government from collecting, in any manner, excise taxes and value-added tax on SHLPH's Alkylate importations.</p>
05 May 2023	Item 9 – Other Events Legal Proceedings	<p>On 02 May 2023, SHLPH received a copy of the Decision dated 27 April 2023 of the CTA Special Second (2nd) Division, which ruled that Alkylate is not subject to excise tax and granted SHLPH's Amended Petition for Review dated 05 October 2012. The CTA invalidated Document No. M-059-2012 dated 29 June 2012 issued by the Commissioner of Internal Revenue as well as the Letter dated 01 October 2012 of the Collector of Customs of the Port of Batangas which sought to impose taxes on SHLPH's previous alkylate importations. Thus, the CTA prohibited the government from collecting, in any manner, excise taxes and value-added tax on SHLPH's Alkylate importations.</p>

<p>10 May 2023</p>	<p>Item 9 – Other Events 2023 Annual Stockholders' Meeting of Shell Pilipinas Corporation held on 09 May 2023</p>	<p>Shell Pilipinas Corporation (“SHLPH”) held its virtual Annual Stockholders’ Meeting on 09 May 2023 through Shell Operated Webcast. Pursuant to SEC Memorandum Circular No. 6, Series of 2020, stockholders representing 78.87% (final figures subject to validation by Rizal Commercial Banking Corporation) of the total issued and outstanding capital stock of SHLPH participated in the meeting via remote communication, in absentia and by proxy. Majority of the members of its Board of Directors attended the webcast.</p> <p>During the meeting, stockholders representing at least 74.67% (final figures subject to validation by Rizal Commercial Banking Corporation) of the total issued and outstanding capital approved:</p> <ol style="list-style-type: none"> 1. the Minutes of the Special Stockholders’ Meeting held on 26 September 2022; 2. the appointment of Sycip Gorres Velayo and Co. as External Auditors of SHLPH for 2023; and 3. the adoption of a new corporate seal through an amendment of the By-Laws of SHLPH following the change of its corporate name, which amendment shall be submitted to the Securities and Exchange Commission for approval. The shareholders resolved to amend Article VII, Section 1 of the By-Laws as follows: <p>“ARTICLE VII CORPORATE SEAL</p> <p>Section 1. Seal: The corporate seal of the Company, unless otherwise ordered by the Board of Directors, shall be circular in form and shall bear the words:</p> <p>SHELL PILIPINAS CORPORATION Est. 1959 Philippines</p> <p>When affixed to any instrument the corporate seal of the Company shall be attested by the Secretary or Assistant Secretary.”</p> <p>Finally, the following persons have been duly elected as members of the Board of Directors for the ensuing calendar year:</p> <p>Directors: Min Yih Tan Lorelie Q. Osial Reynaldo P. Abilo Nina D. Aguas Stuart Chaplin Randolph T. Del Valle Luis C. La ‘O</p> <p>Independent Directors: Cesar A. Buenaventura Fernando Zobel de Ayala Lydia B. Echaz</p>
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Date Published	Item No/Description	Details
10 May 2023	Item 9 – Other Events Organizational Meeting of the Board of Directors held on 09 May 2023	<p>On 09 May 2023, in compliance with SEC Memorandum Circular No. 6, Series of 2020, the newly elected members of the Board of Directors of Shell Pilipinas Corporation (the “Corporation”) held their Organizational Board Meeting at the Corporation’s office in Taguig City and via teleconferencing, at which meeting all members were present and acting throughout. The following matters were discussed and approved:</p> <p>(a) The minutes of the following meetings:</p> <ul style="list-style-type: none"> i. Board Audit and Risk Oversight Committee Meeting held on 21 March 2023; ii. Related Party Transactions Committee Meeting held on 21 March 2023; iii. Regular Board Meeting held on 23 March 2023; <p>(b) Election/Appointment of Officers</p> <p>Min Yih Tan - Chairman of the Board Lorelie Q. Osial - President and Chief Executive Officer Reynaldo P. Abilo - Vice President – Finance, Treasurer and Chief Risk Officer Paulo Angelo N. Arias - Vice President – Human Resources Sergio C. Bernal, Jr. - Vice President – Corporate Relations Atty. Erwin R. Orocio - Chief Compliance Officer Randolph T. Del Valle - Vice President – Mobility Albert A. Lim - Vice President – Wholesale Commercial Fuels Jacqueline B. Famorca - Vice President – Lubricants Kit Arvin M. Bermudez - Vice President – Supply and Distribution Atty. Mark Hadrian P. Gamo - Corporate Secretary Atty. Ralph Gabrielle D. Del Rosario - Assistant Corporate Secretary Erwin R. Riñon - Corporate Audit and Assurance Manager</p> <p>(c) Organization of Committees</p> <p>Board Audit and Risk Oversight Committee Amando M. Tetangco, Jr. (Chairperson) Lydia B. Echauz Luis C. la Ó Stuart Chaplin Cesar A. Buenaventura</p> <p>Related Party Transaction Committee Lydia B. Echauz (Chairperson) Cesar A. Buenaventura Luis C. la Ó Nina D. Aguas</p>

Date Published	Item No/Description	Details
		<p>Corporate Governance Committee Fernando Zobel de Ayala (Chairperson) Cesar A. Buenaventura</p> <p>Lydia B. Echaz Atty. Erwin R. Orocio</p> <p>Nomination Committee Lorelie Q. Osial (Chairperson) Cesar A. Buenaventura Atty. Erwin R. Orocio Paulo Angelo N. Arias (Non-voting)</p> <p>Sustainability Committee Luis C. la Ó (Chairperson) Min Yih Tan Stuart Chaplin Amando Tetangco, Jr. Sergio C. Bernal, Jr. (Non-voting)</p> <p>(d) 2023 Corporate Plan</p> <p>(e) The 2022 Integrated Annual Corporate Governance Report</p> <p>(f) Q1 2023 Operational Performance</p>
10 May 2023	Item 9 - Other Events Clarification of News Reports	<p>In the attached news article entitled “Shell earmarks fresh P6-B capex this year” posted in Manila Bulletin (Online Edition) on May 9, 2023, it was reported in part that:</p> <p>“To propel organic growth, newly renamed Shell Pilipinas Corporation will roll out fresh capital outlay of Php5 billion to Php6 billion this year for the expansion of its mobility stations and other service-offers.</p> <p>In a briefing with the media, Shell Vice President for Finance and Chief Risk Officer Reynaldo P. Abilo emphasized that ‘for 2023, we are planning to invest the same level - around Php5 billion to Php6 billion,’ and that is comparable to the Php5.6 billion capital spending that the company had done last year.</p> <p>He stated that the bulk of the capital outlay will be funneled into growing the firm’s mobility network at a scale that will reach 60 stations this year.</p> <p>‘We will continue to grow our footprint profitably by about 40 to 60 sites; and at the same time, we are going to refresh some of our existing sites in order for them to have more and broader kind of mobility offer for our customers. We’re also ramping our investments in our supply chain,’ Abilo said.</p>

Date Published	Item No/Description	Details
		<p>The company executive added part of the capex spending buildup they will pursue will be to complete the targeted loop of mid-range import facilities that they are strategically siting in various parts of the country.</p> <p>‘We are on track in terms of having five (5) medium-range import facilities across the country by 2025,’ Abilo specified, noting that three of these assets are already operating, while the fourth one is under construction and the siting of the last one will soon be unveiled.</p> <p>‘Our fourth import facility, which is going to be located in southern Davao, we have broken ground there in 2022 and we expect that to be completed by 2024,’ he conveyed.</p> <p>SHLPH confirms the article that it intends to invest Php5 billion to Php6 billion this year for the expansion of its mobility stations and its supply chain. Aside from opening new mobility sites, SHLPH will also revamp some of its existing sites to provide non-fuels retail offers such as lube bays, Shell Select convenience stores, Shell Cafe, among others.</p>
10 May 2023	Item 9 - Other Events Amendment of the By-Laws	<p>On 23 March 2023, the Board of Directors approved the amendment of Article VII, Section 1 of the By-Laws in order to indicate "Shell Pilipinas Corporation" in the Corporate Seal.</p> <p>On 09 May 2023, stockholders representing at least 74.67% of the total and issued outstanding capital likewise approved the said amendment to the By-Laws.</p>
10 May 2023	Item 9 – Other Events Press Release	<p>Shell Pilipinas Corporation (“SPC”) continues to recover from the pandemic as it pursues its growth targets in 2023 despite various challenges such as oil price volatility, high inflation, and elevated interest rates.</p> <p>The Company ended the first quarter with Php0.8 billion in core earnings, 45% higher versus same period last year. This was driven by strong marketing delivery, as sales volume increased by 8% and premium product mix remains healthy. However, this was overshadowed by the Php1.1 billion inventory holding loss arising from the decline in oil prices closing the quarter with a Php0.3 billion net loss. Cash flow from operations excluding working capital movement stands at Php1.4 billion.</p>
		<p>“We create value for all our shareholders by growing our reach and impact, profitably. Guided by our Powering Progress strategy, we sustain our momentum of recovery quarter by quarter,” SPC President and Chief Executive Officer Lorelie Quiambao-Osial said. “We are pleased to report that growth in fuels and lubes sales volumes continued across businesses such as Mobility, Lubricants, and Aviation, while our Non-Fuel Retail business maintained its double-digit growth.”</p>

Date Published	Item No/Description	Details
11 May 2023	Item 9 – Other Events Change in Directors and/or Officers	<p data-bbox="807 188 1511 387">During the Corporation’s Organizational Meeting of the Board of Directors on 09 May 2023, Atty. Ralph Gabrielle D. Del Rosario was appointed as Assistant Corporate Secretary of the Corporation effective 10 May 2023. He will be replacing Atty. Ryan D. Andres who is undertaking an international assignment.</p> <p data-bbox="807 423 1511 797">Atty. Del Rosario joined the Legal Team of SHLPH in April 2023. Prior to joining the Corporation, he undertook private practice specializing in corporate law for over six years, where he handled mergers, acquisitions, and corporate structuring, including corporate secretarial work, and advising regarding protests on tax assessments and tax refunds. A CPA-Lawyer, he holds a Juris Doctor degree (2016) and a Bachelor of Science in Business Administration and Accountancy degree (2011), both from the University of the Philippines.</p>
21 July 2023	Item 9 - Other Events Notice of Analysts/ Investors' Briefing	<p data-bbox="807 810 1511 943">Please be advised that Shell Pilipinas Corporation (SPC) will hold an Analysts’ and Investors’ Briefing via webcast. The Financial and Operating Results of the Company will be discussed.</p> <p data-bbox="807 978 1203 1111">Details are as follows: Date: August 14, 2023 (Monday) Time: 4:00 PM (GMT+8) Duration: 1 hour</p> <p data-bbox="807 1146 1511 1245">RSVP: To register for the webcast, please email PSPC-Investor-Relations@shell.com on or before August 9, 2023 (12:00 PM GMT+8). Please include the following details:</p> <ol data-bbox="807 1245 1015 1377" style="list-style-type: none"> 1. Full Name 2. Company 3. Job Title 4. Email Address <p data-bbox="807 1413 1378 1449">Webcast dial-in details will be sent upon RSVP.</p> <p data-bbox="807 1485 1511 1630">A Q&A segment will commence immediately after the presentation of the Financial and Operating Results. Feel free to send your questions in advance to PSPC-Investor-Relations@shell.com.</p>

Date Published	Item No/Description	Details
11 August 2023	Item 9 – Other Events Regular Meeting of the Board of Directors held on 11 August 2023	<p>At the Regular Meeting of the Board of Directors of Shell Pilipinas Corporation held on 11 August 2023 in person and via teleconferencing, at which meeting a quorum was present and acting throughout, the following matters were discussed and approved, among others:</p> <ol style="list-style-type: none"> 1. Approval of: <ol style="list-style-type: none"> a. SHLPH Directly Engaging in Electric Vehicle Charging Station Business and Amendment of the Articles of Incorporation (“AoI”) to Allow the Sale of Services Related to Electric Charging b. SHLPH Selling Services (Including Technical Services Related to Lubricants Business) and Amendment of the AoI for the Purpose c. Special Meeting of the Shareholders <p>Please refer to attached 17-C for the full disclosure.</p>
11 August 2023	Item 9 – Other Events Amendment of the Articles of Incorporation	<p>At the Regular Meeting of the Board of Directors of Shell Pilipinas Corporation held on 11 August 2023 in person and via teleconferencing, at which meeting a quorum was present and acting throughout, the following matters were discussed and approved, among others:</p> <ol style="list-style-type: none"> 1. Directly Engaging in Electric Vehicle Charging Station Business and Amendment of the Articles of Incorporation (“AoI”) to Allow the Sale of Services Related to Electric Charging 2. Selling Services (Including Technical Services Related to Lubricants Business) and Amendment of the AoI for the Purpose <p>Regarding (1), the Board of Directors has approved the proposal for SHLPH to directly engage in the electric vehicle charging station business and to sell various services related to electric charging. This aligns with the company’s approach towards energy transition in step with society, evolving beyond petroleum, towards sustainable and cleaner energy solutions for the company, people, community and environment today and for the future.</p> <p>Regarding (2), to generate more revenues for the company, the Board of Directors has approved the proposal for SHLPH to also sell technical services related to the company’s lubricants business to non-buyers of its lubricants products.</p>
11 August 2023	Item 9 – Other Events Notice of Special Stockholders’ Meeting	Please be advised that the Special Meeting of Stockholders of Shell Pilipinas Corporation will be held on Tuesday, 21 November 2023, through virtual platform. Record date shall be on 25 October 2023.

Date Published	Item No/Description	Details
11 August 2023	Item 9 – Other Events Press Release	<p>Shell Pilipinas Corporation (SPC) recovers from its net loss in Q1 and delivers a net income of Php123 million for the first half of 2023, amid challenging conditions brought about by decreasing oil prices and tripling of interest rates. SPC’s core earnings for the first half of 2023 stand at Php1.4 billion as its marketing business rebounds.</p> <p>Total marketing volume increased by 9% while premium products increased across key sectors. Non-fuel retail (NFR) also posted a double-digit growth of 14% from last year and is 33% higher than the pre-pandemic period. However, this remarkable marketing delivery was outweighed by the rise of borrowing costs and inventory holding losses realized because of the decline of global oil product prices.</p> <p>“We will continue our strong momentum in marketing delivery and will further reduce our expenses to accelerate our commitment to resume dividend payment and reward our dedicated shareholders,” “We have built momentum and we will finish strong for the second half of 2024. We will do this with brilliant basics and continued innovation to serve our ever-growing customer base with high quality Shell products through our best-in-class services and facilities,” SPC President and Chief Executive Officer Lorelie Quiambao-Osial said.</p>
15 August 2023	Item 9 – Other Events Press Release	<p>Shell Pilipinas Corporation (SPC) recovers from its net loss in Q1 and delivers a net income of Php123 million for the first half of 2023, amid challenging conditions brought about by volatility in oil prices and tripling of interest rates. SPC’s core earnings for the first half of 2023 stand at Php1.4 billion as its marketing business rebounds.</p> <p>Total marketing volume increased by 9% while premium products increased across key sectors. Non-fuel retail (NFR) also posted a double-digit growth of 14% from last year and is 33% higher than the pre-pandemic period. However, this remarkable marketing delivery was tempered by the aforesaid factors that affected the industry.</p> <p>“We have built momentum and we will finish strong in 2023 with exceptional customer experience and continued innovation in serving our growing customer base with world-class Shell products and services,” SPC President and Chief Executive Officer Lorelie Quiambao-Osial said.</p>

Date Published	Item No/Description	Details
09 November 2023	Item 9 - Other Events Notice of Analysts/ Investors' Briefing	<p>Please be advised that Shell Pilipinas Corporation (SPC) will hold an Analysts' and Investors' Briefing via webcast. The Financial and Operating Results of the Company will be discussed.</p> <p>Details are as follows: Date: November 15, 2023 (Wednesday) Time: 3:30 PM (GMT+8) Duration: 1.5 hours</p> <p>RSVP: To register for the webcast, please email PSPC-Investor-Relations@shell.com on or before November 14, 2023 (3:00 PM GMT+8). Please include the following details:</p> <ol style="list-style-type: none"> 1. Full Name 2. Company 3. Job Title 4. Email Address <p>Webcast dial-in details will be sent upon RSVP.</p> <p>A Q&A segment will commence immediately after the presentation of the Financial and Operating Results. Feel free to send your questions in advance to PSPC-Investor-Relations@shell.com.</p>
10 November 2023	Item 9 - Other Events Notice of Analysts/ Investors' Briefing	<p>Please be advised that Shell Pilipinas Corporation (SPC) will hold an Analysts' and Investors' Briefing via webcast. The 3rd Quarter 2023 Financial and Operating Results of the Company will be discussed.</p> <p>Details are as follows: Date: November 15, 2023 (Wednesday) Time: 3:30 PM (GMT+8) Duration: 1.5 hours</p> <p>RSVP: To register for the webcast, please email PSPC-Investor-Relations@shell.com on or before November 14, 2023 (3:00 PM GMT+8). Please include the following details:</p> <ol style="list-style-type: none"> 1. Full Name 2. Company 3. Job Title 4. Email Address <p>Webcast dial-in details will be sent upon RSVP.</p> <p>A Q&A segment will commence immediately after the presentation of the Financial and Operating Results. Feel free to send your questions in advance to PSPC-Investor-Relations@shell.com.</p>

Date Published	Item No/Description	Details
14 November 2023	Item 9 – Other Events Press Release	<p>Shell Pilipinas Corporation (SPC) posted a net income of Php2.1 billion for the first nine months of 2023, a significant improvement from the Php123 million recorded during the first half of the year. This was attributed to sustained overall volumes growth, increase in premium product penetration, and inventory loss reversal.</p> <p>“We took action to ensure recovery and were able to successfully generate higher earnings compared to the first half of 2023.” said Lorelie Quiambao-Osial, Shell Pilipinas Corporation’s President and Chief Executive Officer (CEO).</p>
21 November 2023	Item 9 – Other Events Special Stockholders Meeting	<p>Shell Pilipinas Corporation (“SHLPH”) held its virtual Special Stockholders’ Meeting on 21 November 2023 through Shell Operated Webcast. Pursuant to SEC Memorandum Circular No. 6, Series of 2020, stockholders representing 74.39% (final figures subject to validation by Rizal Commercial Banking Corporation) of the total issued and outstanding capital stock of SHLPH participated in the meeting via remote communication, in absentia and by proxy.</p> <p>During the meeting, stockholders representing at least 74.35% (final figures subject to validation by Rizal Commercial Banking Corporation) of the total issued and outstanding capital approved the following:</p> <ol style="list-style-type: none"> 1. the Minutes of the Annual Stockholders’ Meeting held on 09 May 2023; 2. SHLPH Directly Engaging in Electric Vehicle Charging Station Business and Amendment of the Articles of Incorporation (“AoI”) to Allow the Sale of Services Related to Electric Charging; and 3. SHLPH Selling Services (Including Technical Services Related to Lubricants Business) and Amendment of the AoI for the Purpose. <p>The amendments to the AoI mentioned in (2) and (3) above shall be submitted to the Securities and Exchange Commission for approval.</p>

Date Published	Item No/Description	Details
		<p>Regarding (2), the stockholders have approved the proposal for SHLPH to directly engage in the electric vehicle charging station business and to sell various services related to electric charging. This aligns with the company's approach towards energy transition in step with society, evolving beyond petroleum, towards sustainable and cleaner energy solutions for the company, people, community and environment today and for the future.</p> <p>The Second Article, Secondary Purpose (i) of the AoI of SHLPH will be amended and broadened to include the sale of services related to electric charging, as follows:</p> <p>(i) To purchase, create, generate, hold or otherwise acquire electric current and electric power of every kind, description and source, and to sell, market, supply or otherwise dispose of at wholesale/retail, insofar as may be permitted by law, light, heat and power of every kind, description and source as well as to offer, provide, and sell services of all kinds to business entities and/or end consumers, either in conjunction with or independent of, the sale, marketing, and supply of light, heat and power of every kind, description and source, including but not limited to services related to electric charging. (Underscoring supplied)</p> <p>Regarding (3), to generate more revenues for the company, the stockholders have approved the proposal for SHLPH to also sell technical services related to the company's lubricants business to non-buyers of its lubricants products.</p> <p>As such, the Second Article, Secondary Purpose (c) of the AoI of SHLPH will be amended and broadened to include the sale of services, as follows:</p> <p>(c) To the extent permitted by law, to buy, trade, exchange, distribute and sell, at wholesale and/or retail, all kinds, types, and classes of goods, wares, merchandise, products, and other articles of trade including, whether tangible or intangible, but not limited to, dry goods, foodstuffs, food products, beverages, electrical supplies, office equipment, rubber and synthetic products, hydrocarbon products, chemical, chemical products, and credits or certificates and to offer, provide, and sell services of all kinds to business entities and/or end consumers, either in conjunction with or independent of, the sale of the foregoing goods, products and articles. (Underscoring supplied)</p>

Date Published	Item No/Description	Details
22 November 2023	Item 9 – Other Events Amendment of the Articles of Incorporation	<p>At the Regular Meeting of the Board of Directors of Shell Pilipinas Corporation held on 11 August 2023 in person and via teleconferencing, at which meeting a quorum was present and acting throughout, the following matters were discussed and approved, among others:</p> <ol style="list-style-type: none"> 1. Directly Engaging in Electric Vehicle Charging Station Business and Amendment of the Articles of Incorporation (“AoI”) to Allow the Sale of Services Related to Electric Charging 2. Selling Services (Including Technical Services Related to Lubricants Business) and Amendment of the AoI for the Purpose <p>Regarding (1), the Board of Directors has approved the proposal for SHLPH to directly engage in the electric vehicle charging station business and to sell various services related to electric charging. This aligns with the company’s approach towards energy transition in step with society, evolving beyond petroleum, towards sustainable and cleaner energy solutions for the company, people, community and environment today and for the future.</p> <p>Regarding (2), to generate more revenues for the company, the Board of Directors has approved the proposal for SHLPH to also sell technical services related to the company’s lubricants business to non-buyers of its lubricants products.</p> <p>Shell Pilipinas Corporation held its virtual Special Stockholders’ Meeting on 21 November 2023. During the meeting, stockholders representing at least 74.35% (final figures subject to validation by Rizal Commercial Banking Corporation) of the total issued and outstanding capital approved the foregoing amendments to the AoI mentioned in (1) and (2) above.</p> <p>These amendments to the AoI mentioned in (1) and (2) above shall be submitted to the Securities and Exchange Commission for approval.</p>
28 November 2023	Item 9 – Other Events Amendment of the Articles of Incorporation	<p>SHLPH approves the termination of the services of Rizal Commercial Banking Corporation (“RCBC”) through its Stock Transfer Department as the Company’s Stock Transfer Agent effective December 31, 2023 and the engagement of RCBC Trust Corporation as the Company’s new Stock Transfer Agent effective January 1, 2024, following RCBC’s spin-off of its Trust and Investments Group into a Stand-Alone Trust Corporation, pertaining to the RCBC Trust Corporation.</p>

Date Published	Item No/Description	Details
15 December 2023	Item 9 - Other Events Change in Stock Transfer Agent of SHLPH	Following the spin-off of the stock transfer business of the Trust and Investments Group of Rizal Commercial Banking Corporation ("RCBC") to RCBC Trust Corporation, SHLPH approved the appointment of RCBC Trust Corporation and the termination of RCBC as SHLPH's stock transfer agent, subject to compliance by RCBC Trust Corporation with all regulatory requirements.

At the Annual Stockholders' Meeting of 09 May 2023, the following were elected as directors:

Name	Directorship
Amando M. Tetangco, Jr.	Independent Director
Cesar A. Buenaventura	Independent Director
Fernando Zobel de Ayala	Independent Director
Lydia B. Echauz	Independent Director
Luis C. La'O	Non-Executive Director
Nina D. Aguas	Non-Executive Director
Min Yih Tan	Non-Executive Director
Stuart Chaplin	Non-Executive Director
Randolph T. Del Valle	Executive Director
Lorelie Q. Osial	Executive Director
Reynaldo P. Abilo	Executive 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
Non-Executive Chairman of the Board	Min Yih Tan
President & Chief Executive Officer	Lorelie Q. Osial
Vice President - Finance, Treasurer and Chief Risk Officer	Reynaldo P. Abilo
Vice President - Mobility	Randolph T. Del Valle
Vice President - External Relations and Government Relations	Sergio C. Bernal, Jr.
Vice President - Mobility	Randolph T. Del Valle
Vice President - Human Resources	Paulo Angelo N. Arias
Vice President - Lubricants	Jacqueline B. Famorca
Vice President – Supply and Distribution	Kit Arvin Bermudez
Managing Counsel and Chief Compliance Officer	Atty. Erwin R. Orcio
Corporate Audit and Assurance Manager	Erwin Riñon
Corporate Secretary	Atty. Mark Hadrian P. Gamo
Assistant Corporate Secretary	Atty. Ralph Gabrielle D. del Rosario
Board Audit and Risk Oversight Committee	
Chairman	Amando M. Tetangco, Jr
Member	Lydia B. Echauz
Member	Luis C. La'O
Member	Stuart Chaplin
Member	Cesar A. Buenaventura

Related Party Transaction Committee	
Chairman	Lydia B. Echauz
Member	Cesar A. Buenaventura
Member	Luis C. La'O
Member	Nina D. Aguas
Corporate Governance Committee	
Chairman	Fernando Zobel de Ayala
Member	Cesar A. Buenaventura
Member	Lydia B. Echauz
Member	Atty. Erwin R. Orcio
Nomination Committee	
Chairman	Lorelie Q. Osial
Member	Cesar A. Buenaventura
Member	Atty. Erwin R. Orcio
Member (Non-voting)	Paulo Angelo N. Arias
Sustainability Committee	
Chairman	Luis C. La'O
Member	Min Yih Tan
Member	Stuart Chaplin
Member	Amando Tetangco, Jr
Member (Non-voting)	Sergio C. Bernal, Jr.

SIGNATURES

Pursuant to the requirements of Section 17 of the Code and Section 141 of Shell Pilipinas Code, this report is signed on behalf of the issuer by the undersigned, thereunto duly authorized, in the City of Taguig on 4th day of April 2024.

Issuer:

Signature and Title:  _____
REYNALDO PABILO
Vice President – Finance, Treasurer, & Chief Risk Officer

Signature and Title:  _____
ANGELICA M. CASTILLO
Corporate Controller & Investor Relations Manager

Signature and Title:  _____
MARK HADRIAN GAMO
Corporate Secretary


SUBSCRIBED AND SWORN to before me this APR 04 2024 at Taguig City, affiants exhibiting to me the following Community Tax Certificate and/or Competent Evidence of Identification:

Name	Competent Evidence of Identification		
	Passport Number/ ID Number	Date of Issue	Place of Issue
REYNALDO P. ABILO	[REDACTED]		
ANGELICA M. CASTILLO			

Name	Driver's License No.	Expiration Date
MARK HADRIAN P. GAMO	[REDACTED]	

IN WITNESS WHEREOF, I have hereunto affixed my signature and Notarial Seal.

Doc. No. 401;
Page No. 82;
Book No. 12;
Series of 2024.

NOTARY PUBLIC

BUENAVENTURA U. MENDOZA
NOTARY PUBLIC
Until December 31, 2025
PTR No. 10075560 Makati City-01/02/24
IBP No. 300994 01-02-2024 Roll No. 31206
MCLE Compliance No. VII-0020846 April 14, 2025
500-A Madrigal Bldg. Ayala Ave., Makati City