



PILIPINAS SHELL PETROLEUM CORPORATION

A. QUALIFICATIONS AND DISQUALIFICATIONS OF DIRECTORS

1. Disqualifications

- 1.1 Conviction by final judgment or order by a competent judicial or administrative body of any crime that (a) involves the purchase or sale of securities, as defined in the Securities Regulation Code; (b) arises out of the person's conduct as an underwriter, broker, dealer, investment adviser, principal, distributor, mutual fund dealer, futures commission merchant, commodity trading advisor, or floor broker; or (c) arises out of his fiduciary relationship with a bank, quasi-bank, trust company, investment house or as an affiliated person of any of them;
- 1.2 Permanent injunction by a final judgment or order of the SEC or any court or administrative body or a competent jurisdiction from: (a) acting as underwriter, broker, dealer, investment adviser, principal distributor, mutual fund dealer, futures commission merchant, commodity trading advisor, or floor broker; (b) acting as director or officer of a bank, quasi-bank, trust company, investment house, or investment company; (c) engaging in or continuing to engage in the activities mentioned in sub-paragraphs (a) and (b) above, or willfully violating the laws that govern securities and banking activities;
- 1.3 Subject of an order of the SEC, of any court or administrative body denying, revoking or suspending any registration, license, permit issued to him under the Corporation Code, Securities Regulation Code or any other law administered by the Commission or Bangko Sentral ng Pilipinas ("BSP"), or any under rule or regulation issued by the SEC or BSP, or has otherwise been restrained to engage in any activity involving securities and banking; or such person is currently the subject of an effective order of self-regulatory organization suspending or expelling him from membership, participation, or association with a member or participant of the organization;
- 1.4 Conviction by final judgment or order by a court or competent administrative body of an offense involving moral turpitude, fraud, embezzlement, theft, estafa, counterfeiting, misappropriations, forgery, bribery, false affirmation, perjury or other fraudulent acts;
- 1.5 Adjudged by final judgment or order of the SEC, court, or competent administrative body to have willfully violated, or willfully aided,

abetted, counseled, induced or procured the violation of any provision of the Corporation Code, Securities Regulation Code or any other law administered by the SEC or BSP, or any of its rules, regulations or orders;

1.6 Judicially declared as insolvent;

1.7 Guilt by final judgment or order of a foreign court or equivalent financial regulatory authority of acts, violations or misconduct enumerated in the first five (5) paragraphs above; or

1.8 Conviction by final judgment of an offence punishable by imprisonment for more than six (6) years, or a violation of the Corporation Code committed within five (5) years prior to the date of his election or appointment.

2. Temporary Disqualifications

2.1 Refusal to comply with the disclosure requirements of the Securities Regulation Code and its Implementing Rules and Regulations. The disqualification shall be in effect as long as the refusal persists;

2.2 If any of the judgment or orders cited in the grounds for permanent disqualification has not yet become final.

B. ADDITIONAL REQUIREMENTS FOR INDEPENDENT DIRECTORS

An Independent Director means a person who, apart from his fees and shareholdings, is independent of Management and free from any business or other relationship which could, or could reasonably be perceived to, materially interfere with his exercise of independent judgment in carrying out his responsibilities as a director in any covered company and includes, among others, any person who:

- Is not a director or officer of the company or of its related companies or any of its substantial shareholders, except when the same shall be an independent director of any of the foregoing;
- Does not own more than two percent (2%) of the shares of the covered company and/or its related companies or any of its substantial shareholders;
- Is not related to any director, officer or substantial shareholder of the covered company, any of its related companies or any of its substantial

shareholders. For this purpose, relatives include spouse, parent, child, brother, sister, and the spouse of such child, brother, or sister;

- Is not acting as a nominee or representative of any director or substantial shareholder of the company, and/or any of its related companies and/or any of its substantial shareholders, pursuant to a deed of trust or any arrangement;
- Has not been employed in any executive capacity by the company, any of its related companies and/or by any of its substantial shareholders within the last two (2) years;
- Is not retained, either personally or through his firm or any similar entity, as professional adviser, by that covered company, any of its related companies and/or any of its substantial shareholders, within the last two (2) years; or
- Has not engaged and does not engage in any transaction with the covered company and/or with any of its related companies and/or with any of its substantial shareholders, whether by himself and/or with other persons and/or through a firm of which he is a partner and/or a company of which he is a director or substantial shareholder, other than transactions which are conducted at arms-length and are immaterial.

An independent director shall have the following qualifications:

- He shall have at least one (1) share of stock of the corporation;
- He shall be at least a college graduate or he shall have been engaged or exposed to the business of the corporation for at least five (5) years;
- He shall possess integrity/probity; and
- He shall be assiduous.

Source: Pilipinas Shell Petroleum Corporation Manual on Corporate Governance, as amended on 29 June 2016.