

## **Pilipinas Shell Petroleum Corporation's ("Pilipinas Shell") Revised Corporate Disclosure Guide**

Pilipinas Shell was incorporated in 1959. In compliance with the provisions of the Downstream Oil Industry Deregulation Act of 1998 which requires entities engaged in the oil refinery business to make a public offering of at least 10% of its common stock through the stock exchange, Pilipinas Shell was listed in the Philippine Stock Exchange, Inc. ("PSE") on 03 November 2016 with the stock symbol "SHLPH". As a publicly-listed company (and a public company prior to listing), Pilipinas Shell complies with the reportorial requirements under the Securities Regulations Code, its implementing rules and regulations and all other laws and government issuances and regulatory agency's rules which are now or will be promulgated relating to securities ("Securities Laws").

Pilipinas Shell has developed a Corporate Disclosure Guide (the "Guide"), approved by its Board of Directors on 13 May 2016, to ensure it provides accurate, timely, consistent and fair disclosure of required corporate information, in accordance with the above-mentioned laws and regulations, and to enable informed and orderly market decisions by its investors.

Thereafter, Pilipinas Shell adopted the Revised Manual on Corporate Governance pursuant to the corporate governance initiatives adopted by its Board of Directors on 16 May 2017. This is in compliance with the Securities and Exchange Commission ("SEC") Memorandum Circular No. 19, Series of 2016 dated 22 November 2016, otherwise known as the Code of Corporate Governance for Publicly-Listed Companies, to develop a strong corporate governance culture in line with recent developments in corporate governance.

The Guide was revised to conform with the Revised Manual on Corporate Governance.

The Revised Guide intends to:

- ensure a comprehensive, accurate, reliable and timely report to stockholders and other stakeholders that gives a fair and complete picture of Pilipinas Shell's financial condition, results and business operations;
- make full, fair, accurate and timely disclosure to the public of every material fact or event that occurs, particularly on the acquisition or disposal of significant assets, which could adversely affect the viability of the interest of its stockholders and other stakeholders;
- provide a clear and focused policy on the disclosure of non-financial information, with emphasis on the management of economic, environmental, social and governance issues of its business, which underpin sustainability;
- raise awareness about, and focus management and employees on disclosure requirements and practices;
- provide guidance and structure in disseminating corporate information to, and in dealing with, investors, analysts, media representatives and the public (the investing public);
- ensure compliance with legal and regulatory requirements on disclosure;
- protect individuals from improperly disclosing sensitive and confidential information, which can lead to prosecution under Securities Laws.

The Revised Guide, taking into consideration Philippine corporate and Securities Laws, provides guidance on the following:

- disclosing material information
- maintaining the confidentiality of information
- disseminating information
- communicating electronically
- insider trading

A Corporate Disclosure Committee (“CDC”) composed of the following officers of Pilipinas Shell shall oversee the over-all implementation of the Revised Guide:

- President/Chief Executive Officer
- Vice-President for Finance & Treasurer
- Vice-President for External Relations
- Chief Compliance Officer
- Corporate Secretary (also acting as Corporate Information Officer of Pilipinas Shell)<sup>1</sup>
- The Downstream External Relations Manager

These primary responsibilities of each of these officers include the following:

<b>Officer</b>	<b>Responsibility</b>
Vice-President for Finance & Treasurer	Review and validation of financial data; communication with investors and analysts  Ensure the integrity of financial reports (comprehensive, accurate, reliable and timely) and compliance with the financial reporting requirements of the regulators
Vice-President for External Relations	Disclosure on material information, announcements, and news releases, taking into consideration internal communication protocols and the Revised Guide
Chief Compliance Officer	With support from the Corporate Secretary, ensure the integrity and accuracy of all documentary submissions to regulators  Implement the Securities Dealing Code  Appear before the SEC
Corporate Secretary (also acting as Corporate Information Officer of Pilipinas Shell)	In collaboration with the Chief Compliance Officer, ensure fair, accurate and timely disclosures of material fact or event to the public

<sup>1</sup> All data contained in the disclosures with PSE Edge are prepared and submitted by the disclosing party to the PSE, and are disseminated solely for purposes of information. Any questions on the data disclosed are addressed directly to the Corporate Information Officer of the disclosing party.

	<p>Field and respond to queries from the PSE</p> <p>Safekeeping and preservation of the integrity of the minutes of the meetings of the Board and its committees, as well as the other official records of Pilipinas Shell</p> <p>Work fairly and objectively with the Board, Management, stockholders and other stakeholders and contribute to the flow of information between the Board and Management, the Board and its committees, and the Board and its stakeholders, including stockholders</p>
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Material information includes any fact or information that could result in a change in the market price or value in any of Pilipinas Shell’s securities, or would potentially affect the investment decision of an investor. The Revised Guide adopts the pertinent provisions under the Securities Laws with respect to determining which information is material and non-public in nature and thus, covered by the Securities Laws’ disclosure requirements.

Exceptions on disclosure are:

1. Soft information (indefinite in nature, forward looking, subjective, evaluative information)
2. Disclosure of information contravenes any existing laws of the land

Examples of events mandating disclosure based on PSE Consolidated Listing and Disclosure Rules are enumerated in Annex “A”.

The materiality threshold in terms of amount is five percent (5%) of Pilipinas Shell’s Net Income After Tax, or five percent (5%) of Pilipinas Shell’s Total Assets, as may be relevant.

Should any information be determined to be material, disclosure should be made in accordance with the Revised Guide, which adopts the internal communications protocol of Pilipinas Shell and regulatory procedures and requirements under the Securities Laws.

No employee or officer shall disclose any material/confidential/sensitive information to any of these stakeholders; and any such required disclosure shall be referred to the above-mentioned authorized officers.

No material non-public information shall be disclosed on a selective basis. Any disclosure to the media shall be made after appropriate disclosures have been filed with the pertinent regulators (*i.e.*, Department of Energy, SEC and PSE). These required disclosures shall likewise be immediately posted on Pilipinas Shell’s website.

CDC is responsible for identifying insiders. Employees classified as “insiders” or those possessing insider information under applicable laws are subject to appropriate trading and “tipping” restrictions. Specifically, an “insider” must not buy or sell Pilipinas Shell shares until up to two

(2) full trading days after the insider information has been publicly disclosed. Insiders are also prohibited from recommending to another person to deal using insider information.

Employees should not deal during the restricted periods without clearance from the Chief Compliance Officer.

If allowed by the Chief Compliance Officer to deal, directors and officers must immediately report their trades to the Chief Compliance Officer and Corporate Secretary to ensure timely disclosure to the SEC and the PSE. Other insiders are required to report their trades on a quarterly basis.