

PILIPINAS SHELL PETROLEUM CORPORATION (SHLPH)

**SHLPH SECURITIES DEALING CODE**

(Adapted from Royal Dutch Shell plc Securities Dealing Code)

**OVERVIEW**

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**Overview of the Code**

If you have access to inside information about SHLPH, you must not buy, sell or engage in any other dealings in SHLPH Securities while you possess inside information and until such information becomes public and has ceased to be inside information and reasonable time has lapsed for market to absorb such information (approximately two (2) full trading days).

If you obtain inside information about another Philippine publicly listed company in the course of your employment with SHLPH, you must not engage in any dealings involving that company's securities until such information becomes public and reasonable time has lapsed for market to absorb such information (approximately two (2) full trading days).

If you obtain inside information about a traded commodity or commodity derivative in the course of your employment with SHLPH, you must not engage in any dealings in that commodity or commodity derivative on SHLPH's or your own behalf until you have taken advice from the Compliance or Legal adviser that such dealing is permissible or until it is clear such information has become available to other market participants and has ceased to be inside information and reasonable time has lapsed for market to absorb such information (approximately two (2) full trading days).

Compliance with this Code is compulsory. Non-compliance will expose you to disciplinary action.

It is illegal, and may be a criminal offence, to engage or attempt to engage in insider dealing and deal in the securities of any company while possessing inside information about that company. It is also illegal to recommend that another person engage in insider dealing or induce another person to engage in insider dealing, for example, by passing inside information on to someone else who then buys or sells securities on the basis of that information or, while in possession of inside information, to recommend to somebody to deal in such securities, even if you would not profit directly from the

arrangement. The same may apply to information passed in connection with dealing with inside information in traded commodities or commodity derivatives. It is also illegal to unlawfully disclose inside information. Therefore, you should not pass on inside information at any time to anybody else, inside or outside of SHLPH, unless authorised to do so.

It is also illegal to engage in market manipulation. Market manipulation includes, among other things, behaviour which gives, or is likely to give, false or misleading signals as to the supply of, demand for, or price of, a financial instrument or securities, or is likely to secure, the price of one or several financial instruments, unless the person engaging in the other behaviour establishes that such behaviour has been carried out for legitimate reasons and conform with an accepted market practice.

This Code cannot and does not provide for every eventuality. While the Code is intended to ensure compliance in observing market abuse prohibitions, it is not a substitute for statutory requirements nor can it provide for every local requirement in all jurisdictions. If you are in any doubt as to the propriety of a transaction under contemplation, you should seek legal advice before proceeding or speak to the SHLPH Compliance Officer. Nothing in this Code sanctions the breach of any applicable domestic or national insider dealing provision or any other relevant legal or regulatory requirements.

### **Meaning of Inside Information**

“Inside Information” also referred to as “Material Non-Public Information” means information of a precise nature relating, directly or indirectly, to SHLPH Securities which has not been generally disclosed to the public through the Securities and Exchange Commission and the Philippine Stock Exchange, relating, directly or indirectly, to SHLPH Securities, and which, if it were made public:

1. Would be likely to affect the market price of SHLPH Securities after such information is disseminated to the public and the lapse of two (2) trading days from dissemination, or .
2. Would be considered by a reasonable person important under the circumstances in determining his course of action whether to buy, sell or hold the SHLPH Securities.

There is no figure (percentage change or otherwise) that can be set when determining what constitutes a significant effect on price. Information which is likely to be considered relevant to a reasonable investor’s decision includes, but is not limited to, information which affects: the company’s assets and liabilities, the performance or the expectation of the performance of the company’s business, the company’s financial condition, the company’s reputation, the course of the company’s business, major new developments in the business of the company or information previously disclosed to the market.

In addition, inside information about another Philippine publicly listed company may arise where SHLPH takes actions that have an effect on that other company's share price including, but not limited to, the award of a contract, placing of an order, the commencement of litigation or a significant corporate transaction, which is inside information for that other Philippine publicly listed company.

Further information about SHLPH’s procedures in relation to inside or material non-public information can be found in the Investors section of the SHLPH website at <http://pilipinas.shell.com.ph/investors/corporate-disclosure-policy.html>

## PART 1 – APPLICABILITY TO EVERY SHLPH EMPLOYEE

### Restricted Periods /Clearance to Deal

SHLPH employees should not Deal in SHLPH Securities during Restricted Periods without receiving a Clearance to Deal. ***Restricted Period*** is defined as the time when data to generate annual/quarterly results first becomes available (approximately the 10<sup>th</sup> day of the month immediately succeeding the end of the calendar year and quarters, i.e. 10 January, 10 April, 10 July and 10 October) until SHLPH two (2) full trading days after the disclosure of SHLPH’s annual and quarterly results to the Philippine Stock Exchange (PSE) and Securities and Exchange Commission (SEC). Following are the ***Restricted Periods***:

Restricted Periods for SHLPH employees	Inside Information Pertaining To
when data to generate data for 17Q is obtained, or approximately 10 April, until 2 full trading days after 17Q for Q1 is disclosed to both PSE and SEC (est. May 17)	1 <sup>st</sup> Quarter Results
when data to generate data for 17Q is obtained, or approximately 10 July, until 2 full trading days after 17Q for Q2 is disclosed to both PSE and SEC (est. August 16)	2 <sup>nd</sup> Quarter Results
when data to generate data for 17Q is obtained, or approximately 10 October, until 2 full trading days after 17Q for Q3 is disclosed to both PSE and SEC (est. November 16)	3 <sup>rd</sup> Quarter Results
when data to generate data for 17A is obtained, or approximately 10 January, until 2 full trading days after 17A for previous year is disclosed to both PSE and SEC (est. April 17)	Full Year Results

For planning purposes, considering that the deadline 17A falls beyond the 1st quarter, it is likely that the entirety of the first quarter will be a Restricted Period.

Any SHLPH Employee who is uncertain as to whether or not any particular transaction requires clearance in accordance with this Code should consult the SHLPH Compliance Officer promptly.

Should an SHLPH Employee desire to Deal during a Restricted Period, a Clearance to Deal may be requested via email to the SHLPH Compliance Officer, who will exert reasonably best efforts to respond via email within five (5) Business Days of receipt of the request by the SHLPH Compliance Officer. If a response is not given within that time limit, then Clearance to Deal shall be deemed not to have been given.

SHLPH Employees must not Deal during a Restricted Period until Clearance to Deal is received. The SHLPH Compliance Officer will maintain a copy of all Dealing clearance requests and responses.

If Clearance to Deal is granted, any Deal must be made within the two (2) Trading Days following the day upon which Clearance is issued. If the Deal is not consummated within two (2) Trading Days, a new request for Clearance to Deal must be made prior to transacting any further.

## **Refusal of Clearance**

Clearance to Deal will not be given under the following instances:

- (i) if you possess Material Non-Public Information;
- (ii) if the proposed Dealing would occur during a Restricted Period and you are involved in SHLPH's financial reporting or have access to Class of Business aggregate financial data, or if you have access to certain aggregate production or sales data; or
- (iii) if the proposed Dealing is of a type prohibited under the heading "Short Term Dealing" below.

If clearance is denied, a special hardship request may be made and shall be duly considered.

## **Outside Restricted Periods**

Generally, SHLPH employees [except SHLPH Corporate Insiders and potential Insiders (who are also covered by **PART 2** of this Code)], can deal in SHLPH shares outside Restricted Periods without a Clearance to Deal, provided that they do not possess Material Non-Public Information.

SHLPH employees who receive Material Non-Public Information must not deal in SHLPH shares from the moment they get access to Material Non-Public Information up to two (2) full Trading Days after the said Material Non-Public Information is disclosed to the public.

For the avoidance of doubt, if you possess Material Non-Public Information, you are prohibited from Dealing in SHLPH Securities at any time, unless a Clearance to Deal is requested and duly granted.

Irrespective of whether Clearance to Deal has been granted to a SHLPH Employee, he or she remains subject to the insider dealing prohibitions enforced by the PSE and SEC. Nothing in this Code sanctions a breach of the prohibitions of insider dealing or unlawful disclosure of Material Non-Public Information under SEC/PSE regulations, or any other relevant legal or regulatory requirements.

## **Compliance Policy**

SHLPH employees must consult with the SHLPH Compliance Officer before dealing in SHLPH Securities, if they have knowledge or believe to have knowledge of any Material Non-Public Information, to ensure compliance with this Code and the Philippine laws.

## **Reporting Breaches of the Code**

If you become aware of any insider dealing, unlawful disclosure of inside information (including the loss or theft of computers, papers etc.) or market manipulation, or believe that this Code has been breached in any other way, you should immediately notify the SHLPH Compliance Officer.

All notified matters and potential breaches of this Code will be promptly investigated. Retaliation for raising good faith questions and concerns will not be tolerated.

## **PART 2 – APPLICABILITY TO SHLPH CORPORATE INSIDERS (INCLUDING IDENTIFIED SHLPH EMPLOYEES)**

SHLPH Corporate Insiders are persons who have regular access to Material Non-Public Information. These include:

1. A director or officer (or person performing similar functions) of, or a person controlling SHLPH, and members of their immediate families who are living in the same household
2. A person whose relationship or former relationship to the company gives or gave him access to material information about the company or its shares, whether on a regular or occasional basis, that is not generally available to the public (e.g. employees, executive officers, directors, consultants, contractors);
3. Persons involved in the preparation of, or who participate in some other way in the preparation or review of SHLPH's financial results, or have access to Class of Business aggregate financial data, or have access to certain aggregate production or sales data.
4. A person who learns such information by a communication from any of the foregoing insiders.

SHLPH maintains a list of Corporate Insiders who actually have Inside Information on its Insider List. SHLPH also retains a potential Insider List of those employees who potentially have regular or occasional access to Inside Information (for example, results information) so that the Insider List can be populated more easily each time those employees actually have Inside Information.

The SHLPH Corporate Disclosure Committee (CDC) is responsible for identifying Corporate Insiders and potential Corporate Insiders. You will be notified if your name appears on the Insider List or the potential Insider List maintained by the SHLPH CDC. Information contained on the Insider List may be made available to regulators.

If you are notified that you have been placed on the Insider List or the potential Insider List you will be asked to acknowledge your legal and regulatory duties (including dealing restrictions) arising from actually having Inside Information or from having potential access to Inside Information and to acknowledge that you are aware of the sanctions attaching to the misuse or improper circulation of such information.

You will be informed when you are removed from the Insider List or the potential Insider List.

References in this Code to a SHLPH Corporate Insider means any person on either the Insider List or on the potential Insider List.

If you believe you have access to Material Non-Public Information, either on a routine basis or because of a particular matter or transaction, and have not been advised that you are on the Insider List or the potential Insider List, you should (i) not Deal in SHLPH Securities without obtaining clearance in accordance with the procedures set out below, (ii) comply with this Code as a SHLPH Corporate Insider and (iii) bring this matter to the immediate attention of the SHLPH Compliance Officer.

If, due to a change in job responsibilities, the completion or cancellation of a significant transaction or other events which relate to you having been included on the Insider List or the potential Insider List, and you no longer have access to inside information about SHLPH, you should inform the SHLPH Compliance Officer and request the removal of your name from the Insider List or from the potential Insider List.

### **Clearance to Deal**

SHLPH Corporate Insiders must not Deal in SHLPH Securities without receiving a Clearance to Deal from the SHLPH Compliance Officer, even outside Restricted Periods.

Should an SHLPH Corporate Insider desire to Deal, a Clearance to Deal shall be requested via email from the SHLPH Compliance Officer, who will exert reasonably best efforts to respond within five (5) Business Days of receipt of the request by the SHLPH Compliance Officer. If a response is not given within that time limit, then Clearance to Deal shall be deemed not to have been given. SHLPH Corporate Insiders must not Deal until clearance is received. The SHLPH Compliance Officer will maintain a copy of all Dealing clearance requests and responses.

If Clearance to Deal is granted, any Deal must be made within the two (2) Trading Days following the day upon which Clearance is issued. If the Deal is not consummated within two (2) Trading Days, a new request for Clearance to Deal must be made prior to transacting any further.

Any SHLPH Corporate Insider who is uncertain as to whether or not any particular transaction requires clearance in accordance with this Code should consult the SHLPH Compliance Officer promptly.

### **Reporting Policy**

Directors and Officers are required to immediately report their trades to the SHLPH Compliance Officer to ensure timely reporting and disclosure by such Director/Officer to the Securities and Exchange Commission and Philippine Stock Exchange, and in any event no later than three (3) Business Days from the subject transaction. While, other SHLPH Corporate Insiders are required to report their trades to the SHLPH Compliance Officer on a quarterly basis.

### **Refusal of Clearance**

Clearance to Deal will not be given under the following instances:

- (i) if you possess Material Non-Public Information;
- (ii) if the proposed Dealing would occur during a Restricted Period and you are involved in SHLPH's financial reporting or have access to Class of Business aggregate financial data, or if you have access to certain aggregate production or sales data; or
- (iii) if the proposed Dealing is of a type prohibited under the heading "Short Term Dealing" below.

If clearance is denied, a special hardship request may be made and shall be duly considered.

### Short Term Dealing

SHLPH Corporate Insiders must not deal in SHLPH Securities on considerations of a short term nature. An investment with a maturity of one year or less will always be considered to be of a short term nature.

SHLPH Corporate Insiders must not engage in short selling SHLPH Securities, whether directly or through financial instruments such as put or call options.

## **PART 3 – COMMON PROVISIONS**

### **Trading Plans**

SHLPH Employees and SHLPH Corporate Insiders may Deal in SHLPH Securities in a Restricted Period pursuant to a Trading Plan if:

- (A) the Trading Plan was entered into in a non-Restricted Period;
- (B) clearance was given to the SHLPH Employee or the SHLPH Corporate Insider to enter into the Trading Plan and to make any amendment to the Trading Plan in a non-Restricted Period;
- (C) the Trading Plan does not permit the SHLPH Employee or the SHLPH Corporate Insider to exercise any discretion over how, when or whether to effect Dealings; and
- (D) no Dealings are permitted to take place under the Trading Plan within 15 calendar days prior to announcement/submission of results up to two (2) full Trading Days after such announcement/submission.

SHLPH Employees and SHLPH Corporate Insiders may not enter into, amend or cancel a Trading Plan unless clearance in accordance with this Code has been given to do so. Such clearance may not be given in a Restricted Period.

### **Acting as a Trustee**

Where a SHLPH Employee or a SHLPH Corporate Insider acts as a trustee, Dealing in SHLPH Securities by that trust in a Restricted Period does not require clearance in accordance with this Code if:

1. the SHLPH Employee or the SHLPH Corporate Insider is not a beneficiary of the trust; and
2. the decision to Deal is taken by the other trustees or by investment managers on behalf of the trustees independently of the SHLPH Employee or the SHLPH Corporate Insider.

The other trustees or investment managers acting on behalf of the other trustees will be assumed to have acted independently of the SHLPH Employee or the SHLPH Corporate Insider where the decision to Deal:

1. was taken without consultation with, or other involvement of, the SHLPH Employee or the SHLPH Corporate Insider; or
2. was delegated to a committee of which the SHLPH Employee or the SHLPH Corporate Insider is not a member.

and that the presence of the SHLPH Employee or the SHLPH Corporate Insider was not necessary to constitute a quorum.

### **Continued Application of Code for Former Employees and Corporate Insiders**

Employees and Corporate Insiders are reminded that trading on the basis of inside information is prohibited by law even after employment or the relationship has ceased. If you continue to be in possession of Material Non-Public Information or were involved in the preparation or review of SHLPH's financial results or had access to Class of Business aggregate financial data, or if you had



access to certain aggregate production or sales data, you should not deal in SHLPH Securities until two (2) full Trading Days after the Material Non-Public Information is disclosed or relevant results are announced .

### **Compliance Policy**

When in doubt, all SHLPH Employees and SHLPH Corporate Insiders should consult the office of the SHLPH Compliance Officer prior to transacting SHLPH Securities in order to determine if the trade will or will not violate this Code and Philippine laws.

### **Consequences of Non-Compliance**

Violation of this Code shall be subject to disciplinary action under SHLPH's Code of Conduct, without prejudice to any civil or criminal proceedings which SHLPH or regulators may file for violation of existing laws, rules and regulations. Insider trading under Philippine law may be subject to penalty of fine and/or imprisonment and damages.

## PART 4 – DEFINITIONS

**“Corporate Insider”** has the meaning given to it in the first paragraph of Part 2 above.

**“Dealing”** means, in respect of any person, the conducting of any transaction on his or her own account or for the account of a third party, directly or indirectly, relating to SHLPH Securities or on the price of related derivatives (and related terms, such as “Deal”, “Deals” and “Dealt”, shall be interpreted accordingly). Appendix 1 contains a non-exhaustive list of the transactions which are “Dealings” for the purposes of this Code.

**“Disregarded Undertaking”** means a collective investment undertaking or portfolio of assets which satisfies the following two conditions:

- (A) it is either:
  - (i) a collective investment undertaking or portfolio of assets in respect of which the relevant Employee Insider has ascertained that the exposure to SHLPH Securities does not exceed 20% of the assets held by that collective investment undertaking or portfolio of assets; or
  - (ii) a collective investment undertaking or portfolio of assets whose exposure to SHLPH Securities cannot be ascertained by the relevant the Employee Insider; and
- (B) the relevant Employee Insider is unable to determine or influence the investment strategy or transactions of that collective investment undertaking or portfolio of assets.

**“Inside Information”** also referred to as **“Material Non-Public Information”** means information of a precise nature relating, directly or indirectly, to SHLPH Securities that has not been generally disclosed to the public thru the Securities and Exchange Commission and the Philippine Stock Exchange, and which, if it were made public:

- a) would be likely to affect the market price of SHLPH Securities, or
- b) would be considered by a reasonable person important under the circumstances in determining his course of action whether to buy, sell or hold the SHLPH Securities.

Further information about SHLPH’s policies and procedures for identifying and handling Inside Information can be found in the Investors section of SHLPH’s website at: <http://pilipinas.shell.com.ph/investors/corporate-disclosure-policy.html>.

**“SHLPH”** means Pilipinas Shell Petroleum Corporation.

**“SHLPH Compliance Officer”** is by default the Corporate Secretary of SHLPH, unless otherwise designated by the Board of Directors of SHLPH.

**“Restricted Period”** has the meaning given in Part 1 of the Code under the heading “Clearance to Deal”.

**“SHLPH Securities”** means any publicly traded or quoted shares or debt instruments of SHLPH or derivatives or other financial instruments linked to any of them.

**“Trading Day”** means any day during which trading of securities at the Philippine Stock Exchange is active.

**“Trading Plan”** means a written plan between a SHLPH Employee or a SHLPH Corporate Insider and an independent third party which sets out a strategy for the acquisition and / or disposal of SHLPH Securities by a specified person and:

- (A) specifies the amount of SHLPH Securities to be dealt in and the price at which and the date on which those SHLPH Securities are to be dealt in;
- (B) gives discretion to that independent third party to make trading decisions about the amount of SHLPH Securities to be dealt in and the price at which and the date on which the SHLPH Securities are to be dealt in; or
- (C) includes a written formula or algorithm, or computer program, for determining the amount of SHLPH Securities to be dealt in and the price at which and the date on which the SHLPH Securities are to be dealt in.

## APPENDIX 1 – DEALING

For the purposes of this Code the following is a non-exhaustive list of transactions which are “Dealings”:

- (A) the pledging or lending of SHLPH securities (although a pledge, or a similar security interest, of SHLPH securities in connection with the depositing of SHLPH securities in a custody account is not “Dealing”, unless and until such pledge or other security interest is designated to secure a specific credit facility);
- (B) transactions in SHLPH Securities undertaken by persons professionally arranging or executing transactions or by another person of behalf of an Employee Insider including where discretion is exercised;
- (C) transactions in SHLPH Securities made under a life insurance policy, where (i) the policyholder is an Employee Insider; (ii) the investment risk is borne by the policyholder; and (iii) the policyholder has the power or discretion to make investment decisions regarding specific instruments in that life insurance policy or to execute transactions regarding specific instruments for that life insurance policy;
- (D) an acquisition, disposal, subscription or exchange of SHLPH Securities;
- (E) the acceptance or exercise of an option over SHLPH Securities, including of a share option granted as part of a remuneration package, and the disposal of shares stemming from the exercise of a share option;
- (F) entering into or exercise of equity swaps related to SHLPH Securities;
- (G) transactions in or related to derivatives over SHLPH Securities, including cash-settled transactions;
- (H) entering into a contract for difference on SHLPH Securities;
- (I) the acquisition, disposal or exercise of rights in relation to SHLPH Securities, including put and call options and warrants;
- (J) subscription to a share capital increase or debt instrument issuance of the SHLPH;
- (K) transactions in derivatives and financial instruments linked to a debt instrument of SHLPH including credit default swaps;
- (L) conditional transactions relating to SHLPH Securities upon the fulfilment of the conditions and actual execution of the transactions;
- (M) automatic or non-automatic conversion of a SHLPH Security into another SHLPH Security, including the exchange of convertible bonds to shares;
- (N) transactions executed in index-related products, baskets and derivatives transacting in SHLPH Securities (other than buying and selling units or shares in, or financial instruments which provide an exposure to, a Disregarded Undertaking and transactions in SHLPH Securities by a Disregarded Undertaking);
- (O) transactions executed in shares or units of investment funds which transact in SHLPH Securities (other than buying and selling units or shares in, or financial instruments which provide an exposure to, a Disregarded Undertaking and transactions in SHLPH Securities by a Disregarded Undertaking);
- (P) transactions executed by manager of an investment fund in which the Employee Insider has invested and which transacts in SHLPH Securities (other than buying and selling units or shares in, or financial instruments which provide an exposure to, a Disregarded Undertaking and transactions in SHLPH Securities by a Disregarded Undertaking);

- (Q) transactions executed by a third party under an individual portfolio or asset management mandate on behalf or for the benefit of the Employee Insider; and
- (R) borrowing or lending of shares or debt instruments of SHLPH or derivatives or other financial instruments linked thereto.