

**PILIPINAS SHELL PETROLEUM CORPORATION
MINUTES OF THE ANNUAL MEETING
OF THE STOCKHOLDERS
HELD VIA PREMIUM CONFERENCING
ON 16 JUNE 2020**

**STOCKHOLDERS
PRESENT:**

Stockholder	No. of Shares in Remote Communication	No. of Shares by Proxy	Percentage
AAA SOUTHEAST EQUITIES, INC FAO DEZERIE JOYCE REMOTIGUE RICO		1,800	0.0001%
ARANETA, FERNANDO G.		1.00	0.0000%
ARANETA, JUAN CARLOS G.		1.00	0.0000%
ARANETA, SANTIAGO G.		1.00	0.0000%
BDO NOMURA FAO REYNALDO P. ABILO		6,000	0.0004%
BPI SEC FAO ANGEL JOSE GUARIN DE JESUS		3,100	0.0002%
BPI SEC FAO MICHAEL PLANTA RAMOLETE		4,290	0.0003%
BPI SEC FAO RONALD FRANCIS ALBEA SUAREZ		4,290	0.0003%
CITIOMNIFOR 6001689531		32,070	0.0020%
CITIOMNIFOR 6002070101		1,463,690	0.0907%
CITIOMNIFOR 6002070102		184,030	0.0114%
CITIOMNIFOR 6002070132		1,357,940	0.0842%
CITIOMNIFOR 6002079785		33,380	0.0021%
COL FAO ABIGAIL SY CO		740	0.0000%
COL FAO MA. LOURDES SANTOS DIMACALI		5,480	0.0003%
COL FAO MA. LOURDES SANTOS DIMACALI		5,160	0.0003%
COL FINANCIAL FAO MAELA KATHERINE ITF D. PENAFLO CONCEPCION, GAUDIOSA G.	1,490	3,800	0.0002%
DEUTSCHE BANK AG MANILA BRANCH		39,271,153	2.4340%
FIRST METRO SECURITIES FAO RECHELLE M. QUINIO		40	0.0000%
HSBC REF MNL CNC NOM 20/0380 JAVIER, DENNIS EVARISTO C.		86,353,511 20,780	5.3521% 0.0013%

Stockholder	No. of Shares in Remote Communication	No. of Shares by Proxy	Percentage
JIMENEZ, MARIA LUISA P.	1,490		0.0001%
LUIS C. LA 'O	1		0.0000%
MIN YIH TAN	1		0.0000%
OROCIO, ERWIN		6,290	0.0004%
PASCUAL III, JOSE JEROME R.	1	29,230	0.0018%
REGALADO, JANNET C.		3,000	0.0002%
ROMERO, CESAR G.	1	11,290	0.0007%
SHELL OVERSEAS INVESTMENTS B.V.		890,860,233.00	55.2148%
SPATHODEA CAMPANULATA INC.		67,184,265.00	4.1640%
STANDARD CHARTERED FAO BPSS LUX/ABERDEEN STANDA		2,821,350	0.1749%
STANDARD CHARTERED FAO RBC INV SVC TR CL AC		209,590	0.0130%
THE INSULAR LIFE ASSURANCE COMPANY, LTD.		265,465,395	16.4533%
TIMSON SECURITIES INC - FAO EDWARD F. ONG OR DEZERIE JOYCE R. RICO		1,200	0.0001%
ZOBEL DE AYALA, FERNANDO		1	0.0000%
Total	2,984	1,355,343,101	
Grand Total		1,355,346,085	84.0033%

DIRECTORS PRESENT:

Mr. Min Yih Tan
Mr. Cesar G. Romero
Mr. Jose Jerome R. Pascual, III
Mr. Rafi Haroon Basheer
Mr. Cesar A. Buenaventura
Ms. Mona Lisa B. Dela Cruz
Dr. Lydia B. Echauz
Mr. Luis C. la 'O
Mr. Rolando J. Paulino, Jr.
Mr. Randolph T. Del Valle
Mr. Fernando Zobel de Ayala

ALSO IN ATTENDANCE:

Mr. Erwin R. Orocio, Corporate Secretary and Managing Counsel-Downstream
Ms. Ellie Chris C. Navarra, Assistant Corporate Secretary and Legal Counsel

Mr. Sergio C. Bernal, Jr., Vice President – External Relations and Government Relations
Mr. Carlo D. Zandueta, Vice President – Human Resources
Ms. Jannet C. Regalado, Vice President – Legal and Chief Compliance Officer
Mr. Dennis C. Javier, Vice President – Wholesale Commercial Fuels
Mr. Jan-Peter Groot Wassink, Vice President – Manufacturing
Mr. Augusto P. Mathay, Jr., Supply Operations Manager
Mr. Steve L. Quila, Lubricants General Manager
Dr. Rose Rivera, Country Health Manager
Ms. Nimfa G. Dimailig, Country Tax Manager
Mr. Albert Lim, Commercial Fuels
Mr. Reynaldo P. Abilo, Corporate Assurance Manager
Ms. Angelica M. Castillo, Investor Relations Officer and Controller
Mr. Alex Hernandez, DSO Integration Manager
Ms. Sankie Simbulan, Social Performance and Social Integration Manager
Mr. Ryan Andres, Legal Counsel
Mr. Vincent Juan, Legal Counsel
Mr. Mark Brian J. Nicdao, External Relations and Internal Communications Manager

810. **Safety Briefing**

Ms. Angelica M. Castillo, Investor Relations Officer and Controller, delivered the Safety Briefing:

“In Shell, we treat safety with utmost importance as it is our license to operate. Although this is a virtual meeting, allow me to conduct a Safety Briefing. First of all, please do not drive while you are attending this virtual meeting. We will understand if you will need to drop off this webcast for any reasons. Please be mindful of your surroundings. If you are using an earpiece, please make sure that you will also be able to hear any alarms and can continue to be conscious of any potential hazards around you. Kindly take note of the nearest exit in case of emergency. In case of an earthquake, do not panic and remember the golden rules. Duck, cover and hold. Once clear, proceed to the nearest exit. Do not forget to have a ready list of the emergency numbers in your areas.

On a more domestic front for those of you at home, please ensure that young children are safe and properly supervised. You may also want to ensure that gas stoves and ranges have been shut off, in case you left something cooking.

In closing, I am pleased to advise that we will be posting a recording of this meeting in our website as required by the Philippine Securities and Exchange Commission. You may email in your questions and concerns over the next two (2) weeks.”

811. **National Anthem**

Atty. Erwin Orocio requested the participants to stand up for the Philippine National Anthem sang by Atty. Rubin Cura.

Afterwards, the attendees in the call were asked to take their seats.

812. **Call to Order**

The Corporate Secretary turned over floor to the Chairman of the Board, Mr. Min Yih Tan. Mr. Tan assumed the chairmanship last 1 January after Khun Asada Harinsuit retired and stepped down from the Board. Mr. Tan is concurrently the Vice President - Global Retail Network of Shell, overseeing the life cycle management of all Shell Retail assets across the world. He is a key member of the Shell Global Retail Leadership Team and leads its Global Network Leadership Team. Mr. Tan joined the Shell Group 12 years ago as an experienced hire , to call the meeting to order.

The Chairman of the Board called the meeting to order and invited the Corporate Secretary to introduce the Members of the Board of Directors and the Committee Chairmanship/ Memberships.

813. **Introduction of the Members of the Board of Directors & Committee Chairmanship/Memberships**

The Corporate Secretary acknowledged the presence of the following directors:

NAME	POSITION	COMMITTEE
Min Yin Tan	New Non-Executive Chairman of the Board	Member – Corporate Social Responsibility Committee
Cesar G. Romero	Executive Director/ President & Chief Executive Officer	Member – Nomination Committee
Cesar A. Buenaventura	Independent Director	Chairman - Board Audit and Risk Oversight Committee, Member – Corporate Governance Committee Member – Related Party Transactions Committee Member - Nomination Committee
Dr. Lydia B. Echauz	Independent Director	Chairman –

NAME	POSITION	COMMITTEE
		Related Party Transaction Committee Member - Board Audit and Risk Oversight Committee Member – Corporate Governance Committee
Fernando Zobel de Ayala	Independent Director	Chairman- Corporate Governance Committee
Mona Lisa B. Dela Cruz	Non-Executive Director	Member – Related Party Transactions Committee
Luis C. la ‘O	Non-Executive Director	Chairman – Corporate Social Responsibility Committee Member – Related Party Transactions Committee Member – Board Audit and Risk Oversight Committee
Jose Jerome R. Pascual, III	Executive Director/ Treasurer/ VP- Finance	
Randolph T. Del Valle	New Executive Director/ VP-Retail	
Rafi Haroon Basheer	New Non-Executive Director	Member- Board Audit and Risk Oversight Committee Member – Corporate Social Responsibility Committee
Rolando J. Paulino, Jr.	Non-Executive Director	

He welcomed the new directors of the Corporation. Mr. Randolph T. Del Valle and Mr. Mr. Rafi Haroon Basheer.

Mr. Randolph T. Del Valle, Executive Director and VP-Retail, who was formerly the Global Head of the Shell Downstream Retail Network Strategy and Planning based in Singapore. Mr. Del Valle started his career as a Retail Territory Manager in 1998 and has since assumed various local roles as District Manager, Cards & Fuels Marketing Manager and Operations manager before he took Global Strategy roles in Global Marketing, Downstream and Group Strategy based in London and

the Hague. He is a Chemical Engineer from the University of San Carlos – Cebu City with an MBA from the London Business School.

Mr. Rafi Haroon Basheer is a Non-Executive Director. He is concurrently the Chairman of the Board of Shell Pakistan Ltd, a listed entity in Pakistan, and the Global GM Finance for Planning & Appraisal Downstream Retail and Global Commercial.

Also present were senior members of Management and external auditors of the Corporation, SyCip Gorres Velayo & Co. (“SGV”), a member firm of Ernst & Young Global Limited.

814. **Certification of Notice of Meeting and Quorum**

The Chairman of the Board inquired whether the stockholders had been duly notified of the Annual Meeting. The Corporate Secretary declared that in accordance with the By-laws of the Corporation and applicable rules and regulations, the written notice of the date, place, purpose and details as well as materials of the meeting were published through alternative modes of distribution through the website of the Corporation, Philippine Stock Exchange and newspapers of general circulation. The stockholders of record as of the record date on 20 May 2020 were entitled to the notice.

Accordingly, the Corporate Secretary certified to the service of Notices of the Stockholders' Meeting.

The Chairman of the Board thereafter inquired if a quorum was present.

The Corporate Secretary certified to the presence of a quorum. In attendance, via remote communication, *in absentia*, and by proxy, were stockholders owning 1,355,346,085 shares representing 84.003% of the total issued and outstanding shares.

815. **Voting Procedure**

The Chairman of the Board invited the Corporate Secretary to discuss the voting procedure. The Corporate Secretary shared that details on the voting procedure were previously circulated to the stockholders as Items 19 and 20 and Annex B of the Definitive Information Statement.

Only those shareholders who voted by proxy, *in absentia* or remote communication will be included in determining the existence of a quorum. All matters subject to vote, except in cases where the law provides otherwise, shall be decided by the vote of a majority of the outstanding capital stock, provided a quorum is present.

Total votes received of from shareholders owning 1,355,330,173 shares accounting for 84.002% of the outstanding shares, were validated and counted by RCBC Stock and Transfer Agent as verified by SyCip Gorres & Velayo.

The final counting of all votes cast was undertaken by RCBC Stock & Transfer Agent and reviewed by SGV.

SGV performed agreed-upon procedures on the Company's proxy validation, registration and tabulation processes following Philippine Standard on Related Services 4400 – Engagements to Perform Agreed-upon Procedures, issued by the Auditing and Assurance Standards Council. In addition, representatives from SGV were present at the Annual Stockholders' Meeting to observe the registration, determination of quorum and tabulation of votes.

816. **Approval of Minutes of the Previous Meeting**

The Chairman of the Board informed the stockholders that the next item in the agenda was the approval of the minutes of the previous meeting. Copies of the Minutes of the Annual Meeting of the Stockholders held on 07 May 2019 were distributed through alternative mode to the stockholders together with the Notices, and an electronic copy was made available on the website of the Corporation.

Based on the final voting tabulation, stockholders owning 1,285,114,968 shares and representing 79.6504% of the outstanding capital stock of the Corporation, voted for the resolution:

“**RESOLVED**, that the Minutes of the Annual Meeting of the Stockholders held on 07 May 2019 be, as it is hereby, approved.”

No shares voted against while 70,215,205 (or 4.3519%) had abstained from the decision to approval.

The Chairman of the Board declared that since the stockholders owning majority of the total outstanding shares voted for the motion, the same was carried and the minutes deemed read and approved.

817. **Message from the Chairman of the Board**

The Chairman of the Board delivered his message with visual aids for the better appreciation of the shareholders:

“Welcome to the 2020 Pilipinas Shell's Annual Shareholders' Meeting. I hope that you and your loved ones are all well.

It is unfortunate that we cannot be physically together during my first Annual Shareholders' Meeting as your Chairman of the Board. It would have been my pleasure to meet and engage with each of you in person.

Nevertheless, I hope to share how Pilipinas Shell continues to deliver value to our stakeholders as we mark 106 years of fueling progress for Filipinos.

As one of the more robust economies in the region, Philippines grew by 5.9% in 2019. This was accompanied by the upward trend in energy demand in the industrial, commercial and domestic sectors. Together with the relatively lower motorization rate compared to other ASEAN countries and attractive demographics, Philippines is an appealing market to invest and grow.

The COVID-19 pandemic has created a crisis of unparalleled proportions - in health and economy. The consequent demand and pricing outlook have been disruptive to all sectors, including energy. Although PSPC's first quarter results this year was impacted, and the pace of economy uncertain, our recovery strategies are in place for all lines of business. Coupled with our strong track record, Pilipinas Shell is poised to seize opportunities and position for success. We are in a robust standing, not only to deal with the market volatility, but also are ready to support the country's growth as it enters the 'new normal'.

Shell's ambition to become a world-class investment case, to thrive in the energy transition, and to maintain strong partnerships in nation building mean that we will continue to transform the ways we deliver value. The Company has a proven track record of delivery and reinventing ourselves over the past 106 years - from the fuel we produce at our refinery to the distribution through retail stations, underpinned by the technical expertise, commitment to safety and positive energy that we bring to our partnerships and workplace.

Through the years, we have stood by our values of honesty, integrity, and respect for people. These values, together with our Code of Conduct, guide the way we do business.

As a Singaporean based in London and as a non-executive member of the Board, my vantage point is my global industry and cross-functional experience. I am excited to be working with colleagues who are just as adaptive and as determined to turn tough challenges into opportunities.

While it is tempting to focus on immediate challenges, we are not losing sight of the long-term, especially with regard to climate change and the energy transition - as Shell Group, we aim to be a net-zero emissions energy business by 2050. Pilipinas Shell will continue to shape the future of energy through smarter

products, smarter usage, smarter infrastructure, and always with a customer-centric lens.

As we strive towards providing more and cleaner energy solutions, we continue to invest in our social compact. Our commitment to nation building and our host communities remain unwavering. We seek to contribute to the United Nations Sustainable Development Goals across our supply chain.

By placing the highest priority on health, safety and the well-being of people and communities where we operate, and by cooperating even more strongly with one another, we will accelerate the path towards winning.

I am confident that Pilipinas Shell will rise to the challenge and emerge stronger. I wish everyone good health and fortitude.

It is my honour and privilege to serve as your Chairman of the Board of Directors. Thank you.”

818. **President’s Report**

The Chairman of the Board invited the President and Chief Executive Officer to render his report.

The President and Chief Executive Officer rendered his report with visual aids for the better appreciation of the shareholders:

“Thank you, Mr. Chairman. Good afternoon, ladies and gentlemen.

As the global impact of the COVID-19 spreads, Shell is prioritizing the safety and health of our people, our customers and all our stakeholders. As much as we would have wanted to have our Annual Shareholders’ Meeting in person, we are doing this virtually to ensure everyone’s continued wellbeing.

Safe and reliable provision of energy delivered through our steadfast front liners and support staff has been the top priority of Shell as our country battles the COVID -19 pandemic. During these times, we need electricity to power our homes and enable internet services that keep us connected. Vehicles need fuel to bring our health workers to hospitals; groceries to markets, and consumers to where they need to go. More than ever, energy is needed to power the Philippines. I am proud that Shell has continued to provide vital energy products to our customers and communities, even amid the Enhanced Community Quarantine period.

Pilipinas Shell has answered the government's call for the private sector to help alleviate the effects of the crisis. With this, we have reached almost 700,000 Filipinos through our COVID-19 response activities. We have provided 3.8 million liters of discounted fuels that transported healthcare workers, front liners, and critical goods. Meanwhile, Pilipinas Shell Foundation's "Para sa Bayani" program has provided more than 520,000 meals to front line workers and affected communities.

You have every reason to be proud because your company is in a unique position to deliver, because of our very capable people, enabled by robust and well-thought through operating processes and procedures.

That said, 2019 is a milestone year for us as we celebrate 105 years of Pilipinas Shell in the Philippines. It is proof of the Company's capabilities, and commitment to the country. It is seeing our purpose "to power progress together with the Filipino by providing more and cleaner energy solutions" – in action.

We also remain strong in our aspiration to become – and remain – a world-class investment, to thrive through the transition to lower-carbon energy, and to be a responsible partner of the Philippines in nation building.

Our strategy includes maximizing cash generation at competitive returns for our shareholders while building upon a strong financial framework, capital discipline, and strong corporate governance. This will allow us to reinforce our position as a leading energy company that adapts and evolves as the Philippines' energy system transforms. This strategy sustained us for the last 105 years, more so last year when we posted double digit earnings growth despite low regional refining margins and higher excise taxes for our products.

Our marketing business is very strong. In 2019, we grew our retail network to 1,126 stations nationwide. We also maintained a world class premium fuel penetration of 27%, one of the highest in the Shell Group. We opened 13 Select, 8 deli2go, and 39 Shell Helix Oil Change+ (SHOC+) and Helix Service Centers (HSC) during the year as our non-fuels retail segment grew by 15% growth versus prior year.

Meanwhile, the Company's commercial segment, which covers lubricants, bitumen, aviation and commercial fuels, posted an overall volume growth of 9%. Our Lubricants business delivered volume growth - with Shell Advance, Shell Helix and Shell Rimula emerging as the most preferred brands in the market. Bitumen and aviation grew their margins significantly compared to

2018. We reaped the benefits of our investment in the bitumen production facility in Tabangao – the only one of its kind in the country – in its first year of operation. Pilipinas Shell also exported bitumen to five countries in 2019.

Amidst the challenges from the low regional refining environment, our Tabangao Refinery undertook self-help measures and delivered close to Php 700 million in structural cost savings, surpassing initial targets.

We ended 2019 strong with a net income of P5.6 billion, an 11 percent rise from our P5.1 billion income in 2018. This means we started 2020 with a very healthy balance sheet, which puts us in a decidedly better position to handle the COVID -19 situation.

Still, we have not been spared of the challenges. In January, our supply chain and distribution network were affected when ashfall from the Taal Volcano eruption caused the cancellation of flights, displaced residents and disrupted the movement of people, goods and services to and from our Refinery in Batangas. As the pandemic unfolded in the succeeding months, we also had to deal with the plummeting global oil prices resulting from the price war between Saudi Arabia and Russia. Now, the pandemic has drastically reduced domestic demand for our products and services with huge uncertainty on when and how demand will pick up.

For Q1, we have a net loss delivery of PHP 5.5 billion. In March alone, we booked a PHP 5 billion loss, with PHP 4 billion in inventory losses due to a >\$20/bbl drop in crude.

The crisis is far from over, as the effects of the ECQ will probably be more felt in the second quarter. However, Pilipinas Shell has a strong balance sheet, sufficient retained earnings, and reasonable gearing of 37 percent. We will maintain financial resilience. With your continued support for and confidence in us, we will survive this challenge, much as we have survived all other challenges, we've had to deal with in our 106 years of operation in the Philippines.

The COVID-19 pandemic presents us with a global crisis of uncertainty. It is not clear how long recovery will take, and what shape or form the new normal will take. What is clear, though, is that we must show leadership and take early and decisive action to stay resilient as a Company. One of our key priorities is enhancing our focus on cash management including our ability to generate revenues, reduce cost, capex, and manage working capital. We are also building financial resilience by strengthening the balance sheet

to maintain our aspiration to become a world-class investment case.

Now, more than ever, Pilipinas Shell draws from its years of experience doing business in the Philippines. We've had our share of regional and global economic crises, socio-political disruptions, and industrial shifts. We know what levers we can pull in downturns, even dramatic ones like this, and we are in control.

We have the will, people and resources, as well as our core values to get us through this particularly challenging time. We assure you that we remain true to our goal of fulfilling our responsibility to our various stakeholders and our commitment to sustainability. The future of energy is still very much evolving, and it is therefore imperative that we lay down today the foundations for a resilient, adaptive, and future-ready business and organization.

Together, we shall overcome. Thank you. Thank you very much. Mr. Chairman, back to you.”

The Chairman of the Board thanked the President and Chief Executive Officer.

819. **Chief Financial Officer's Report**

The Chairman of the Board invited the Chief Financial Officer to render his report.

The Chief Financial Officer rendered his report:

“Thank you very much, Mr. Chairman.

2019 marked the 105th year of Pilipinas Shell in the Philippines. A year that brought significant challenges and changes from both market and regulatory perspectives: continuing depressed regional refining margins, the second tranche of excise taxes on petroleum products, government spending delays due to the late approval of the national budget and mid-term elections, price re-regulation attempts and fuels marking implementation, among others.

We are proud that our business remained fundamentally strong and sustainable as our marketing businesses delivered a 3% increase in volumes versus previous year leading to a further increase of our retail market share, from 33% in 2018 to 34% in 2019. Our retail premium fuel penetration also remained high at 27%, proving customer loyalty to our differentiated products. Aviation, lubricants and bitumen all posted volume increases contributing to the overall commercial volume growth of 9%,

while our refinery and supply chain achieved ambitious cost targets.

The integrated delivery of our different business segments translated into better financial performance, maintaining the strength of our balance sheet and driving incremental earnings as against competition. As such, despite the challenges and changes in 2019, Pilipinas Shell managed to generate post-tax net earnings of PHP5.6bn, a remarkable 11% increase versus previous year.

With the fuels marking program of the government underway, we are anticipating that any dent made on the illicit trade of petroleum products will increase the revenues of both the government and legitimate players such as Pilipinas Shell.

Let me now share with you our 2019 performance on the Three C's: Cash Generation, Cost Management and Capital Discipline.

STRONG CASH GENERATION

The Company generated strong cash flows from operations at PHP7.5 billion in 2019. Excluding working capital movements, this stands at PHP15.7 billion or over a 30% increase versus previous year. Removing the impact of timing of working capital requirements, our cash generation was still sufficient to cover our capital investments of PHP6 billion and prior year dividends declared totaling PHP 4.8 billion.

PRUDENT COST MANAGEMENT

Despite the growing marketing businesses and higher depreciation from the implementation of IFRS 16, we continued to focus on the efficiency of our operating expenses. For 2019, we managed to keep our selling, general, and administrative expenses relatively flat versus the previous year.

Logistics and storage costs decreased 15%, as we improved the cost competitiveness of the refinery and implemented further efficiencies in our supply chain. I am proud to highlight that our Tabangao Refinery delivered structural operating expense and capital investment savings of over half a billion Pesos last year.

DISCIPLINED CAPITAL ALLOCATION

In 2019, we delivered an industry-leading return on average capital employed and maintained a healthy balance sheet. Our Return on Average Capital Employed increased to 16%. And while we secured higher levels of short-term bridge financing, our

gearing ratio remained low at 26% because of our robust operational cash flows.

We also delivered on the PHP6 billion capital investment we committed at the beginning of the year.

Specifically, we met our target to further expand our world-class Retail network and non-fuels offerings, and we also kicked off our investments towards the further growth and sustainability of Tabangao. These include the ground-breaking activities for the refinery's Integrated Hydrogen Manufacturing Facility and Integrated Energy System projects.

We are proud of our 2019 operational and financial performance, particularly in light of the various challenges we encountered, and overcame.

1ST QUARTER 2020

But we are now living in different times, unprecedented times. To quote our President and CEO, the industry is facing a crisis of uncertainty. We are in the middle of a perfect storm impacting both supply and demand.

Thus, despite the encouraging marketing and operational performance for the first two and a half months of the year, the Company's financial results for Q1 2020 suffered as a result of both the 30% decline in demand from the start of the enhanced community quarantine in mid-March, and the \$40/barrel drop in crude prices in the same period following the breakdown of discussions on production cuts between OPEC and Russia. The tremendous drop in crude prices alone equated to inventory holding losses of PHP5.6 billion post-tax, in line with the requirement to value our crude and refined product inventories at end-March market prices.

We wish to assure our shareholders that your Company remains financially resilient. We have built up our balance sheet over the past few years and prudently managed our financial risks to ensure we have the capability to withstand economic pressure. And this has carried us through the past three months of operation during the various stages of quarantine throughout the country.

The Three C's of Cash generation, Cost management and Capital discipline have taken center stage in the cash conservation measures and aggressive working capital management we have instituted since the last week of March to reinforce our financial position.

From PHP0.5 billion operating expense savings announced in March, we doubled the target savings to PHP1 billion from various cash preservation initiatives. We also reduced planned capital expenditures by 25% which translates to over PHP1 billion. In line with measures taken by the Shell group, Pilipinas Shell employees will not be receiving discretionary performance-related bonuses for their 2020 performance.

Furthermore, as a result of the multiple extensions and variations of community quarantine implemented across the country that underscored the need to better assess the trajectory of overall fuels demand and the effectiveness of our recovery plans once the quarantines are lifted, your Board has deferred its decision to declare dividends to the next board meetings.

We will pull all levers to maintain financial resilience in order to protect the interest of our shareholders and secure the performance and prospects of your Company. Underpinned by our core values and strong corporate governance over the last 106 years, you can depend on your Board and Management to make those difficult decisions that secure our strategic aspiration to become a world-class investment case, and allow Pilipinas Shell to seize value opportunities as the world enters the ‘new normal’.

Thank you very much. I hand over the meeting back to you Mr. Chairman.”

The Chairman of the Board thanked Mr. Pascual.

820. **Approval of Certain Acts of the Board, Board Committees and Management**

The Chairman of the Board informed the stockholders that the next item in the agenda was the appointment of the external auditors of the Corporation. He requested the Corporate Secretary to introduce the proposal in behalf of Cesar A. Buenaventura, the Chairman of the Board Audit and Risk Oversight Committee.

The Corporate Secretary reported that the Board Audit and Risk Oversight Committee recommended to the Board of Directors the appointment of an external auditor who will examine the accounts of the Corporation for 2020. The Board of Directors, at its meeting held on 07 May 2020, approved the re-appointment of Sycip Gorres Velayo & Company as the external auditor of the Corporation for 2020.

Based on the final voting tabulation, stockholders owning 1,355,327,073 shares and representing 84.0021% of the outstanding capital stock of the Corporation, voted for the resolution:

“**RESOLVED**, that Sycip Gorres Velayo and Co., member of Ernst and Young International, be appointed as the

External Auditors of the Corporation for the calendar period ending 31 December 2020, under such terms and conditions as the Board of Directors may consider reasonable.”

No shareholder voted against while 3,100 (or 0.0002%) abstained from the decision to approval.

The Chairman of the Board declared that since the stockholders owning a majority of the total outstanding shares voted affirmatively for the appointment of SGV as external auditor, the same is approved.

821. **Election of Directors**

The Chairman of the Board informed the stockholders that the next item on the agenda was the Election of Directors. The Nomination Committee came up with the short and final list of candidates for Board Membership. The list included the nominees for independent directors.

The Chairman of the Board invited the Corporate Secretary to read the names of the candidates.

The Corporate Secretary discussed that the qualifications of the nominees as directors were included as Item 5 of the Definitive Information Statement of the Corporation, copies of which were distributed to the stockholders together with the Notices through alternative mode of distribution.

The nominees were:

<u>Directors</u>	<u>Independent Directors</u>
Rafi Haroon Basheer	Cesar A. Buenaventura
Mona Lisa B. Dela Cruz	Lydia B. Echaz
Randolph T. Del Valle	Fernando Zobel de Ayala
Luis La ‘O	
Rolando J. Paulino, Jr.	
Jose Jerome R. Pascual III	
Cesar G. Romero	
Min Yih Tan	

The Corporate Secretary certified that based on the final tabulation, the following votes were cast:

NOMINEE	YES	NO	ABSTAIN
Rafi Haroon Basheer	1,192,050,834	22,990,118	5,608,500
Mona Lisa B. Dela Cruz	1,563,443,243	22,820,018	5,616,691
Randolph T. Del Valle	1,195,759,046	19,285,008	5,605,400
Luis La ‘O	1,563,078,754	23,184,507	5,616,691
Jose Jerome R. Pascual III	1,192,728,106	22,315,948	5,605,400
Rolando J. Paulino, Jr.	1,121,952,118	93,091,934	5,605,400
Cesar G. Romero	1,215,882,955	4,766,499	-

Min Yih Tan	1,197,461,846	20,153,567	3,034,040
Fernando Zobel de Ayala (Independent Director)	1,949,362,200	10,314,169	-
Cesar A. Buenaventura (Independent Director)	1,207,903,335	7,140,719	5,605,400
Lydia B. Echauz (Independent Director)	1,217,618,514	3,030,940	-

Based on the final voting tabulation, a total of 14,617,240,951 cumulative votes were affirmatively cast in favor of the eleven (11) nominees:

“**RESOLVED**, that the eleven (11) nominees be declared as the duly elected members of the Board of Directors of the Corporation upon the adjournment of this meeting, to serve as such until their successors shall have been duly elected and qualified.”

The Chairman of the Board declared that since stockholders owning majority of the total outstanding shares voted for the election of the said nominees, they are now the duly elected as directors of the Corporation upon the adjournment of this meeting. He requested the Corporate Secretary to read out the names of the duly elected directors for the coming year.

The Secretary read the names of the newly elected directors:

1. Rafi Haroon Basheer
2. Mona Lisa B. Dela Cruz
3. Randolph T. Del Valle
4. Luis La ‘O
5. Jose Jerome R. Pascual III
6. Rolando J. Paulino, Jr.
7. Cesar G. Romero
8. Min Yih Tan
9. Fernando Zobel de Ayala (Independent Director)
10. Cesar A. Buenaventura (Independent Director)
11. Lydia B. Echauz (Independent Director)

822. **Question and Answer**

The Chairman of the Board opened the floor for questions from the stockholders. Mr. Mark Nicdao facilitated the question and answer portion based on the questions received through email.

First question: The Corporation had a very strong 2019 but a very challenging Q1, what is its outlook for 2020?

The Chairman of the Board responded as follows:

“Thanks for that question. We experienced a full month of Enhanced Community Quarantine (“ECQ”) during April for

the Luzon island and most provinces. In this full month of ECQ lockdown, we saw a 58% decline in marketing volumes vs prior year. We are counting on further pick up of demand as the country moves to General Community Quarantine starting on the 1st of this month.

While there are many unknowns, the country will still need efficient, resilient energy to help the economy rebound as we face the new normal. Our business recovery is heavily dependent on the state of the economy, the demand pick up after the shift to GCQ and most importantly, business and consumer confidence to start traveling despite the presence of the virus. The lack of a vaccine against the COVID-19 virus means economies worldwide will continue to operate in uncertainty.

It will therefore be difficult to reasonably forecast the magnitude and recovery pace across the markets that Shell operates in. The Philippines, however, continues to maintain robust macroeconomic fundamentals and attractive demographics which puts the country in a good position to survive and recover from the crisis.

Globally, crude price volatility is still observed, but is slowly improving as economies open up.

We have released a 2020 Guidance Note on our website that details leading indicators towards recovery.”

Second question: Are we expecting dividends for 2020? When will we know? If yes, any indication of the value?

Mr. Pascual responded as follows:

“Thank you very much, Mr. Chairman and thank you for that question. Our assessment of the impact of the COVID-19 pandemic, particularly the trajectory of overall fuels demand under the “new normal”, and the effectiveness of its comprehensive recovery plans, can be known post lifting of the various community quarantines in the country. This was the rationale for the original postponement of the decision to declare dividends, as resolved during the Board Meeting last 26 March 2020. However, the subsequent extensions of the ECQ: initially from April 15 to April 30 and then from April 30 to May 15, created uncertainty on the post-quarantine demand levels and have slowed down the implementation of the Corporation’s recovery strategy.

The decision to declare dividends is not influenced solely by our cash preservation direction. Another aspect to consider is

your Company's ability to generate ample cash as aggressively as we can. We have recovery plans in place to help us do this. The combination of cash preservation and generation initiatives will together bring clarity on whether to pay dividends or not.

For these reasons, the decision to declare a cash dividend has been deferred further to the next Board meeting, for the Q2 board meeting scheduled in Q3.

Thank you, Mr. Chairman.”

Third question: What has been the Corporation's response to the COVID-19 crisis?

The President and Chief Executive Officer responded as follows:

“Thank you, Mr. Chairman.

Amidst the backdrop of the market disturbances, the Corporation is focused on three things. The first one is to protect our people. The second one is to continue to serve our customers. And the third one is to survive the crisis and position us well for the recovery and beyond.

Protecting our People – the first priority your Company's looking after not only its own staff but also its own frontliners, the retailers, the holders, the mechanics and the other members of our auxiliary family, customers and the community.

Continue Serving our Customers – Being a vital product in the industry we need to ensure that our production services continue to reach our customers. This was a challenge at the beginning due to the differing implementation of the various governments, local government units.

Survive Crisis and Position us Well for the Recovery and Beyond – This includes cash preservation and cash generation measures. The first is focused on reducing costs, working capital and CAPEX. The second is for our marketing businesses to win all available opportunities.

In closing, I am proud to report that your Company continues to operate with a complement of people who remain passionate as ever to persevere and succeed thru these unprecedented times.

Thank you, Mr. Chairman.”

Fourth question: What is the reason why the Corporation opted to put our Tabangao Refinery on temporary shutdown?

The President and Chief Executive Officer responded as follows:

“Thank you, Mr. Chairman. The Refinery was put on economic shutdown as part of Shell’s cash preservation initiatives. The refining margins were negative due to the overcapacity and over production in the region. Furthermore, there was low demand for products due to the COVID-19 crisis. Against this backdrop, it did not make sense to continue running the Refinery at a loss with no demand to receive its products.

Thank you for that question.”

Fifth question: Why are the shares of stock of the Corporation continuously on a decline, going down to as low as 16.70/share at one point?

Mr. Pascual responded as follows:

“Thank you, Mr. Chairman. There are two aspects to this. If we first focus on the recent drop to approximately 16 to 17 per share, this significant decline in our stock price was triggered by the dual impact on global supply and demand by the COVID-19 pandemic and the price war between OPEC and Russia. The market responded negatively to these uncertainties that were felt across industries including ours. Despite the many unknowns the country will still need efficient, resilient energy to help the economy rebound as we face the new normal. We are a key player in an essential industry that will support the recovery of the Philippine economy. We will ensure that you, our investors, are kept informed and engaged on our strong marketing recovery plans supported by our integrated value chain which allows us to become poised to deliver growth aspirations. We will overcome this challenge the same way we surmounted the crisis and upheavals during our 106-year legacy in the Philippines.

Now, the second aspect of that on the continuous decline. There isn't a single contributor to the continuous decline rather we have three insights that might help explain this.

Firstly, our stock is thinly traded. The average volume of our shares traded in the exchange is around 500k per day which is significantly lower than the volume traded during the IPO of around 38 million shares in a single day. This trading further reduced from May to July 2017 roughly 3 million to 23 million shares traded per day. This makes our share price very susceptible to market swings.

Second, it appears that the oil industry is not completely understood yet by the investor community and that expected operational and financial performance of oil companies particularly those with refineries, like Pilipinas Shell, are primarily benchmarked against global oil price movements. Therefore, despite the feedback from several analysts and investors that our stock is still greatly undervalued it is not fully appreciated that there are other different (inaudible) applied performance such as brand preference, premium product penetration, retail site efficiency, global standards, corporate governance and so on.

Lastly, local investors seem to prefer growth and capital appreciation over yield and dividends. While we have pitched our company as a dividend play, there are elements of both growth and yield in Pilipinas Shell's aspiration to become a world-class investment case. We will grow as the Philippine economy grows and we will reward our investors accordingly.

I hope that provides sufficient explanation, Mr. Chairman.”

Sixth question: How do you protect your forecourt champions? I heard that a lot of them walk kilometers just to go to work. Are you providing them with shuttle service or accommodations? How many times a week do you allow them to work? Do you provide them free food and snacks?

The President and Chief Executive Officer responded as follows:

“Thank you, Mr. Chairman. We follow a health check protocol for all staff on site. Temperature checks are mandatory before start of shifts. Education and reminders on COVID-safety and sanitation are also discussed every shift briefing. Wearing of masks are mandatory. We ensure that there is always alcohol, soap and running water for them to use. We have also provided acrylic shields or makeshift barriers in our shops and lube bays, to minimize potential infections from customers. We also have an Emergency Response Procedure outlined in case anyone on site is found positive of the virus. We released covid19-safety protocols for them to follow on site.

During Lockdown, for those going to work without their own motorcycles, our Retailers have provided shuttles. For those on shifts when it is not safe to go home or not possible due to curfews, accommodations on site have been provided, with strict rules to observe social distancing and sanitation. While on duty, our Retailers also provide for their food. The number of times a week they are able to work depends on how many staff are willing to work in each site.

We were operating on skeletal force over the lockdown period. The Retailers had to manage the number of willing workers vs the number of skeletal workers needed and spread their opportunities to work equally over the 30 days of each month. (Manpower Rotation)

Presently, while public transport remains unavailable, our retailers continue to provide transportation support and accommodations where needed. That with full staffing now in place, provision of free food and snacks have been discontinued. Full manpower complement is being encouraged in all sites during general community quarantine. All forecourt service crews who are able and willing should now be reporting to work daily according to their post lockdown shift schedules.

Thank you, Mr. Chairman.”

Since there were no more questions, the question and answer portion was closed.

823. **Adjournment**

There being no further business to transact, the meeting was adjourned.

Prepared by:

ERWIN R. OROCIO
Corporate Secretary

Attested By:

MIN YIH TAN
Chairman of the Board