

COVER SHEET

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S.E.C. Registration Number

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C	O	R	P	O	R	A	T	I	O	N																		

(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

1	2
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Month

3	1
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Day

Fiscal Year

17 - A

FORM TYPE

0	5
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Month

1	1
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Day

2nd Tuesday of May

Annual General Meeting as
per By-Laws

CERTIFICATE OF
PERMIT TO OFFER
SECURITIES FOR
SALE DATED 14
OCTOBER 2016

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

320

Total No. of Stockholders

Total Amount of Borrowings

22,000,000,000

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

Pilipinas Shell Petroleum Corporation's ("PSPC", the "Corporation" or the "Company") presence in the Philippines began as early as 1914 when Asiatic Petroleum Co. (Philippine Islands) Ltd. opened for business in the Philippines selling motor gasoline and kerosene to the growing Philippine market at that time. In the 1940's, Asiatic Petroleum Co. (Philippine Islands) Ltd. was renamed as The Shell Company of the Philippine Islands, Inc.

In the 1950's, the National Economic Council of the Philippines required a minimum Filipino ownership of 25% in large industrial ventures. This led to the formation of the Shell Refining Company (Philippines), which was incorporated on 09 January 1959 with 25% Filipino ownership and 75% foreign ownership. In November 1970, the Shell Refining Company (Philippines) was renamed to Shell Philippines, Inc. In 1973, the Company was again renamed to Pilipinas Shell Petroleum Corporation.

In February 1987, Filipino ownership in PSPC stood at 33.33% while foreign ownership at 66.67%.

On the 18th of August 2015, PSPC received approval from the Securities and Exchange Commission ("SEC") for its application for increase in authorized capital stock from Php 1 billion divided into 1 billion shares with par value of Php 1.00 each to Php 2.5 billion divided into 2.5 billion shares with par value of Php 1.0 each. Out of the 1.5 billion increase in PSPC's authorized capital stock, a total of 0.9 billion shares were offered to existing shareholders as of 12 May 2015 at Php 20 per share. 99.41% of the said 0.9 billion shares were subscribed to and paid for by stockholders who exercised their pre-emptive rights.

The increase in percentage ownership of shares held by major shareholders post the rights issue are as follows: Shell Overseas Investments B.V. increased from 67.12% to 68.18%; Insular Life Assurance Company, Ltd. increased from 19.49% to 19.55% and Spathodea Campanulata, Inc. increased from 5.06% to 5.14%.

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, PSPC was listed in the Philippine Stock Exchange, Inc. ("PSE") on 03 November 2016 with the stock symbol "SHLPH". Initially offered at Php 67.00 per share, PSPC offered 291 million shares (Primary Offer of 27,500,000 shares and Secondary Offer of 247,500,000 Shares with an Over-allotment Option of up to 16,000,000 Common Shares) for the IPO.

The decrease in percentage ownership of shares held by major shareholders immediately post IPO are as follows: Shell Overseas Investments B.V. decreased from 68.18% to 55.21%; Insular Life Assurance Company, Ltd. decreased from 19.55% to 15.83% and Spathodea Campanulata, Inc. decreased from 5.14% to 4.16%.

PSPC celebrates its 106 years in the Philippines in 2020. Throughout history, the Company has been committed in partnering with the country in nation-building and powering progress of Filipinos.

As at 31 December 2020, PSPC 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.

PSPC Operational Highlights

2020 has been a uniquely challenging year for communities and businesses. The Philippine energy sector experienced headwinds from the collapse in global oil prices, drastic decline in demand due to the travel restrictions locally and globally brought about by the coronavirus pandemic (COVID-19), Taal volcano eruption, and strong typhoons.

Nevertheless, the Company quickly adapted to the 'new normal', as it implemented aggressive bounce back plans, and made tough yet necessary decisions to remain resilient and competitive. The company implemented various promotions and partnerships in its retail stations which remained open to serve customers nationwide throughout the year. Some examples of these were partnerships with delivery companies for Shell Select home deliveries, Shell Helix Oil Change+ (SHOC+) car sanitation services and car care home services and implementation of increased contactless payment options. The Shell GO+ app was also launched at the latter part of the year. It is the new loyalty rewards program that allows customers to earn points per purchase of both fuel and non-fuel products, track their points real-time, and redeem personalized offers and partner rewards.

PSPC's retail network remains the most efficient in the industry, with around 1,100 Shell-branded retail stations nationwide. Recognizing the evolving need of customers, PSPC continues to expand its non-fuel retailing business. Affordable food choices and other products are available in its 150 Select shops, 71 deli2go stores and quick service restaurants present in the retail sites. Other services such as oil change and car maintenance are also offered through 395 SHOC+ and Helix Service Centers (HSC).

Wholesale Commercial Fuels continued to supply quality products to resilient sectors in manufacturing, mining and power. Lubricants expanded its offerings with new benefit-led products to cater for its increasing customer base, and successfully increased its premium fuel penetration. Aviation and Specialities were the segments most largely affected by the COVID-19 pandemic. International and domestic flights were cancelled for most part of the year while most construction projects were delayed. The Aviation business was able to recover slightly as it captured demand from repatriation and cargo flights.

The Corporation made the difficult but necessary decision to cease refinery operations in Tabangao in August 2020, after an in-depth comprehensive study. The company is now taking steps to transform the facility into a world-class full import terminal. This decision will optimize its asset portfolio, and enhance its cost and supply chain competitiveness. In addition, this will strengthen the Corporation's financial resilience amidst the challenges faced by the global refining industry, and reduce the variability arising from crude inventory gains/losses.

To further enhance its supply chain, Pilipinas Shell's opened its third Medium Range (MR)-capable terminal in Subic last October 2020. This 54 million litres facility will serve the demand of Northern Luzon. The Tabangao Import Facility in Batangas will continue to serve the rest of Luzon and Northern Visayas while the Northern Mindanao Import Facility in Cagayan De Oro covers the rest of the Visayas and Mindanao. The company now has a more resilient network of three MR-capable import terminals with sufficient capacity to serve the demands of customers nationwide.

More information on 2020 financial performance of the Company and the impact of the COVID-19 pandemic to the business can be found in the Notes to Financial Statements and Management's Discussion and Analysis portion of this report.

This Annual Report is submitted together with the Company's Annual and Sustainability Report (ASR) for 2020. In its fifth ASR, the Company details its corporate social responsibility – 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 PSPC

(i) Principal products or services and their markets

PSPC solely operates under the downstream oil and gas segment. It is primarily engaged in the marketing of petroleum products, including gasoline, diesel, fuel oil, aviation fuel, marine fuel, lubricants and bitumen to its customers across the Philippines.

PSPC is one of the leading fuel retail players in the country, boasting a strong network of around 1,100 Shell-branded retail stations nationwide. Through its retail arm, the Company markets Shell V-Power Racing, Shell V-Power Gasoline, and Shell V-Power Diesel as its premium offering, and its maingrade products, FuelSave Gasoline and FuelSave Diesel. Recognizing that its customers' needs go beyond fuel, the Company has non-fuel offerings through Shell Select convenience stores and Deli2go. It also offers full vehicle servicing such as oil change and other car maintenance through SHOC+ and HSC.

PSPC's commercial product portfolio includes wholesale commercial fuels, jet fuels, lubricants and bitumen. Wholesale commercial fuel premium products include, among others, Shell FuelSave Diesel and Shell Fuel Oil Plus. The wholesale commercial fuels product portfolio includes diesel, gasoline, kerosene, fuel oil and blended fuels. PSPC 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.

Geographical segmentation does not apply to PSPC's 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>	<i>Domestic</i>	<i>Exports*</i>	<i>Total</i>
2020, in million pesos	146,209	10,743	156,952
2020, in percentage	93%	7%	100%
2019, in million pesos	209,755	8,648	218,403
2019, in percentage	96%	4%	100%
2018, in million pesos	208,427	10,442	218,869
2018, in percentage	95%	5%	100%

**Includes exports of lubricants, aviation fuels, marine fuels and lubes*

(iii) Distribution methods of the products

PSPC's integrated supply chain is composed of 24 fuel distribution terminals and supply points, 10 lubricants warehouses and three MR-capable import facilities spread throughout the Philippine archipelago. This includes the recently opened Subic import terminal last October 2020, the Tabangao Import Facility in Batangas, and the Northern Mindanao Import Facility (NMIF) in Cagayan De Oro.

Main fuel products imported through the Shell trading network are transported from the Subic and/or Tabangao import terminals through vessels/barges and lorry trucks to supply Luzon demand. Vessels/barges also transport imported products from NMIF to other parts of the country. PSPC contracts a fleet of time-chartered and guaranteed seaworthy ocean vessels and barges that meet international safety standards. Delivery trucks 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 depots in the country. Local distribution to customers is managed by third party logistics service providers

(iv) New products

Bitumen

A new product called "Quick Mix Instapave" was introduced in 2020. This product is a ready-to-use cold mix asphalt made from selected aggregates and emulsified bitumen in 20 kg. bag. This is used for road surface maintenance for pothole repair, patching and crack repair or other applications such as speed bump, rumble strip, garden, light traffic, paving in well-prepared base and on all types of pavements.

The Company also launched Shell Bitumen Freshair, the country's first sustainable bitumen product which provides 40% less emissions of chemicals and compounds upon application vs conventional bitumen.

Lubes

In 2020, new premium "Benefit/Application" products were launched to drive and capture the premium growth market in the coming years. The products are: Shell Advance Benefit Led Range, a fully synthetic motorcycle oil products with variants specific to consumer need of power, long ride or fuel save; Shell Helix Benefit Led Range, a fully synthetic passenger car motor oil products with variants specific to consumer need of power or protection; and Shell Rimula Light Duty, a semi synthetic product intended for light duty trucks which is 50% of the market.

(v) Competition

The Philippine oil industry is composed of numerous players in the retail and commercial segments. Based on the market share data available from DOE, PSPC has about 19% market share in the total demand of petroleum products in the country as of YTD Q3 2020. The two largest companies, Petron and Pilipinas Shell, hold around 43% while the balance is made up of numerous smaller players.

In the retail segment, PSPC holds around 32% of the total retail fuels market. The market share is maintained and protected through PSPC's differentiated offerings and integrated supply chain. The technological advantage of its differentiated fuels portfolio providing both economy and performance driven formulas, combined with innovative and high-quality services, assures PSPC's

momentum for growth in a competitive fuels market. On the other hand, its integrated, competitive and reliable supply chain and highly efficient retail network assures its customers with the reliability and quality of its offerings.

PSPC 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 on the Industry

The downstream oil industry is heavily impacted by market fluctuations and economic, as well as, political developments overseas. Some of these include: the economic contraction and recession experienced by other economies to some extent and foreign exchange volatilities. In 2020, Brent crude declined from ~\$67/bbl during the start of the year to a record-low of \$20/bbl last April following the breakdown of talks between OPEC and Russia. Being a crude oil importer, PSPC is exposed to volatilities in world oil prices, regional product prices and foreign exchange. In 2020, PSPC announced the cessation of refining operations which would minimize its exposure to these factors.

(vi) Sources and availability of raw materials/finished products and the names of principal suppliers

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

Bulk of PSPC's finished products requirements, are sourced from Asian countries like Singapore, China, Taiwan and Korea.

(vii) Major customers

PSPC 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 crude oil, petroleum products, materials and supplies; (b) exportation of locally refined petroleum products; (c) reimbursement of expenses; (d) entering into lease agreements; (e) placing short-term placements; and (f) 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, PSPC has established a separate Related Party Transaction (RPT) Board Committee that performs oversight functions over related party transactions of PSPC. PSPC 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 PSPC:

- i. PSPC purchases crude and other oil products from SIETCO, an entity under common shareholdings. PSPC's crude purchases are being processed through its refinery in Batangas.
- ii. 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 PSPC under certain terms and conditions.
- iii. PSPC leases from Tabangao Realty, Inc. (TRI) land for several depots and retail sites located around the country. Lease term ranges from 3 to 50 years and is renewable, thereafter.
- iv. Shell Brands International AG ("SBI"), an entity under common shareholdings, entered into Trademarks and Manifestation License Agreement with PSPC pursuant to which SBI, the licensor, grants PSPC, the licensee, a non-exclusive right to reproduce, use, apply and display the Shell Trademark and other manifestation. In consideration, PSPC shall pay a royalty fee, which shall be computed as certain percentage of business contribution of each class of business. This agreement can be terminated by either party without any penalty.
- v. PSPC 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, PSPC charges entities under common shareholdings for group-shared expenses related to personnel and other administrative costs and other services.
- vi. PSPC has long-term loan from Bank of Philippines (BPI), an entity with common director.
- vii. PSPC has six common members between its Board of Directors and Board of Trust of Pilipinas Shell Foundation Inc. PSPC has contributed towards donations and program recovery expenses.

(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 SBI. Such intellectual properties are considered as Shell Group's assets rather than the properties of individual operating companies, such as PSPC.

License Agreements

The use of trademarks and trade name by PSPC 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 PSPC 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 in 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 PSPC, 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

Government regulations require the following: Fire Safety Inspection certificates; Certificates of Conformance of facilities to national or accepted international standards on health, safety and environment; Third Party Liability Insurance and the Environmental Compliance Certificate issued by the Department of Environment and Natural Resources ("DENR") for service stations and for environmentally-critical projects. These certificates have to be submitted to the DOE for monitoring (not regulation) purposes.

DOE, through its Department Circular DC 2017-11-0011 dated 22 November 2017, otherwise known as the Retail Rules, requires all businesses retailing liquid fuels to secure a valid Certificate of Compliance (COC), which has a validity of 5 calendar years, from the Oil Industry Management Bureau (OIMB) of the DOE. The DC has outlined Categories of Retail Outlets, from Category 1 to 3, based on the number of pump islands, dispensing pumps and other facilities and services. It has also stated that retail outlets may install electric vehicle charging facilities in any of the Retail Outlet Categories, provided that safety controls are in place. The DC also included other Retail Outlets which may be exempted by the DOE from compliance with the mandatory standards and requirements stated in Section 11 of the DC – Marine Retail Outlet, Technology-Solution Retail Outlet, and Temporary Emergency Retail Outlet. In terms of discrepancy in results of testing and resolution, the DC states that Retail Outlet Officials may opt to contest the results of the DOE laboratory by subjecting its retained samples to a simultaneous testing, at its own expense, within the 3-month validity period of the retained fuel samples reckoned from the date the samples are endorsed/turned over to the DOE laboratory, and with an accredited testing laboratory acceptable to the DOE and in the industry. The results of the test and analysis, for purposes of determining compliance with the PNS shall be deemed to be conclusive. The 3rd party laboratory result will only be used for appeal purposes.

Republic Act No. 8479, otherwise known as the Downstream Oil Industry Deregulation Act of 1998 requires the registration with the DOE of any fuel additive prior to its use as an additive in a product. Product specifications have to comply with the requirements of the Department of Trade and Industry ("DTI"), through the Bureau of Product Standards. PSPC produces unleaded gasoline kerosene, jet fuel, diesel and fuel oil; all of which comply with the Philippine National Standards ("PNS"), which are aligned with existing laws, rules and regulations. PSPC renews its Certificate of Accreditation as Oil Industry Participant in the Fuel Bioethanol Program and Permit to Produce Biofuel-Blended Diesel annually.

(xi) Effect of existing or probable governmental regulations on the business

The Clean Air Act

In keeping with the worldwide trend for cleaner fuels, the Philippines has been progressively moving towards adopting more stringent fuel quality standards, largely patterned after those enforced in the EU ("Euro Standards"). In 1999, Republic Act No. 8749, otherwise known as the Philippine Clean Air Act of 1999, was signed into law, providing a legal framework by which air quality in the country could be improved via a combination of fuel specifications and motor vehicle standards. Its Implementing Rules and Regulations were finalized in 2000.

Following the implementation of the Clean Air Act, limits were imposed on Sulphur dioxide, nitrogen dioxide and particulate emissions from manufacturing facilities. Continuous emissions monitoring systems ("CEMS") were installed in Tabangao, Batangas in 2001. PSPC conducts a Relative Accuracy Test Audit (RATA) of its CEMS in compliance with its Permit to Operate conditions, which is reflected in its self-monitoring reports and submitted to the Department of Environment and Natural Resources - Environmental Management Bureau (DENR-EMB) Region 4A.

PSPC imports blending components (purchased mainly from other Shell companies in the region) in order to meet the Clean Air Act and PNS' requirements for aromatics and benzene contents in finished grade gasoline products.

On 01 January 2016, the effectivity of the new PNS for Euro IV (Philippines) gasoline and automotive diesel took place under the mandate of the Department of Energy pursuant to the Clean Air Act. In line with this, PSPC upgraded its refinery which enabled PSPC to supply Euro IV fuels in all its retail sites and depots.

Republic Act No. 8749 mandates the following fuel standards:

A.	Gasoline	
	Tetra-ethyl lead	Nil
	Aromatics, vol.% max	35
	Benzene, vol.% max	2
	Sulfur, wt.% max	0.005
B.	Auto Diesel Oil	
	Sulfur, wt.%	0.005

On May 2016, the Department of Energy has implemented an improved national standard PNS/DOE QS 002:2015 for coconut methyl ester (CME) biodiesel component to address technical concerns seen by the oil industry. The new national standard further tightened quality specifications related to sulfur and product stability. PSPC has reviewed its contracts with its CME suppliers to ensure compliance on the new standard. As will be discussed below, oil companies are required by Republic Act No. 9367, otherwise known as the Biofuels Act of 2006, to blend 2% CME into all diesel sales.

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 5 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 North Mindanao Import Facility is the first import terminal to be marked in Mindanao.

The government commenced with the random field testing and confirmatory testing on fuel to check its compliance towards the mandatory fuel marking requirement on 2020. This initiative is targeted to help curb smuggling. All of PSPC's terminals and active retail stations have been fully marked as of year-end.

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.

PSPC currently blends diesel with 2% CME and gasoline with 10% ethanol as mandated in the current PNS.

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. PSPC, as a regular permanent member of the Technical Committee on Petroleum Products and Additives (TCPPA), 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. PSPC successfully completed its refinery upgrade and is producing and supplying Euro IV-compliant fuels since 01 January 2016. All Shell terminals and retail 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.

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 tankers and barges hauling oil and/or petroleum products in Philippine waterways and coast wise shipping routes. This new fund, named the Oil Pollution Management Fund (“OPMF”), will be on top of the requirement under the 1992 CLC and 1992 Fund Conventions and will be administered by the Maritime Industry Authority (“MARINA”). Although the ten (10) centavo/liter levy on the transport of oil has been passed into law, MARINA has yet to impose this on local vessels.

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

(xii) Amount spent on research and development

Under existing agreement with SIPC an entity under common control, SIPC provides research and development services to PSPC.

R & D Costs	2020	2019	2018
Amount (in Million Php)	185.86	235.13	297.39
Revenue/Net Sales	156,952	218,403	218,869
	0.12%	0.11%	0.14%

(xiii) Costs and effects of compliance with environmental laws

Compliance with various environmental laws entails costs on the part of PSPC, resulting in higher production costs and operating expenses. In 2020, PSPC’s long term provision for environmental remediation is Php 65.3 million and the short-term provision is Php 805.9 million.

(xiv) Manpower

PSPC has a total of 606 regular employees as of 31 December 2020. This includes senior executives, junior executives, junior staff and operatives.

The junior staff and operatives belong to either of two labor organizations/unions, namely the Kapisanan Ng Mga Manggagawa sa Shell (“KMS”), whose members comprise the rank and file workers assigned to PSPC’s network of depots and installations, and the Tabangao Shell Refinery Employees Association (“TASREA”), covering rank and file workers at the Tabangao refinery. Pursuant to cessation of refinery operations in Tabangao, the Company was able to secure jobs for more than 130 impacted refinery employees within other entities in the Shell Companies in the Philippines.

The current Collective Bargaining Agreement (“CBA”) with TASREA is effective from 01 May 2019 to 30 April 2022, and 16 January 2017 to 15 January 2022 with KMS.

In addition to the statutory benefits and reference to PSPC's policies defining eligibility and implementation rules, PSPC provides 14th month pay, Club Membership Allowance, Location Allowance, Meal Allowance, Driver's Allowance, Relocation and housing allowance, transportation allowance, Maternity/Paternity Assistance, Funeral Assistance, Sick Leave encashment, Group Hospitalization and Out-patient Insurance, Emergency Loan without interest, and various performance-related incentives to employees. PSPC sponsors a Defined Benefit and Defined Contribution retirement gratuity plan (Plan) for the benefit of its regular employees.

(xv) Major risks involved/Risk management

PSPC's Risk Management Policy explicitly states that management is responsible for implementing, operating and monitoring the system of internal control, which is designed to provide reasonable but not absolute assurance of achieving business objectives. The approach to internal control includes a number of general and specific risks management processes and policies. The primary control mechanisms are self-appraisal processes in combination with strict accountability for results.

- A. Board of Directors Responsibility (via Board Audit and Risk Oversight Committee)
 - Evaluate PSPC's Management culture
 - Evaluate PSPC's risks and effectiveness of risk management processes, including the adequacy of the overall control environment, and controls in selected areas representing significant risks
 - Assess (with internal and external auditors) any fraud, illegal acts, deficiencies in internal controls or other similar issues
 - Assess and monitor Management's implementation of internal control recommendations made by internal and external auditors
- B. Executive Management
 - Establish clear objectives, identify and evaluate the significant risks to the achievement of those objectives, set boundaries for risk taking, and apply fit-for-purpose risk responses
 - Incorporate risk responses into a system of internal control which is designed to address opportunities, protect PSPC assets, facilitate effective and efficient operations, and help to ensure reliable reporting and compliance with applicable laws and regulations
 - Monitor the effectiveness of the system of risk and internal control management
 - Provide annual self-assurances regarding the extent of compliance with PSPC's and Shareholders' Control Framework
- C. Line Management
 - Design, resource, operate and monitor the system of internal control
 - Ensure that a risk-based approach to internal control is communicated to staff, embedded in business processes, and responsive to evolving risks
 - Assign accountability for managing risks within agreed boundaries
 - Report the results of balanced self-assessments regarding the effectiveness of the risk based internal control system, including identified weaknesses or incidents, to Executive Management.
- D. Independent Assurance Providers (including External Audit, Internal Audit and CAAD)
 - Undertake periodic review to assess effectiveness of the design and operation of the system of risk management and internal control or parts thereof.
 - In 2017, Corporate Assurance and Audit Department (CAAD) was established to provide an independent and objective assurance to the Management and Board Audit & Risk Oversight Committee on the design and operation of PSPC's governance, internal control and risk management processes.

Risk Response Strategies & Accountabilities

To manage risk effectively for PSPC, 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 PSPC 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 retail 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, PSPC, 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. PSPC is also providing technical input to the concerned government agencies directly, and through the Philippine Institute for Petroleum (PIP), on the fuels marking program.

2. Operational risks
Impact of unanticipated or prolonged shutdowns in key facilities such as depots and the refinery (when it was still in operation) could have a severe impact on PSPC's ability to meet customer requirements. PSPC has an asset master plan which includes preventive maintenance activities to ensure strong reliability performance.
3. Regulatory risks
Abrupt changes in laws and regulations may pose detrimental results on PSPC's 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. PSPC 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 crude oil and refined products will adversely affect the value of PSPC's assets, liabilities or expected future cash flows.

1. Foreign currency exchange risk

PSPC operates internationally and is exposed to foreign currency exchange risk arising from currency fluctuations, primarily with respect to the importations of crude and finished products denominated in US dollar. Foreign currency exchange risk may also arise from future commercial transactions and recognized assets and liabilities denominated in a currency other than PSPC's functional currency.

Foreign exchange currency risks are not hedged and PSPC does not enter into significant derivative contracts to manage foreign currency risks. Since foreign currency exposure is significantly concentrated on purchase of crude and finished products, PSPC 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.

PSPC has no significant exposure to fair value interest rate risk as PSPC has no significant interest-earning assets and interest-bearing liabilities subject to fixed interest rates.

PSPC's interest-rate risk arises from its borrowings. Borrowings obtained at variable rates expose PSPC to cash flow interest-rate risk.

At 31 December 2020 and 2019, PSPC's short-term borrowings and loans payable carry floating rates based on a certain index plus applicable premium.

PSPC 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 from a financial instrument will fluctuate because of changes in market prices. PSPC is affected by price volatility of certain commodities such as crude oil required in its operating activities. To minimize PSPC's risk of potential losses due to volatility of international crude and petroleum product prices, PSPC may implement commodity hedging for crude and petroleum products. The hedges are intended to protect crude inventories from risk of downward prices and squeezing margins. This allows stability in prices, thus offsetting the risk of volatile market fluctuations. If hedging is required, prices of commodities will be fixed at levels acceptable to PSPC, thus protecting raw material cost and preserving 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.

PSPC is not significantly exposed to price risk on equity securities and proprietary club shares as investments held by PSPC 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.

PSPC maintains cash and certain other financial instruments with various major financial institutions. To minimize this risk, PSPC 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 31 of the Audited Financial Statements.

PSPC 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 PSPC deals with a large number of homogenous trade customers. Additional information is presented in Note 4 of the accompanying Audited Financial Statements for the year 2020.

(III) Liquidity risk

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

(2) Description of Properties

PSPC operates on various leased property for its refinery, storage installations, depots and various retail service stations located throughout the Philippines.

PSPC's refinery is situated in Tabangao, Batangas City, 121 kilometers south of Manila. The refinery was built in 1962 on approximately 160 hectares of land. Consisting of 54 Product & Component tanks, 11 Crude Tanks, 5 LPG Spheres and 4 jetties, the refinery can process and refine an average of 110,000 barrels a day.

The Tabangao refinery was closed and will be transformed into a world-class import terminal beginning August 2020. As of year-end 2020, it has a finished products capacity of 263 Million Liters.

Aside from the Tabangao refinery, PSPC also has a network of installations and depots across the country. These are situated in Luzon (Tabangao, Calapan, Poro, Pasacao, Masbate and Puerto Princesa) and the Southern Islands (Mandaue, Davao, Bacolod, Iloilo, Leyte, Tagbilaran, Cabadbaran, Cagayan de Oro, Iligan, Jimenez). PSPC also sources or operates on some strategic third-party owned terminals across the country - Subic, General Santos, Bataan, Puerto Princesa, Cebu, Amlan, Culasi, Mindoro, and Zamboanga.

These installations and depots have a variety of tanks, machinery, building structures and equipment.

As of 31 December 2020, PSPC has around 1,100 retail stations broken down into around 45% company-owned and 55% dealer-owned. PSPC shares a joint storage facility in Ninoy Aquino International Airport with Petron and Chevron. PSPC also leases several parcels of land and property.

PSPC anticipates leasing additional lots from third parties for the expansion of its retail network in the coming year. PSPC also plans to spend for the regular repairs, maintenance, and replacement of its current properties and equipment.

(3) LEGAL PROCEEDINGS

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

Pilipinas Shell Petroleum 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 P7.35 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 totalling P5.72 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 P7.35 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 6 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 January 2021

Management believes that provision should not be recognized as at 31 December 2020 and 31 December 2019 since it is the Company's assessment that liability arising is not probable because the Company's 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

Pilipinas Shell Petroleum 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 P1.9 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 7 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 7, the Company has excise duties and VAT paid under protest amounting to P1.1 billion for certain Alkylate shipments.

Status:

Decision on the merits is pending with the Court of Tax Appeals (“CTA”). The parties have concluded the presentation of their witnesses. The court is expected to set a deadline for the submission of the respective memoranda of the Parties.

In the consolidated jurisdictional cases before the Supreme Court, the Office of the Solicitor General (OSG) filed a Motion to Lift TRO and for Immediate Resolution of the Consolidated Cases on 23 October 2020. PSPC filed its Comment/Opposition on 27 November 2020.

Republic of the Philippines rep. by Bureau of Customs vs. Pilipinas Shell Petroleum 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 for the payment of custom 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:

During the scheduled hearing on 19 November 2020, the Judge ruled upon defendant PSPC Formal Offer of Evidence dated 30 January 2020 and admitted in toto the evidence offered. Both parties manifested their intent to file a Memorandum. PSPC filed the Memorandum on 21 December 2020. Case is now submitted for resolution.

(c) *Excise Tax Refund Case*

There are also tax cases filed by the Company for its claims from the government amounting to P733.1 million that are pending since 30 June 2018 and 31 December 2017 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.

(d) *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 January 2021.

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

PSPC common shares were listed as "SHLPH" with the Philippine Stock Exchange on 3 November 2016.

The principal market where PSPC's common share is traded is the Philippine Stock Exchange.

The high and low sale prices for the end of 2020 are as follows:

FROM	TO	HIGH (Php)	LOW (Php)
02 January 2020	31 January 2020	34.20	29.95
03 February 2020	28 February 2020	31.00	26.05
02 March 2020	31 March 2020	26.80	17.50
01 April 2020	30 April 2020	19.36	17.92
04 May 2020	29 May 2020	18.74	16.38
01 June 2020	30 June 2020	20.65	17.60
01 July 2020	30 July 2020	19.00	17.22
03 August 2020	28 August 2020	17.70	16.78
03 September 2020	30 September 2020	17.84	16.14
01 October 2020	30 October 2020	16.92	11.10
04 November 2020	28 November 2020	19.76	16.08
01 December 2020	29 December 2020	23.00	20.25

As of 29 December 2020, the last trading day in 2020, PSPC (SHLPH) stock closed at Php 20.65.

2. **Holders** – There are three hundred and twenty (320) 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.	890,860,233	55.21%
2	The Insular Life Assurance Company, Ltd.	265,465,395	16.45%
3	PCD Nominee Corp - Filipino	193,432,406	11.99%
4	PCD Nominee Corp - Foreign	152,688,113	9.46%
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	Miguel P. De Leon	817,447	0.05%
11	Nieva Paz L. Erana	665,970	0.04%
12	Maria Lina A. De Santiago	467,541	0.03%
13	E. Zobel Inc.	329,785	0.02%
14	Homer Lee Ante or Sara Jem Maggay Ante	300,000	0.02%
15	Margarita J. Ortoll	298,500	0.02%

16	Teresa Velasquez Fernandez	294,057	0.02%
17	Leon, Miguel P. De	272,459	0.02%
18	Magdaleno B. Albarracin Jr. or Trinidad M. Albarracin	250,000	0.02%
19	Jose Araneta Albert	203,877	0.01%
20	Jordan M. Pizaras	168,881	0.01%

3. Dividends

At the regular meeting of the Board of Directors of the Corporation held on 12 August 2020, the Board, among other things, discussed and approved that no dividends would be declared in 2020. This decision to take a more prudent approach to preserve cash and consequently cancel dividends for 2020 was induced by the continuous uncertainties due to the impact of COVID-19 pandemic, including the reinstatement of Modified Enhanced Community Quarantine (MECQ) from 04 to 18 August 2020.

During its regular meeting held on 21 March 2019, the Board of Directors approved the declaration of dividend in the amount of Php3.00 per share from the unrestricted retained earnings out of PSPC's Unrestricted Retained Earnings as of 31 December 2018 to all shareholders of record as of 05 April 2019 and payable on 30 April 2019. The dividends declared and paid out in 2019 was Php4.8 billion out of PSPC's Unrestricted Retained Earnings as of 31 December 2018.

At the special meeting of the Board held on 14 March 2018, the Board of Directors approved the declaration of cash dividend to stockholders on record as of 28 March 2018 an amount of Php5.14 per share from the unrestricted retained earnings of PSPC to all shareholders. The dividends declared and paid out in 2018 was to P8.3 billion out of the unrestricted Retained Earnings available for cash dividends as of 31 December 2017.

Thus, the dividends paid out in 2019 from the 2018 Unrestricted Retained Earnings represent a payout of 95%.

The payment of dividends in the future will depend on PSPC's earnings, cash flow, investment program and other factors. Dividends payable to foreign shareholders may not be remitted using foreign exchange sourced from the Philippine banking system unless their investment was first registered with the Bangko Sentral ng Pilipinas and thus, covered by the required Bangko Sentral registration Document (BSRD).

As at 31 December 2020, cost of treasury shares, accumulated earnings of its associates, unrealized mark to market gains and fair value gain on retirement assets are not considered for dividend declaration as per SEC Rule 68, as amended and SEC Memorandum Circular No. 11.

B. Description of PSPC's Shares

1. Capital stock and treasury shares as at 31 December 2018 to 2020 consist of:

	2020		2019		2018	
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount
Authorized capital stock, common shares at P1.0 par value per share	2.5 billion	2,500,000	2.5 billion	2,500,000	2.5 billion	2,500,000
Issued shares	1,681,058,291	1,681,058	1,681,058,291	1,681,058	1,681,058,291	1,681,058
Treasury shares	(67,614,089)	(507,106)	(67,614,089)	(507,106)	(67,614,089)	(507,106)
Issued and outstanding shares	1,613,444,202	1,173,952	1,613,444,202	1,173,952	1,613,444,202	1,173,952

As at 31 December 2020, PSPC has 320 shareholders excluding treasury shares (31 December 2019 - 320), 283 of whom hold at least 100 shares of PSPC's common shares (31 December 2019 - 283).

Each common share is entitled to one vote.

2. Debt Securities

PSPC does not have any outstanding debt securities.

3. Stock Ownership Plan

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

Part III. Financial Information

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

Impact of COVID-19 pandemic to business operations

The COVID-19 pandemic has disrupted the business operations and affected people's way of life. In the Philippines, the first case was confirmed by the Department of Health on January 30, 2020. The government has taken action to control the spread of the virus by convening an Inter-Agency Task Force (IATF) for the Management of Emerging Infectious Diseases, responsible for implementing measures against the pandemic.

During March 2020, the government declared enhanced community quarantine across (ECQ) Metro Manila, the whole Luzon island and other key cities and provinces. Under ECQ, malls and public establishments were closed, mass public transport facilities were suspended, and mass gatherings prohibited. People were only allowed to leave their homes to access basic necessities (food, healthcare, utilities, and critical services, etc.). Further, only establishments and workers who provide these essential services are exempted from the ECQ.

The Oil & Energy sector was classified as an essential service during the ECQ. Hence, Pilipinas Shell was able to continue its business operations nationwide, ensuring the stable supply of fuel in the country. Starting June 1, 2020, the government downgraded the restrictions in Metro Manila and other areas in Luzon to general community quarantine (GCQ). Under GCQ, most sectors were allowed to operate and restrictions on public and private vehicles were loosened.

During the pandemic, Pilipinas Shell's priorities are care, continuity and cash. These reflect the urgency needed to respond to the new reality. By focusing on them, the Company aims to do its part in limiting the spread and impact of COVID-19 inside of Shell, to continue providing essential products and services to our customers, and to accelerate its cost savings initiatives and recovery plans. Pilipinas Shell, along with Shell companies of the Philippines and the Pilipinas Shell Foundation, Inc. implemented Project Shelter which aims to ensure safety in business operations and extend aid to the communities where the companies operate. For more information on these initiatives, readers can visit <https://www.shell.com.ph/media.html>.

Despite lower demand due to mobility restrictions owing to the pandemic, Pilipinas Shell continued to serve its customers and front liners through its retail stations and the unhampered delivery of products to its commercial customers. All sites follow and implement strict safety and health protocols. Partnership with delivery companies were established to help deliver non-fuels retail products to selected parts of the country. The Company leverages on its integrated supply chain and the support from the Shell Group to respond to the drastic changes in demand brought about by the pandemic.

As crude prices reached record-lows due to the breakdown of production cut discussions between OPEC and Russia and product prices in the global and regional market decline, pre-tax inventory holding losses for the Company, reach P6,803.4 million as of Q4 2020. Global crude prices showed a steep decline from \$67/bbl as of the end of December 2019 to ~\$20/bbl in April, contributing bulk of the inventory holding loss booked for the period. The prices have stabilized and recovered since May with an average price of ~\$41/barrel reported for the month of June 2020 and September 2020, and ~\$50/barrel for the month of December 2020.

Pilipinas Shell's profitability has been affected by the pandemic. The Company's marketing volumes posted 6% growth prior to the announcement of the ECQ. After the announcement of the ECQ, total marketing volumes decreased by 34% in the second half of March. Despite this, total volumes in Q1 2020 were higher by 3% versus same period last year. During the full month of ECQ implementation in April across Metro Manila and key cities and provinces, the marketing volumes further plunged by 58% vs April 2019 levels. With the implementation of GCQ effective from June 1, 2020 the market conditions improved due to the relaxation of restrictions on mobility, leading to an 80% increase in marketing volumes in the month of June 2020 versus April 2020. The government's attempts to reopen the economy led to increased mobility in the country and consequently resulted in a 30% increase in marketing volumes in Q4 2020 versus Q2 2020. Pilipinas Shell ended 2020 with total volume of 5.1 billion liters, 13% below last year's pre-pandemic level.

To further build financial resiliency during the pandemic, Pilipinas Shell implemented a cash governance framework and cash preservation initiatives that include the planned delivery of a Php1 billion reduction in operating expenses and another Php1 billion in capital expenditures. Including the cost savings from the transformation of the refinery, the company's capital expenditures have decreased by ~Php2.2 billion and operating expenses (excluding depreciation and amortisations) by ~Php1.7 billion versus the same period last year.

Although the refinery recorded high reliability in Q2 2020, its earnings were hampered by the further deterioration of regional refining margins. The refinery was put under an economic shut down during the last week of May 2020 to reduce the impact of losses arising from the further deterioration of the refining margins and drop in demand brought by the pandemic.

On 13th August 2020, Pilipinas Shell announced its decision to convert its oil refinery into a world-class import terminal to optimize its asset portfolio and enhance its cost and supply chain competitiveness. This move will further strengthen the Company's financial resilience amidst the significant changes and challenges in the global refining industry. PSPC remains committed to the Philippines and will pursue opportunities that enables the corporation to leverage its global expertise in line with its growth strategy.

PSPC reported a net loss after tax for the year amounting to Php16.2 billion, of which Php11.8 billion are one-off charges related to the cessation and transformation of its refinery in Tabangao into a world-class import facility, while Php4.8 billion is due to the drastic decline in crude prices. Excluding one-off items and the inventory holding loss, the Company's core earnings for the year is at Php0.4 billion.

PSPC's net earnings from its principal business activities improved in the last quarter due to strong premium fuel penetration and volume recoveries, coupled with the Company's cash preservation initiatives. This resulted in improved core earnings in Q4 2020 to be ~150% than that of Q2 2020.

Pilipinas Shell continues to monitor the situation and is prepared to seize opportunities as the world enters the "new normal".

The Statements of Financial Position and Statements of Income for the years ended 2020, 2019 and 2018 are shown in Million Philippine Pesos.

Financial condition as of the year ended 31 December 2020 compared to the year ended 31 December 2019

The following is a discussion of PSPC's current and non-current assets and liabilities as of the year ended 31 December 2020 compared to the year ended 31 December 2019.

Current assets

PSPC's current assets decreased from Php47,469.4 million as of 31 December 2019 to Php29,902.6 million as of 31 December 2020 primarily due to the following:

Cash increased by Php1,511.6 million, or 31.6% from Php4,778.9 million as of 31 December 2019 to Php6,290.5 million as of 31 December 2020 driven by strong cash flow from operations in the latter part of the year as a result of strong performance from marketing business and various cash conservation strategies.

Trade and other receivables decreased by Php4,035.0 million, or 25.6% from Php15,767.6 million as of 31 December 2019 to Php11,732.6 million as of 31 December 2020 primarily driven by general decrease in global oil prices for petroleum products and decline in volumes due to the pandemic.

Inventories decreased by Php15,406.3 million, or 60.6% from Php25,422.7 million as of 31 December 2019 to Php10,016.4 million as of 31 December 2020 primarily driven by the Company's decision to sell all the pumpable crude oil stock in 2020, as a result of cessation of refining operations in Tabangao. The Company does not hold any remaining marketable crude oil stock as at 31 December 2020.

Prepayments and other current assets increased by Php362.9 million, or 24.2% from Php1,500.2 million as of 31 December 2019 to Php1,863.1 million as of 31 December 2020 mainly driven by increase in prepaid corporate taxes arising from unutilized credits, which is partially offset by decrease in prepaid excise taxes as a result of cessation of refining operations.

Non-Current Assets

PSPC's non-current assets increased from Php55,450.1 million as of 31 December 2019 to Php56,647.5 million as of 31 December 2020 primarily due to the following:

Long-term Receivables, rentals and investments, net increased by Php982.4 million, or 21.3% from Php4,622.8 million as of 31 December 2019 to P5,605.2 million as of 31 December 2020 mainly due to increase in excise duty claims.

Right to use assets, increased by Php1,858.4 million, or 14.7% from Php12,649.1 million as of 31 December 2019 to Php14,507.5 million as of 31 December 2020 owing to additions and renewal of lease contracts.

Property, plant and equipment decreased by Php7,790.8 million, or 25.2% from Php30,925.8 million as of 31 December 2019 to Php23,135.0 million as of 31 December 2020 due to impairment of refinery assets as a result of cessation of refining operations in Tabangao.

Other assets increased by Php44.8 million, or 0.6% from Php7,252.3 million as of 31 December 2019 to Php7,297.1 million as of 31 December 2020 mainly driven by increase in fair value of pension assets, which is partially offset by decrease in value of intangible assets as a result of impairment of refinery assets.

Current Liabilities

PSPC's current liabilities decreased from Php39,453.2 million as of 31 December 2019 to Php33,394.3 million as of 31 December 2020 primarily due to the following:

Trade and other payables decreased by Php9,307.0 million, or 31.4% from Php29,684.2 million as of 31 December 2019 to Php20,377.2 million as of 31 December 2020 primarily driven by the decline in demand owing to the pandemic, decrease in general crude oil prices and increase in provision for decommissioning and restoration owing to the cessation of the refining operations.

Short-term loans increased by Php3,248.0 million, or 33.3% from Php9,752.0 million as of 31 December 2019 to Php13,000.0 million as of 31 December 2020 primarily due to higher short-term bridge financing requirements.

Non-Current Liabilities

PSPC's non-current liabilities increased from Php23,637.9 million as of 31 December 2019 to Php29,524.0 million as of 31 December 2020 primarily due to the following:

Lease liabilities, increased by Php2,541.3 million, or 24.3% from Php10,477.4 million as of 31 December 2019 to Php13,018.7 million as of 31 December 2020 primarily driven by additions and renewals of lease contracts.

Deferred Tax moved from a net liability position of Php1,000.1 million as of 31 December 2019 to a net asset position of Php6,102.8 million as of 31 December 2020.

Provision and other liabilities increased by Php4,344.8 million, or 137.5% from Php3,160.4 million as of 31 December 2019 to Php7,505.2 million as of 31 December 2020 primarily due to increase in asset retirement obligations and provisions for onerous contracts due to cessation of refining operations.

Equity

PSPC's total equity decreased from Php39,828.3 million as of 31 December 2019 to Php23,631.9 million as of 31 December 2020 primarily due to the following:

Retained earnings decreased by Php16,242.1 million from Php11,938.0 million as of 31 December 2019 to Php4,304.1 million deficit as of 31 December 2020. The reduction in retained earnings is primarily attributable to the net loss realized in the current year amounting to P16,182.7 million owing to the pandemic impact on decline in demand, decrease in crude oil prices and one-off charges related to the impairment and its associated costs due to the cessation of refining operations.

Other reserves increased by Php45.6 million, or 8.2% from Php554.6 million as of 31 December 2019 to Php600.2 million as of 31 December 2020 due to increase in fair value of equity instruments.

Financial condition as of the year ended 31 December 2019 compared to the year ended 31 December 2018

The following is a discussion of PSPC's current and non-current assets and liabilities as of the year ended 31 December 2019 compared to the year ended 31 December 2018.

Current assets

PSPC's current assets increased from Php40,778.6 million as of 31 December 2018 to Php47,469.4 million as of 31 December 2019 primarily due to the following:

Cash increased by Php323.8 million, or 7.3% from Php4,455.1 million as of 31 December 2018 to Php4,778.9 million as of 31 December 2019 as a result of stronger net income and decrease in cash used from financing. This was partially offset by working capital movements

Trade and other receivables increased by Php2,774.8 million, or 21.4% from Php12,992.8 million as of 31 December 2018 to Php15,767.6 million as of 31 December 2019 primarily driven by higher sales volumes and imposition of higher excise tax on petroleum products.

Inventories increased by Php5,779.9 million, or 29.4% from Php19,642.8 million as of 31 December 2018 to Php25,422.7 million as of 31 December 2019 primarily driven by general increase in crude oil prices.

Prepayments and other current assets decreased by Php2,187.6 million, or 59.3% from Php3,687.8 million as of 31 December 2018 to Php1,500.2 million as of 31 December 2019 mainly driven by utilization of input VAT and decrease in rental prepayments and recognition of right to use assets as a result PFRS 16 implementation.

Non-Current Assets

PSPC's non-current assets increased from Php39,387.8 million as of 31 December 2018 to Php55,450.1 million as of 31 December 2019 primarily due to the following:

Right to use assets, of Php 12,649.1 as of 31 December 2019 is due to the implementation of PFRS 16 starting January 1, 2019. This was previously under prepayments and long-term receivables as per PAS 17 and asset retirement obligations under PAS 16.

Property, plant and equipment increased by Php2,797.1 million, or 9.9% from Php28,128.7 million as of 31 December 2018 to Php30,925.8 million as of 31 December 2019 primarily due to additional retail stations built during the year, implementation of growth projects in the refinery, and enhancement of the supply chain network.

Other assets increased by Php652.2 million, or 9.9% from Php6,600.1 million as of 31 December 2018 to Php7,252.3 million as of 31 December 2019 mainly driven by increase in fair value of pension assets and equity instruments during the year.

Current Liabilities

PSPC's current liabilities increased from Php28,456.8 million as of 31 December 2018 to Php39,453.2 million as of 31 December 2019 primarily due to the following:

Trade and other payables increased by Php4,504.0 million, or 17.9% from Php25,180.1 million as of 31 December 2018 to Php29,684.2 million as of 31 December 2019 primarily due to general increase in crude oil prices and lease liabilities due to PFRS 16 implementation.

Dividends payable increased by Php1.5 million, or 9.6% from Php15.6 million as of 31 December 2018 to Php17.1 million as of 31 December 2019 primarily due to cash dividend declared during the year which remain uncollected at 31 December 2019.

Short-term loans increased by Php6,491.0 million, or 199.0% from Php3,261.0 million as of 31 December 2018 to Php9,752.0 million as of 31 December 2019 primarily due to higher short-term borrowings for working capital requirements.

Non-Current Liabilities

PSPC's non-current liabilities increased from Php12,737.8 million as of 31 December 2018 to Php23,637.9 million as of 31 December 2019 primarily due to the following:

Lease liabilities, of Php10,477.4 as of 31 December 2019 is due to implementation of PFRS 16.

Deferred income tax liabilities, net increased by Php306.5 million, or 44.2% from Php693.6 million as of 31 December 2018 to Php1,000.1 million as of 31 December 2019 primarily due to government claims and retirement benefits. This is partially offset by deferred tax asset arising from implementation of PFRS 16.

Provision and other liabilities increased by Php116.2 million, or 3.8% from Php3,044.2 million as of 31 December 2018 to Php3,160.4 million as of 31 December 2019 primarily due to increase in asset retirement obligations.

Equity

PSPC's total equity increased from Php38,971.8 million as of 31 December 2018 to Php39,828.3 million as of 31 December 2019 primarily due to the following:

Retained earnings increased by Php863.1 million from Php11,074.9 million as of 31 December 2018 to Php11,938.0 million as of 31 December 2019 primarily driven by increase in profits during the year.

Other reserves decreased by Php6.6 million, or 1.2% from Php561.2 million as of 31 December 2018 to Php554.6 million as of 31 December 2019 due to decrease in fair value of equity instruments.

Results of operations for the year ended 31 December 2020 compared to the year ended 31 December 2019

Net sales decreased by Php61,451.1 million, or 28.1%, from Php218,403.0 million for the year ended 31 December 2019 to Php156,951.8 million for the year ended 31 December 2020 mainly driven by decline in global oil prices and lower marketing volumes due to lockdowns implemented by the government as a measure to prevent the spread of the pandemic. Starting August, the Government relaxed the imposition of community lockdowns to improve the economic activity in the country.

Cost of sales decreased by Php41,661.4 million, or 21.4% from Php194,952.6 million for the year ended 31 December 2019 to Php153,291.2 million for the year ended 31 December 2020 due to lower purchase prices on account of decline in global crude prices and lower volumes as a result of COVID-19 pandemic.

Gross profit decreased by Php19,789.7 million, or 84.4% from Php23,450.3 million for the year ended 31 December 2019 to Php3,660.6 million for the year ended 31 December 2020 primarily as result of decline in sales volumes due to mobility restrictions imposed to prevent the spread of the pandemic and one off charges associated to the cessation of refining operations.

Selling, General and Administrative expenses decreased by Php725.8 million, or 5.0% from Php14,448.6 million for the year ended 31 December 2019 to Php13,722.8 million for the year ended 31 December 2020 primarily as a result of reduced spending on repairs and maintenance, logistics and transshipment, advertising expenses and travel expenses in line with the various cash preservation initiatives and strategies implemented.

Other operating income decreased by Php210.6 million, or 54.2%, from Php388.4 million for the year ended 31 December 2019 to Php177.8 million for the year ended 31 December 2020 primarily due to decrease in non-fuel retail income as a result of mobility restrictions and higher notional net mark to market loss in 2020 as compared 2019, primarily driven by decline in market prices. When there is a downward trend for market prices, commodity hedging may result in mark-to-market losses, which is offset by the lower cost of materials.

Impairment losses amounting to Php11,124.5 represents the losses on impairment of refinery assets and decommissioning and demolition expenses due to cessation of refining operations.

Finance income decreased by Php231.6 million, or 45.3%, from Php511.7 million for the year ended 31 December 2019 to Php280.1 million for the year ended 31 December 2020, mainly due to decrease in foreign currency exposure during the year as a result of weakening of Peso against other foreign currencies.

Finance expense increased by Php418.8 million, or 22.3%, from Php1,880.6 million for the year ended 31 December 2019 to Php2,299.4 million for the year ended 31 December 2020, mainly driven by increase in interest on lease liabilities as a result of additions and renewals of lease contracts.

Net Income After Tax for the period reduced by Php21,803.8 million or 387.9% from a profit of Php5,621.2 million for the year ended 31 December 2019 to a loss of Php16,182.7 million for the year ended 31 December 2020. The loss reported during the period consists of 73% or Php12 billion of one-off charges related to the cessation and transformation of the refinery into a World-Class import facility, while Php4.8 billion is due to the drastic decline in crude prices.

EBITDA Adjusted for COSA decreased by Php22,009.4 million, or 178.8% from profit of Php12,311.3 for the year ended 31 December 2019 to loss of Php9,698.1 million for the year ended 31 December 2020 primarily driven by the lower demand on oil products arising from the COVID-19 pandemic. The Company's core earnings have shown a strong rebound by end of 2020 by Php1.1 billion or 157.1% from a loss of Php0.7 billion as of Q3 to a profit of Php0.4 billion as of Q4 due to the improved market conditions.

EBITDA decreased significantly by Php30,753.8 million, or 215.8% from a profit of Php14,252.3 million for the year ended 31 December 2019 to loss of Php16,501.5 million for 31 December 2020 mainly due to impact of increase in pre-tax inventory holding gains from Php1,941.0 million inventory holding gain in 2019 vs inventory holding loss of Php6,803.4 million in 2020.

Results of operations for the year ended 31 December 2019 compared to the year ended 31 December 2018

Net sales marginally decreased by Php465.7 million, or 0.2%, from Php218,868.7 million for the year ended 31 December 2018 to Php218,403.0 million for the year ended 31 December 2019 despite a 3% increase in sales volume primarily due to the lower average pump prices as influenced by the marginal decrease in global oil prices.

Gross profit increased by Php1,155.5 million, or 5.2% from Php22,294.8 million for the year ended 31 December 2018 to Php23,450.3 million for the year ended 31 December 2019 primarily as result of strong marketing delivery and increased premium fuel penetration. This is supported by marginal decrease in average oil prices and lower logistics costs.

Selling, General and Administrative expenses increased by Php62 million, or 0.4% from Php14,386.6 million for the year ended 31 December 2018 to Php14,448.6 million for the year ended 31 December 2019 primarily driven by PFRS 16 implementation partially offset by the reduction in logistics costs.

Other operating income decreased by Php195.5 million, or 33.5%, from Php583.9 million for the year ended 31 December 2018 to Php388.4 million for the year ended 31 December 2019 primarily due to disposal of property, plant and equipment coupled with remediation activities. This is partially offset by growth in non-fuel retail business.

Finance income increased by Php466.6 million, or 1,034.6%, from Php45.1 million for the year ended 31 December 2018 to Php511.7 million for the year ended 31 December 2019, mainly due to improved foreign currency exposure during the year as a result of strengthening of Peso against other foreign currencies.

Finance expense increased by Php635.6 million, or 51.1%, from Php1,245.0 million for the year ended 31 December 2018 to Php1,880.6 million for the year ended 31 December 2019, mainly driven by increase in interest and finance charges due to implementation of PFRS 16, offset by net foreign exchange gain in 2019 vs net foreign exchange loss realized in 2018.

Net Income After Tax for the period improved by Php544.6 million or 10.7% from Php5,076.3 million for the year ended 31 December 2018 to Php5,621.2 million for the year ended 31 December 2019. This is primarily driven by stronger marketing performance supported by volume growth and higher premium fuel penetration, refinery cost savings, and inventory holding gains. This is against the backdrop of lower refinery margins. Inventory gain contributed Php1,364.3 million to 2019 net income vs post-tax inventory holding loss of Php39.8 million in 2018.

EBITDA Adjusted for COSA increased by Php2,265.8 million, or 22.6% from Php10,045.6 for the year ended 31 December 2018 to Php12,331.3 million for the year ended 31 December 2019. This is primarily driven by robust delivery from the marketing businesses and implementation of PFRS 16.

This was partially offset by lower refinery margins and the impact of planned maintenance of Tabango refinery. EBITDA adjusted for COSA or the period ended 31 December 2019 under PAS 17 would have resulted to Php 8,556.9 million.

EBITDA increased significantly by Php4,263.7 million, or 42.7% from Php9,988.6 million for the year ended 31 December 2018 to Php14,252.3 million for 31 December 2019 mainly due to impact of increase in pre-tax inventory holding gains from Php56.9 inventory holding loss in 2018 vs inventory holding gain of Php1,941.0 million in 2019 and strong marketing delivery.

SUMMARY FINANCIAL AND OPERATING INFORMATION

PSPC's selected financial data as of and for the years ended 31 December 2018, 2019 and 2020 were derived in each case from the audited financial statements of PSPC.

KEY FINANCIAL RATIOS AND OPERATING DATA

Key financial ratios

	As of/for the year ended 31 December		
	2018	2019	2020
Current ratio ¹	1.4	1.2	0.9
Acid test ratio ²	1.3	1.2	0.8
Solvency ratio ³	23.2%	21.2%	2.5%
Debt to equity ratio ⁴	0.2	0.4	0.7
Debt ratio ⁵	9.7%	13.6%	18.2%
Return on assets ⁶	6.3%	5.5%	(18.7)%
Return on equity ⁷	13.2%	14.3%	(70.3)%
Return on average capital employed ⁸	14.8%	16.3%	(39.8)%
Return on core average capital employed ⁹	14.9%	14.5%	5.6%

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 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		
	2018	2019	2020
Nameplate capacity (thousand barrels per day (kbpd)) ¹ ...	110	110	110
Refinery utilization rate (%) ²	69.6%	63.5%	56.3%
Retail volumes sold (million litres) ³ ...	3,136	3,175	2,312
Commercial volumes sold (million litres) ⁴	1,917	2,084	1,748
Others (million litres) ⁵	598	570	1,022

Note:

¹ 110,000 bpd is nameplate capacity on a calendar basis.

² Refinery utilization rate is calculated as the ratio of total product output to the calendar day nameplate capacity. PSPC's refinery has not been operational since mid May 2020.

³ Retail volumes sold indicates the total volume of fuels and lubricants sold through the retail business for the period.

⁴ Commercial volumes sold indicates the total volume of wholesale commercial fuel, jet fuel, lubricants and specialties sold for the period.

⁵ Others volume sold indicates the total volume of manufacturing and supply for the period. The increase in current year volumes is attributable to the one-off crude exports due to cessation of refining operations.

OTHER FINANCIAL DATA

4Q 2020	4Q 2019		Financial year 2020	Financial year 2019
49,059,560	56,105,169	Net sales	156,951,843	218,402,954
(47,625,087)	(50,509,288)	Cost of sales	(153,291,201)	(194,952,649)
(1,434,473)	5,595,881	Gross profit	3,660,642	23,450,305
(3,674,877)	(3,508,032)	Selling, general and administrative expenses	(13,722,778)	(14,448,623)
381,010	(50,265)	Other operating income, net	177,773	388,440
(740,486)	-	Impairment losses	(11,124,473)	-
(2,599,880)	2,037,584	Income from operations	(21,008,836)	9,390,122
(635,384)	(133,707)	Finance expense, net	(2,019,366)	(1,368,925)
(3,235,264)	1,903,877	Income before income tax	(23,028,202)	8,021,197
922,429	(657,622)	Provision for income tax	6,845,529	(2,400,042)
(2,312,835)	1,246,255	Net income	(16,182,673)	5,621,155
(1.43)	0.77	Earnings per share - Basic and Diluted	(10.03)	3.48

**Cost of sales for financial year 2020 includes one-off charges incurred on account of cessation of refining operations amounting to Php5.7 billion (pre-tax).*

Reconciliation from statutory profit for the year to EBIT and EBITDA

	For the year ended 31 December		
	2018	2019	2020
Profit (Loss) for the year/period	5,076.3	5,621.2	(16,182.7)
Add:			
(Benefit from) Provision for income tax	2,215.8	2,400.0	(6,845.5)
Finance expense ⁵	744.5	1,870.9	2,291.2
Depreciation and amortization	1,957.6	4,361.8	4,241.2
Less:			
Finance income	5.6	1.6	5.7
EBITDA¹	9,988.6	14,252.3	(16,501.5)
Depreciation and amortization	1,957.6	4,361.8	4,241.2
EBIT¹	8,031.0	9,890.5	(20,742.7)

EBITDA	9,988.6	14,252.3	(16,501.5)
Less:			
Cost of Sales Adjustment (COSA) ²	(56.9)	1,941.0	(6,803.4)
EBITDA (adjusted for COSA) ³	10,045.6	12,311.3	(9,698.1)
Less:			
Depreciation and amortization	1,957.6	4,361.8	4,241.2
EBIT (adjusted for COSA) ³ ..	8,088.0	7,949.5	(13,939.3)
Add:			
Impairment and other one-off charges ⁴	-	-	16,835.4
Depreciation and amortization	1,957.6	4,361.8	4,241.2
EBITDA (adjusted for COSA, impairment and other one-off charges)	10,045.6	12,311.3	7,137.3

1 EBIT indicates profit for the period excluding interest income, interest and finance charges (and accretion) expense and benefit from (provision for) income tax. EBITDA indicates profit for the period excluding interest income, interest and finance charges (and accretion) expense, benefit from (provision for) income tax and depreciation and amortization. EBIT and EBITDA are not measurements of financial performance under PFRS and investors should not consider them in isolation or as an alternative to profit or loss for the period, income or loss from operations, an indicator of PSPC's operating performance, cash flow from operating, investing and financing activities, or as a measure of liquidity or any other measures of performance under PFRS. Because there are various EBIT and EBITDA calculation methods, PSPC's presentation of this measure may not be comparable to similarly titled measures used by other companies. EBIT and EBITDA above are both unaudited figures.

2 The COSA provides an approximate measure of PSPC's performance on a current cost of supplies basis, and is a financial measure used by PSPC in managing its day-to-day operations such as (but not limited to) allocating resources and assessing performance. The COSA is an adjustment that reflects PSPC's cost of sales using the current cost of supplies sold, rather than FIFO inventory accounting which is the actual standard applied by PSPC in preparing its PFRS financial statements. As such, the COSA excludes the accounting effect of changes in the oil price on inventory carrying amounts. The COSA as applied to EBIT and EBITDA is applied on a pre-tax basis to arrive at adjusted EBIT and adjusted EBITDA. Prospective investors are cautioned that COSA, EBITDA, and EBIT (and any adjustments thereto) are in all cases not measurements of financial performance under PFRS and investors should not consider them in isolation or as an alternative to profit or loss for the year, income or loss from operations, or as an indicator of PSPC's operating performance, cash flow from operating, investing and financing activities, or as a measure of liquidity or any other measures of performance under PFRS. Although other oil refiners use similar measures, prospective investors are cautioned that there are various calculation methods, and PSPC's presentation of COSA may not be comparable to similarly titled measures used by other companies.

3 These figures have been adjusted to remove the effects of changes in oil prices on inventory carrying amounts, which adjustment is referred to herein as the cost of sales adjustment.

4 These figures have been adjusted to remove the effects of impairment and other one-off charges incurred on account of cessation of refining operations in Tabangao.

5 2019 figures have been adjusted for interest on lease liabilities.

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

Commodity price risk

PSPC is exposed to price volatility of certain commodities such as crude oil. To minimize PSPC's risk of potential losses due to volatility of international crude and product prices, PSPC may implement commodity hedging for crude and petroleum products.

Liquidity risk

PSPC is exposed to the possibility that adverse changes in the business environment or its operations could result in substantially higher working capital requirements and consequently, suitable sources of funding for PSPC's activities may be difficult to obtain or unavailable. PSPC manages its liquidity risk by monitoring rolling forecasts of PSPC's liquidity reserve on the basis of expected cash flow. Additionally, the Treasury group centrally monitors bank borrowings, foreign exchange requirements and cash flow position. PSPC has access to sufficient external debt funding sources to meet currently foreseeable borrowing requirements. Furthermore, surplus cash is invested into a range of short-dated money market instruments, time deposits and other assets, which seek to ensure the security and liquidity of investments while optimizing yield.

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

There are no material or significant events during the reporting period that will trigger direct or contingent financial obligation that is material to the PSPC except for the cases enumerated under the section 'Legal Proceedings'.

As of 31 December 2020, PSPC's contingent liabilities for which provisions have been made primarily related to certain pending legal proceedings including tax matters, asset retirement obligations and potential remediation and demolition costs. Other than these, there are no material or significant events that will trigger direct or contingent financial obligation that is material to PSPC except for the cases discussed under "Legal Proceedings".

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

PSPC does not have any material off-balance sheet arrangements with unconsolidated entities

Capital Expenditures

PSPC plans to spend approximately ~Php3-4 billion for capital investments which will be mainly funded by cash provided by operating activities. The Company will continue to focus on building new retail service stations, invest on the conversion of the refinery to a world-class terminal and improve existing supply and distribution sites.

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 PSPC'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.

B. 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 principal accountant and external auditor of PSPC for the year ended 31 December 2016 following the appointment of Ernst & Young as Group Auditor for Royal Dutch Shell on 12 May 2016 and continued as the principal accountant and external auditor for 31 December 2020.

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 2020:

Fernando Zobel de Ayala is currently an Independent Director of the Corporation. He is 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. He is Board Chairman of Ayala Land, Inc. and Manila Water Company and sits on the board of various companies in the Ayala group, including the Bank of the Philippine Islands, Globe Telecom, and the Ayala Foundation. Mr. Zobel de Ayala is a member of the INSEAD East Asia Council and the World Presidents' Organization and Chief Executives Organization. He is a Board member of Habitat for Humanity International and chairs the steering committee of its Asia Pacific Capital Campaign. He also serves on the Board of the Asia Society and is a member of the Asia Philanthropy Circle, The TATE Museum Asia Pacific Acquisitions Committee and The Metropolitan Museum International Council. In the Philippines, he is a Board member of the Philippine National Museum, Caritas Manila, and Pilipinas Shell Foundation, Inc. Mr. Zobel de Ayala holds a Liberal Arts degree from Harvard College and a CIM from INSEAD, France. From 2015 to 2020, he attended seminars on corporate governance.

Rafi Haroon Basheer was appointed Director of the Corporation since 01 January 2020. He is currently 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. He has held the following positions in the Shell Group: Global GM Finance – Specialities (August 2013– September 2015); Chief Financial Officer & Country Controller - Shell Companies in Pakistan (October 2009 – July 2013); Regional Finance Manager Asia Pacific - Shell Singapore (March 2007 – September 2009); Global Governance and Assurance Manager (January 2005 – February 2007); M&A Finance Advisor Asia Pacific – Shell Singapore (January 2003 – February 2004); and Retail Business Finance Manager – Shell Pakistan Limited (January 2000 – December 2002). He is member of the Institute of Chartered Accountants in England and Wales. He earned his diploma in Accountancy with distinction at the London Metropolitan University. In 2020, he attended a seminar on corporate governance.

Cesar A. Buenaventura 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 and I People Inc. He is Founding Chairman of the Pilipinas Shell 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 2020, he attended seminars on corporate governance.

Cesar G. Romero is the current President and Chief Executive Officer of the Corporation since 01 November 2016. He was formerly Vice President-Global Retail Network from 2013 to 2018 responsible for the management and capital investment associated with the Global Retail business' physical assets worldwide. This includes network planning, real estate, petrol station construction, facilities maintenance, soil and groundwater services, HSSE, and Continuous Improvement. From September 2009 up to July 2013, he was the Vice President of Retail Sales

and Operations East which is accountable for the Operating Profit and Loss of the Shell Retail Petrol stations in SE Asia, South Asia, and China. During his four-year tenure, the Shell Retail East's operating profit grew by an average of 10% per annum with improved HSSE performance highlighted by a three-fold reduction in station robberies. Mr. Romero was a member of the Shell Global Retail Leadership team which set policies, strategy, annual business targets, capital allocation, and operations for Shell's Downstream Retail Business comprised of over 43,000 petrol stations in the world, the largest single branded retailer in the world. Prior to that role, he was the Vice President for Supply – East based in Singapore from July 2007 to July 2009. Before that, he was in London as the Vice President for Downstream Management Consultancy, which he held concurrently with the role of Business Assistant to the Executive Director for Shell's Global Downstream Business. He joined Shell Philippines in 1987 as a Refinery Engineer and has had assignments in Supply Planning, Strategy, and Lubricants. In 1995, he was posted to Shell Centre, London to work in Shell's Scenario Planning Team, and later in the Strategy and Portfolio Team of the East/Asian Regional Office. Immediately, prior to coming to the UK a second time, he was the General Manager for Retail for Shell Philippines & North Pacific Cluster. Cesar holds a Bachelor of Science in Mechanical Engineering (Cum Laude) from the University of the Philippines, and a Masters in Business Administration (with High Distinction) from the University of Michigan. He has also attended a variety of management development courses at the London Business School and the Wharton Business School. From 2015 to 2020, he attended seminars on corporate governance.

Mona Lisa B. De la Cruz was first elected as Director of the Corporation on 12 May 2015. She is the President and Chief Executive Officer of Insular Life Assurance Company Ltd. She is a member of the Board of Trustees of the Insular Life Assurance Company, Ltd., the Insular Foundation, Inc. and the Insular Life Employee Retirement Fund. She is Director and President of Insular Investment Corporation, Insular Property Ventures, Inc., and Insular Properties, Inc. She is a director of Insular Health Care, Inc., ILAC General Agency, Inc., Home Credit Mutual Building and Loan Association, Insular Life Management and Development Corporation, Insular Life Property Holdings, and MAPFRE Insular Insurance Corporation. She received her Bachelor of Science degree in Statistics from the University of the Philippines, Cum Laude, in 1978. She likewise completed her Master of Science in Mathematics, major in Actuarial Science, at the University of Michigan in 1979. She is a Fellow of the Actuarial Society of the Philippines, an Associate of the Society of Actuaries, USA, and a member of the Management Association of the Philippines, Makati Business Club, Filipina CEO Circle and the Filipina Women's Network. From 2015 to 2020, she attended seminars on corporate governance.

Randolph T. Del Valle is Director and Vice-President for Retail of the Corporation effective 01 January 2020. He is responsible of the Downstream Marketing Retail 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. In his recent role Global Head of Strategy & Planning for DS Retail Network based in Singapore, he helped shape a number of important Retail Growth Projects (Russia, Indonesia, China and the US), evolved Network Strategy & Planning processes and methodology towards a holistic value maximization approach with various Integrated Retail 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 to effectively plan and execute Shell's largest strategic acquisition of BG Group in 2015/2016. He has also held various local, regional and global roles: Retail 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 2020, he attended a seminar on corporate governance.

Lydia B. Echauz is an Independent Director of the Corporation since 16 May 2017. Dr. Echauz currently holds directorships in publicly listed companies Metro Pacific Investments Corp. and D&L Industries, Inc.; as well as PLDT Beneficial Trust Fund, Tahanan Mutual Building and Loan Association, Inc., Superior Paranaque Homes, Inc., Bancholders, Inc., (subsidiaries of PLDT Beneficial Trust Fund), Philstar Group, BusinessWorld Publishing Corporation, 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 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 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 2020, she attended seminars on corporate governance.

Luis C. la Ó 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 2020, he attended seminars on corporate governance.

Jose Jerome R. Pascual III was first appointed Director of the Corporation on 13 June 2016 and he served as Director until 31 December 2020. He was likewise appointed Vice President for Finance and Treasurer of the Corporation. He was also a director on the boards of other Shell-affiliated companies in the Philippines. He was the Chairman of the Board of Trustees of the Shell companies in the Philippines Multi-Employer Retirement Plan and of the Board of Trustees of the Shell Philippines Exploration B.V. Non-Contributory Retirement & Gratuity Fund. His previous roles in the Royal Dutch Shell Group include: Finance Director of Shell Philippines Exploration BV & Philippines Country Controller from 2009 to 2016; concurrent Finance Director of Shell Deepwater Borneo Ltd from 2009 to 2012; Deputy Business Finance Manager (Caspian) of Shell Kazakhstan Development BV & Kazakhstan Country Controller from 2005 to 2009; Regional Treasurer & Insurance Manager of Shell Exploration & Production – Asia Pacific from 2003 to 2005; Treasurer; Tax & Insurance Manager of Shell Philippines Exploration BV from 2002 to 2003; Finance Business Adviser of Shell Philippines Exploration BV from 2000 to 2002; Commercial Services Coordinator / Contracts Advisor of Nederlandse Aardolie Maatschappij BV from 1998 to 2000; Head of Management Accounting of Shell Philippines Exploration BV from 1995 to 1998; Head of Finance (STAR) Systems of Pilipinas Shell Petroleum Corporation from 1993 to 1995; Internal Auditor / Audit Supervisor for Pilipinas Shell Petroleum Corporation from 1990 to 1993; Senior Analyst / Programmer of Pilipinas Shell Petroleum Corporation from 1986 to 1990. He is an incorporator and current President of the Judicial Reform Initiative, Inc (JRI). Born on 6 January 1964, Mr. Pascual graduated Cum Laude from the University of the Philippines (Diliman) with a Bachelor of Science degree in Industrial Engineering, and was granted membership to the Honor Society of Phi Kappa Phi. He also holds the following accreditations: Certified Management Accountant from

the Institute of Certified Management Accountants (Australia) and Professional Industrial Engineer from the Industrial Engineering Certification Board (Philippines). In 2014, he was recognized as CFO of the Year by ING Bank (Philippines) and the Financial Executives Institute of the Philippines (FINEX). In 2015, he received the Professional Degree Award for Industrial Engineering from the U.P. College of Engineering and U.P. Alumni Engineers. In 2017, he was conferred the Global Management Accounting Hall of Fame Award by the Institute of Certified Management Accountants (Australia) in recognition of his outstanding contribution, lifetime of achievement and services to the management accounting profession in the Philippines. From 2016 to 2020, he attended seminars on corporate governance.

Rolando J. Paulino, Jr. was appointed Director of the Corporation on 21 March 2019. He is currently the Managing Director and General Manager of Shell Philippines Exploration B.V. He has 23 years of international senior leadership experience in the oil and gas industry. His key experience includes leading large production facilities. He has worked in various locations including Aberdeen (Scotland), Bacton (England), Miri (Malaysia) and Perth (Australia). He is holding and has held various positions as President and Chairman of Tabangao Realty, Inc.; Vice President of Malampaya Foundation Inc.; President of Petroleum Association of the Philippines; and Trustee of Pilipinas Shell Foundation Inc. He is a member of Management Association of the Philippines. He was elected Board of East of England Energy Group from 2008 to 2010 and Business Mentor of Princes' Trust in 2010. He earned his Bachelor in Science in Mechanical Engineering (Cum Laude) at the University of Santo Tomas (Manila, Philippines); Masters in Business Administration (Leadership and Change) at Ateneo Graduate School of Business- Regis University (Makati City, Philippines); Shell Group Business Leadership Programme, and INSEAD (Fountainebleau, France). In 2020, he attended a seminar on corporate governance.

Min Yih Tan is the Chairman of the Board of Pilipinas Shell Petroleum Corporation starting 01 January 2020. Mr. Tan is likewise the Vice President - Global Retail Network and oversees the life cycle management of all Shell Retail assets across the world. He is a key member of the Global Retail Leadership Team and leads its Global Network Leadership Team. He has held the following positions in the Shell Group: General Manager, Retail Network Development; General Manager, Global Retail & Commercial Strategy; General Manager, Commercial Fuels (East); and General Manager, Lubricants (S. E. Asia). Prior to joining Shell, Min Yih worked in ExxonMobil where he held a series of commercial, operational and staff leadership roles in downstream businesses spanning Retail, Marine, Lubricants, Commercial Vehicles & Cards and Technology, including a stint based in Fairfax, Virginia as Global Planning Advisor. He holds a Bachelor of Science in Mechanical Engineering and an MBA. In 2020, he attended a seminar on corporate governance.

The Corporate and By-Laws Executive Officers of the Corporation as of 31 December 2020 are as follows:

Min Yih Tan	Non-Executive Chairman of the Board	Singaporean
Cesar G. Romero*	President and Chief Executive Officer	Filipino
Jose Jerome R. Pascual III*(until 31 December 2020)	Vice President – Finance, Treasurer, & Chief Risk Officer	Filipino
Carlo D. Zanduetta	Vice President – Human Resources	Filipino
Jan – Peter Groot Wassink	Vice President – Manufacturing	Dutch
Randolph T. Del Valle*	Vice President – Retail	Filipino
Sergio C. Bernal, Jr.	Vice President – External Relations and Government Relations	Filipino
Dennis C. Javier	Vice President – Wholesale Commercial Fuels	Filipino
Jannet C. Regalado (until 09 November 2020)	Vice President – Legal and Chief Compliance Officer	Filipino
Reynaldo P. Abilo (until 31 December 2020)	Corporate Audit and Assurance Manager	Filipino
Erwin R. Orocio (until 09 November 2020)	Corporate Secretary	Filipino
Ellie Chris C. Navarra (until 09 November 2020)	Assistant Corporate Secretary	Filipino
Angelica M. Castillo	Corporate Controller and Investor Relations Manager	Filipino

**Member of the Board of Directors*

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

Other By-Laws Executive Officers (who are not directors/nominees to the Board):

Dennis C. Javier was appointed Vice President-Wholesale Commercial Fuels on 27 February 2018. Previously, he was the General Manager for Lubricants covering Philippines since 2012 then Thailand was added to his portfolio in April 2014. He joined Shell in 1989, performing various assignments in Sales, Marketing, Process Engineering and Supply Chain Management. He served as the General Manager for Supply in the Philippines from 2009 to 2011 concurrent to being the Supply Operations Manager for Thailand and Hong Kong. During this period, he was likewise appointed as Director of First Philippine Industrial Corporation representing the Corporation. His previous roles prior to his stint in Supply were Business Development and Pricing Manager for Commercial Fuels from 2004 to 2009; Regional Sales Manager from 1998 to 2003; Member of Transformation Management Team 1997 to 1998; Corporate Training Manager for the Learning and Development Program of Pilipinas Shell Petroleum Corporation from 1996 to 1997; and SAP Project Lead for Commercial from 1995 to 1996. In his early days in Shell, he worked as a Commercial Account Manager and Retail Territory Manager for the Commercial and Retail businesses of the corporation. He received a Bachelor of Science in Business Administration from the University of the Philippines in 1987. From 2018 to 2020, he attended seminars on corporate governance.

Jan-Peter Groot Wassink was appointed as General Manager and Vice President – Manufacturing of the Corporation on 13 August 2018. He served as: Production Unit Manager at Shell Pernis Refinery, Rotterdam, the Netherlands from 2012 to 2018; Assistant Operations Manager for Shell Middle Distillate Synthesis (SMDS), Bintulu, Malaysia from 2008 to 2012; Refinery Head of Technology for Brunei Shell Petroleum (BSP), Brunei Negara Darussalam from 2005 to 2008; Senior Technologist for Saudi Aramco Shell Refinery (SASREF), Al-Jubail, Saudi Arabia from 2004 to 2005; and Technologist Thermal Conversion Processes for Shell Global Solutions International

BV, Amsterdam, The Netherlands from 2000 to 2004. He holds a Master's degree with honors in Chemical Engineering and Biotechnology from the Delft University of Technology, The Netherlands. From 2018 to 2020, he attended seminars on corporate governance.

Carlo D. Zanduetta has been the Vice President for Human Resources since 01 October 2018. Prior to this role, he was based in Singapore as the Global HR Manager of Shell Aviation. He joined the Corporation in March 1999 as the Manufacturing Learning and Development Manager and has held a number of assignments since then: as HR Account Manager - B2B, Lubricants and Trading (Philippines, 2003-2006); Regional Skillpool Manager – APME (Singapore, 2006-2009); Global Learning Advisor – Commercial Fuels and Offer To Cash (Singapore, 2010-2012); and, Senior Talent Advisor – Global Commercial (Singapore, 2012-2016). He studied at the University of Santo Tomas, Bachelor of Arts in Philosophy (1989-1993) and Master of Arts in Philosophy (1994-1996); and at the De La Salle University, Master of Science in Industrial and Organizational Psychology, with High Distinction (2001-2006). From 2018 to 2020, he attended seminars on corporate governance.

Jannet C. Regalado was the Vice President-Legal and Chief Compliance Officer of the Corporation until 09 November 2020. She was responsible for managing and supervising a sizeable portfolio of litigation and arbitration in these jurisdictions involving commercial, civil, criminal, tort, environmental & employment matters and deals with a big network of Shell - accredited global law firms. She has served the Corporation as: Corporate Secretary from 2001 to 2015; Employment and Industrial Relations Manager from 1997 to 2001; Assistant Legal Counsel from 1994 to 1997; Legal Assistant from 1992 to 1994. Prior to joining the Shell Companies in the Philippines (SCiP), she was corporate secretary of First Lepanto Corporation and was a legal counsel at the Carpio, Villaraza and Cruz Law Firm.

She graduated with high honours with degrees in Bachelor of Arts in Political Science and Bachelor of Laws from the University of the Philippines (U.P.). During her stint at the University, she was a student leader and very active in intra-university debates and moot court competitions. She is also a faculty member of both the University of the Philippines and the Lyceum College of Law and is active in several legal and professional organizations.

Sergio C. Bernal, Jr. was appointed as the new Vice President-External Relations on 08 August 2019. He started his career in sales before taking up a few other roles including Business Development, Training and Marketing in local, regional and global posts. He 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 he led teams to achieve over 110% sales growth and at same time built a strong high-performing team, winning global recognition. He was a recipient of two Global EVP awards for Project Pearl and Project Kindle. In his recent lubricant marketing role, he was in charge of both Philippines and Thailand. He graduated from De La Salle University in Manila with a Bachelor's degree in Industrial Management Engineering. From 2019 to 2020, he attended seminars on corporate governance.

Reynaldo P. Abilo was appointed Corporate Assurance Manager on 01 June 2017 until 31 December 2020. He is a newly appointed Director of the Corporation since 01 January 2021. He is likewise the Vice President-Finance, Treasurer and Chief Finance Officer of the Corporation. Mr. Abilo joined Shell in 2009 as the Retail Economics Manager in Philippines where he distinguished himself by winning the 2012 CFO award for site profitability analysis and 2013 Downstream Director Award for Dealer Operated platform strategy. 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 16 years of experience in audit, accounting, economics, strategy development, business performance management, and commercial decision support. Prior to this assignment, he was Special Projects Advisor supporting the Global Marketing Growth Strategy. He was also Global Planning & Appraisal Manager for Marine Lubricants as well

as Project & Economics Lead for Global Commercial ("GC") based in Singapore where he successfully managed the various planning, appraisal, and reporting processes for Marine and capital investments in GC. 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 2020, he attended seminars on corporate governance.

Erwin R. Orocio is the Managing Counsel for Downstream. He is the newly appointed Chief Compliance Officer and Member of the Corporate Governance and Nomination Committees of the Corporation since 10 November 2020. He was - Corporate Secretary and Chief Information Officer of the Corporation until 09 November 2020. He was the Compliance Officer until 16 May 2017. He was also the Assistant Corporate Secretary of the Corporation, first appointed as such on 17 April 2012. He also serves as the Corporate Secretary for various Shell companies in the Philippines. He is also 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 the 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 2016 to 2020, he attended seminars on corporate governance.

Ellie Chris C. Navarra is a Legal Counsel for Downstream since 16 February 2017. She is the newly appointed Corporate Secretary and Chief Information Officer of the Corporation since 10 November 2020. She was Assistant Corporate Secretary of the Corporation until 09 November 2020. She was appointed the Corporate Secretary of Shell Energy Philippines, Inc. and Assistant Corporate of other Shell-affiliated companies in the Philippines. In March 2018, she has completed the Basic Occupational Health and Safety Training. In February 2017, she earned her Certified Fraud Examiner credential from the Association of Certified Fraud Examiners ("ACFE"). Prior to that, she served as an Associate of the Corporate and Special Projects Department of the law firm Cruz Marcelo & Tenebrancia for three years. She passed the 2013 Philippine Bar Examinations. As a scholar, she earned her Juris Doctor degree from the Ateneo De Manila School of Law in 2013, with Second Honors distinction. Prior to taking up law, she was an Associate of the Technology and Security Risk Services of Sycip Gorres Velayo & Co. for two years. She is likewise a Certified Public Accountant since 2007. She graduated from the De La Salle University in 2006 with a Bachelor of Science (Major in Accountancy). She is a member of ACFE International Chapter, Integrated Bar of the Philippines, and Philippine Bar Association. From 2017 to 2020, she attended seminars on corporate governance.

Angelica M. Castillo was appointed as the Corporate Controller and Investor Relations Manager on 01 April 2017. In this role, she received the 2019 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. Here, she received 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 Pilipinas Shell Petroleum Corporation. She holds a Master in Business Administration degree from INSEAD. She is also a Chartered Financial Analyst and is a Certified Public Accountant. From 2017 to 2020, she attended seminars 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

PSPC 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 PSPC 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 (including Messrs. Buenaventura and Zobel) and an 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 March 24, 2011, a civil case was filed against FPIC and its directors and officers (three of whom were former officers of PSPC and one incumbent officers of PSPC), First Gen Corporation, Chevron, and PSPC. The above-mentioned incumbent officer of PSPC is Dennis C. Javier (Vice President – Wholesale Commercial Fuels), while the former officers are Edgar O. Chua (then the Chairman and President of PSPC) , Willie J. Sarmiento (then the Vice President – Finance) and Dennis G. Gamab (then Vice- President – Trading & Supply). 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. PSPC has also asserted that it is not liable for the alleged damages suffered by the complainants.

B. Executive Compensation

1. General

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

Directors. Article III Section 6 of PSPC's 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 meeting 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 PSPC. Nothing herein contained shall preclude any Director from serving the PSPC in any other capacity and receiving compensation therefor."

Officers. Article IV, Section 4 of PSPC's 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 PSPC."

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.

PSPC has a registered, non-contributory retirement plan. All regular employees are covered by the said retirement plan. The Executive Officers are regular employees of PSPC.

PSPC 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

		Projected 2021		2020		2019	
Names	Principal Position	Basic pay	Other variable pay	Basic pay	Other variable pay	Basic pay	Other variable pay
Cesar G. Romero (Filipino)	President and Chief Executive Officer						
Jose Jerome R. Pascual III (Filipino)	Vice President – Finance, Treasurer and Chief Risk Officer until 31 December 2020						
Carlo D. Zandueta (Filipino)	Vice President – Human Resources from 01 October 2018						
Jan-Peter Groot Wassink (Dutch)	Vice President – Manufacturing from 14 August 2018						

Randolph T. Del Valle (Filipino)	Vice President – Retail – effective 01 January 2020						
Sergio C. Bernal, Jr. (Filipino)	Vice President – External Relations and Government Relations						
Jannet C. Regalado (Filipino)	Vice President – Legal and Chief Compliance Officer – until 09 November 2020						
Erwin R. Orocio (Filipino)	Corporate Secretary until 09 November 2020 Chief Compliance Officer effective 10 November 2020						
Ellie Chris C. Navarra (Filipino)	Asst. Corporate Secretary until 09 November 2020 Corporate Secretary effective 10 November 2020						
Rubin G. Cura (Filipino)	Asst. Corporate Secretary effective 10 November 2020						
Reynaldo P. Abilo (Filipino)	Corporate Audit and Assurance Manager until 31 December 2020						
Angelica M. Castillo (Filipino)	Investor Relations Manager and Corporate Controller						
All Directors as a Group		Php 35.81 million		Php 40.99 million		Php 59.23 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 PhP 100,000.00 per director.
2. Three of the Company's directors, Mr. Min Yih Tan, Mr. Rafi Haroon Basheer and Mr. Rolando J. Paulino, Jr. are not paid the above amounts as of 31 December 2019.

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 PSPC.

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 REALATIONSHIP 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 PSPC	Shell Overseas Investments B.V. is both the Beneficial and Record Owner ¹	Dutch	890,860,233	55.215%
Common	The Insular Life Assurance PSPC, Ltd. The Insular Life Bldg., Ayala Avenue corner Paseo de Roxas, Makati City - Shareholder	The Insular Life Assurance PSPC, Ltd. is both the Beneficial and Record Owner ²	Filipino	265,465,395	16.453%
Common	PCD Nominee Corporation 37/F The Enterprise Center Ayala Avenue, Makati City - Shareholder	PCD participants acting for themselves or for their customers. ³	Filipino	193,432,406	11.989%

¹ The Board of Directors of Shell Overseas Investments B.V. (SOI) has the power to decide how SOI's shares in PSPC are to be voted.

² The Board of Directors of The Insular Life Assurance PSPC, Ltd. has the power to decide how The Insular Life Assurance shares in PSPC are to be voted.

³ Each beneficial owner of shares through a PCD participant is the beneficial owner to the extent of the number of shares in his account with the PCD participant.

Common	PCD Nominee Corporation 37/F The Enterprise Center Ayala Avenue, Makati City - Shareholder	PCD participants acting for themselves or for their customers. ⁴	Foreign	152,688,113	9.463%
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Security Ownership of Management as of 31 December 2020

TYPE OF CLASS	NAME OF BENEFICIAL OWNER	POSITION	AMOUNT AND NATURE OF BENEFICIAL OWNERSHIP	NATIONALITY
Common	Cesar A. Buenaventura	Independent Director	200,001	Filipino
Common	Fernando Zobel de Ayala	Independent Director	1	Filipino
Common	Lydia B. Echauz	Independent Director	2,001	Filipino
Common	Luis C. La'O	Non-Executive Director	1	Filipino
Common	Mona Lisa B. Dela Cruz	Non-Executive Director	5,217	Filipino
Common	Cesar G. Romero	Director/President and Chief Executive Officer	11,291	Filipino
Common	Min Yih Tan	Director/Chairman	1	Singaporean
Common	Randolph T. Del Valle	Director / Vice President – Retail	1	Filipino
Common	Jose Jerome R. Pascual, III	Director/Treasurer, Vice President – Finance and Chief Risk Officer	29,231	Filipino
Common	Rafi Haroon Basheer	Non-Executive Director	1	Pakistani
Common	Rolando J. Paulino Jr	Non-Executive Director	1	Filipino
Common	Erwin R. Orocio	Chief Compliance Officer and Managing Counsel	6,290	Filipino
Common	Sergio C. Bernal, Jr.	Vice President - External Relations and Government Relations	4,290	Filipino
Common	Carlo D. Zandueta	Vice President – Human Relations	0	Filipino
Common	Dennis C. Javier	Vice President - Wholesale Commercial Fuels	20,780	Filipino

⁴ Each beneficial owner of shares through a PCD participant is the beneficial owner to the extent of the number of shares in his account with the PCD participant.

Common	Jan-Peter Groot Wassink	Vice President - Manufacturing	0	Filipino
Common	Reynaldo P. Abilo, Jr.	Corporate Audit and Assurance Manager	6,000	Filipino
Common	Atty. Ellie Chris C. Navarra	Corporate Secretary	0	Filipino
Common	Atty. Rubin G. Cura	Assistant Corporate Secretary	4,290	Filipino
Security Ownership of all Directors and Officers			289,397	

2. Voting Trust Holders of 5% or More

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

3. Changes in Control

PSPC is not aware of any change in control or arrangement that may result in a change in control of PSPC since the beginning of its last fiscal year.

D. Certain Relationships and Related Transactions

PSPC, in its regular course of trade or business, enters into transactions with affiliated companies. For details on these transactions, please refer to Note 24 of the 2020 Audited Financial Statements.

No other transaction was undertaken by PSPC 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 PSPC 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 PSPC as of 31 December 2020.

PART V – CORPORATE GOVERNANCE

As of 31 December 2020, PSPC's Board of Directors is composed of eleven (11) directors: three (3) independent directors and four (4) non-executive directors and four (4) executive directors. Two (2) of the eleven directors, or 18%, are female.

On 31 May 2017, PSPC filed its Revised Manual on Corporate Governance ("Revised Manual") in compliance with the SEC Memorandum Circular No. 19, Series of 2016, otherwise known as 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, PSPC separated the roles of Chairman from the President and that of Corporate Secretary from the Chief Compliance Officer. PSPC also created the Corporate Governance ("CG") Committee, composed of independent directors, to assist in its CG responsibilities and to take on, among others, the functions formerly assigned to the Compensation and Remuneration Committee. The CG Committee ensures compliance with and proper observance of CG principles and practices, and ensures that these are reviewed and updated regularly and consistently implemented in form and substance.

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

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

Moreover, another initiative taken by PSPC is the renaming of the Board Audit Committee to Board Audit and Risk Oversight Committee ("BARC"), befitting of its responsibility to ensure an effective and integrated risk management process in place through an enterprise risk management ("ERM") framework. BARC also provides oversight over Management's activities in managing credit, market, liquidity, operational, legal and other risk exposures of PSPC. 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 PSPC in order to address possible conflict of interest issues. In fact, PSPC's internal policy on Conflicts of Interest applicable to all employees is well aligned with this requirement.

PSPC is committed to strictly adhere to the requirements of the Revised Manual. There has been no violation nor sanction imposed on PSPC 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.

PSPC adopted the Revised Corporate Disclosure Guide to conform with the Revised Manual's steer for PSPC to perform its CG commitment as a publicly-listed company. PSPC 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.

Pursuant to the new SEC Rules on Material Related Party Transactions for Publicly-Listed Companies, PSPC 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, PSPC filed its first Integrated Annual Corporate Governance Report. It disclosed PSPC'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.

In 2020, PSPC was conferred by the Capital Finance International Awards with the Best Energy Corporate Governance Award, a recognition for its 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, PSPC held its first virtual Annual Stockholders' Meeting ("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 SHLP. Total votes cast reached 1.355 billion shares and the elected directors garnered favorable votes of more than 14.617 billion votes.

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	

Key Compliance Activities	Action Points	Milestone Dates	Person/ Entity Responsible	Status	Reason for Non-Compliance/ Deviation from Manual
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	
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	Board Committees: <ul style="list-style-type: none"> • Board Audit and Risk Oversight • Related Party Transaction • Corporate Governance • Nomination • Corporate Social Responsibility 	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	

Key Compliance Activities	Action Points	Milestone Dates	Person/ Entity Responsible	Status	Reason for Non-Compliance/ Deviation from Manual
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	
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	Done	
24. Information drive on the Revised Related Party Transaction Policy					
25. First SEC-Accredited In-House Corporate Governance Training		08 November 2019	Related Party Transaction Committee	Done	
26. Approval of the Revised Internal Audit Charter		26 March 2020	BARC and Board	Done	

Key Compliance Activities	Action Points	Milestone Dates	Person/ Entity Responsible	Status	Reason for Non-Compliance/ Deviation from Manual
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 PSPC's financial, strategic, operational and risk management position and the role of committees		After election of Directors	Corporate Governance Committee Secretariat	As and when there are new directors	
37. Attendance in Corporate Governance Workshops (Sec. 4 of PSPC's Revised Manual)		After election of Directors	Corporate Governance Committee and Corporate Secretary	Done	
38. Dissemination of copies of PSPC's Revised			Corporate Secretary	Ongoing	

Key Compliance Activities	Action Points	Milestone Dates	Person/ Entity Responsible	Status	Reason for Non-Compliance/ Deviation from Manual
Manual to all classes of business and service functions with one copy under custody of HR dept. (Sec. 3 of PSPC's Revised Manual)					
39. Held first Virtual Annual Stockholders' Meeting allowing shareholders to attend and vote <i>in absentia</i> 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	

PSPC fully recognizes that good corporate governance is a pressing imperative. It is not only because it is demanded by the law or the investor community. It simply makes good business sense to just do it.

PART VI – EXHIBITS and SCHEDULES

Reported Items via SEC Form 17-C

The following items were reported and submitted in 2020 via the SEC Form 17-C:

Date Submitted	Item No/Description	Details
08 January 2020	Item 9 - Other Events Change in Directors and/or Officers	Mr. Anabil Dutta, Non-Executive Director, CSR Committee and BARC Member, will be stepping down on 31 December 2019. Succeeding Mr. Anabil Dutta as Non-Executive Director, CSR Committee Member and BARC Member is Mr. Rafi Haroon Basheer. Mr. Basheer is currently 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. He has held the following positions in the Shell Group: Global GM Finance – Specialities (August 2013– September 2015); Chief Financial Officer & Country Controller - Shell Companies in Pakistan (October 2009 – July 2013); Regional Finance Manager Asia Pacific - Shell Singapore (March 2007 – September 2009); Global Governance and Assurance Manager (January 2005 – February 2007); M&A Finance Advisor Asia Pacific – Shell Singapore (January 2003 – February 2004); and Retail Business Finance Manager – Shell Pakistan Limited (January 2000 – December 2002). He is a member of the Institute of Chartered Accountants in England and Wales.
08 January 2020	Item 9 - Other Events Change in Directors and/or Officers	Mr. Anthony Lawrence D. Yam, Executive Director and Vice President – Retail will be stepping down on 31 December 2019. Succeeding Mr. Yam as Executive Director and Vice President – Retail is Mr. Randolph “Randy” T. Del Valle. Mr. Del Valle has been the Global Head of the Shell Downstream Retail Network Strategy and Planning based in Singapore. He was formerly the Senior Strategy Consultant, Royal Dutch Shell Group, Hague/London (February 2015 – January 2017); Shell-BG Integration PMO Shell Lead, Paddington, London (2015 – 2016); Senior Consultant, Downstream Strategy Consultancy, London (January 2014 – 2015); Global On-Site Operational Excellence Manager- Downstream Retail, London (November 2009 – December 2013); Retail Operations Manager, Downstream Retail Philippines & North Pacific, Manila (April 2008 – October 2009). He held various roles with in Operations and Marketing in Downstream Retail in Shell Philippines/East. He is a Chemical Engineer and has an MBA degree from the London Business School.
10 January 2020	Item 9 - Other Events	Pilipinas Shell conducted its fuel marking operations at its Northern Mindanao Import Facility (NMIF) in Cagayan de Oro City and its Tabangao Refinery in Batangas in 2019. NMIF is the

	<p>Pilipinas Shell implements fuel marking in fuel import terminal and refinery</p>	<p>first terminal to implement fuel marking in Mindanao while the refinery is the country's first refinery to undergo the said program.</p> <p>Representatives from the Bureau of Internal Revenue (BIR), the Bureau of Customs (BOC), and the SGS-Sicpa fuel marking consortium were present to witness as the global energy company officially marked Shell's high-quality diesel products last November 26. As of December 1, both the gasoline and diesel import tanks of NMIF's 90-million-liter capacity were fully marked.</p> <p>Following the rollout in Mindanao, Pilipinas Shell started the fuel marking process at its Tabangao refinery last December 11.</p> <p>To help ensure safety in implementation, Pilipinas Shell is working "double-time" to install a fully automated injection system in both the NMIF and the refinery. While the aim is full automation, the company has worked with SGS to implement a safer set of manual and semi-automated methods as a temporary measure.</p> <p>"We have a responsibility to ensure that the interests of all of our customers and stakeholders are safeguarded," said Serge Bernal, Vice President for External and Government Relations. "Our goal is to improve the safety of the process through automation. We're aiming to fully automate the system at our refinery by end March 2020."</p> <p>According to estimates by the Department of Finance (DOF) and the Asian Development Bank (ADB), the loss of national revenue due to oil smuggling and misdeclaration can reach as high as P40-billion. The government's fuel marking program establishes a system for identifying fuel that has paid the correct import and excise duties.</p> <p>Pilipinas Shell fully supports the government's fuel marking program and continues to coordinate closely with the DOF, BIR, BOC, and the Department of Energy (DOE) to ensure the successful implementation of the program. With the success of the said program, consumers can be assured that the fuel products they purchase in different sites in the country have passed the relevant government regulations.</p>
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		Pilipinas Shell supports the responsible development of the nation's energy industry by protecting Filipinos' fuel supply today and encouraging others to do the same.
17 January 2020	<p>Item 9 - Other Events</p> <p>Tabangao Refinery continues to safely operate while retail stations serve as emergency response sites amidst Taal Volcano eruption</p>	<p>Normal business operations continue at Pilipinas Shell's Tabangao Refinery and across all businesses amidst the eruption of Taal Volcano in Batangas as the Company remains alert and cautiously monitor the situation.</p> <p>Safety remains a priority for the Company. Pilipinas Shell confirms that its staff and business partners in the Refinery are safe and all accounted for. While air quality has been assessed as "good" in the area of the Refinery as of writing, staff have been issued with appropriate face masks and safety glasses as a precautionary measure. The Taal situation is being constantly monitored and business protocols are in place to respond to any potential change in circumstances.</p> <p>Pilipinas Shell joins the rest of the Shell companies in the Philippines in providing disaster response support to the affected communities in the following ways, among others:</p> <ol style="list-style-type: none"> 1. Project Shelter: 46 Shell retail stations surrounding the impacted municipalities have been designated as emergency response sites to the public. These sites are open 24/7 to provide first aid, toilet facilities, hydration, free mobile charging, and windshield cleaning service. These sites also serve as drop off points for in-kind donations; 2. Relief operations have been mobilized in two major evacuation centers in Batangas City through the Pilipinas Shell Foundation, Inc. and the Malampaya Foundation Inc.; <p>Philippine Institute of Volcanic and Seismology (PHIVOLCS) has raised an Alert Level 4 on Taal Volcano on January 12, 2020. The Alert Level 4, which warns for a possible hazardous explosive eruption, remains in effect to this date.</p> <p>Pilipinas Shell stands by its business principles and responsibilities as a partner in nation building. This is what drives us to work closely with key stakeholders towards addressing the needs of Filipinos displaced by the Taal volcano eruption.</p>
16 March 2020	Item 9 - Other Events	Pilipinas Shell continues its normal operations amid COVID-19. In its recent Circular, the DOE cites energy utilization as "vital to everyday life..., a basic necessity..." and ensures the unimpeded delivery of petroleum products. The Corporation

	<p>Pilipinas Shell Continues to Operate Amid COVID-19</p>	<p>ensures that its deliveries and operations remain unhampered. Shell stations remain open in areas affected by community quarantine. The Corporation wishes to assure the public that the station staff and facilities are taking precautionary measures to ensure the safety of customers and visitors through regular sanitation and disinfection, readily available hand sanitizers, soap and running water, and strict self-sanitation for staff.</p> <p>The Corporation created a Contingency Planning Team to address COVID-19 concerns. It continuously issues health advisories to inform its staff of accurate and relevant updates on COVID-19 as well as preventive measures and practices. All staff are reminded to remain calm and be vigilant. They are allowed to work remotely in line with existing company policies and to be prepared to do so if called by the circumstances.</p> <p>In response to the requirements from the Department of Health (“DOH”), all staff are required to report about their business and personal travel plans. Business travel is limited only to business-critical in nature and in compliance with all relevant government regulations. Staff with travel history in the past 14 days (beginning 25 February 2020) to impacted countries with local transmission must go on home quarantine. Meanwhile, those with symptoms (fever and/or respiratory illness) will be referred to government hospitals.</p> <p>To summarize, the Corporation is implementing precautionary measures in line with the DOH guidelines:</p> <ol style="list-style-type: none"> 1. Business continuity plans <ol style="list-style-type: none"> a. In line with the directive from the DOE, business continuity plans are in place to ensure the safety and sustainability of business operations and ability to meet the needs of our customers and partners. 2. Employees <ol style="list-style-type: none"> a. Staff are reminded to take care of their own health and observe good personal hygiene. b. Those who feel unwell are advised to seek medical help as well as rest or work from home if appropriate. c. Where possible, staff can work from home where operationally feasible. 3. Sites and work locations <ol style="list-style-type: none"> a. Visitors to sites who are unwell are not admitted. b. Cleaning frequency of common areas is increased and hand sanitizers and masks are made available.
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		<p>4.Events</p> <p>a. Non-essential large-scale events have been cancelled or deferred.</p> <p>As we exercise prudence, it is imperative that we show care for ourselves, our colleagues, partners, customers and the Shell community.</p>
27 March 2020	<p>Item 9 - Other Events</p> <p>Regular Meeting of the Board of Directors of Pilipinas Shell Petroleum Corporation held on 26 March 2020</p>	<p>At the Regular Meeting of the Board of Directors of the Corporation held on 26 March 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. 2019 Audited Financial Statements ("AFS"); 2. Re-appointment of Sycip Gorres Velayo & Company as the External Auditors of the Corporation for 2020; 3. Deferment of decision to declare cash dividend to the next Board meeting; 4. Deferment of the Annual Stockholders' Meeting on 12 May 2020 (second Tuesday in May per By-Laws) in view of the COVID-19 situation; and 5.AmendedCharters : <ol style="list-style-type: none"> a. Board Audit and Risk Oversight Committee ("BARC") Charter; and b. Corporate Audit and Assurance Department ("CAAD") Charter. <p>Concerning items (1), (2) and (5), the 2019 AFS, re-appointment of external auditor and amended charters of the BARC and the CAAD were approved by the Board upon the endorsement of the BARC.</p> <p>On (3), the deferment of the decision to declare cash dividend will give the Board and management of the Corporation the opportunity to assess the overall situation and determine the effects of the COVID-19 pandemic/enhanced community quarantine together with crude oil price volatility on the Corporation's cash flows.</p> <p>Finally, on item (4), the decision to determine and set the dates of the Annual Stockholders' Meeting and closing of Stock and Transfer Book (to determine the list of stockholders entitled to the notice) is delegated by the Board to the</p>

		President and Chief Executive and the Vice President – Finance and Treasurer.
30 March 2020	<p>Item 9 - Other Events</p> <p>Pilipinas Shell net income up 11%</p>	<p>Pilipinas Shell ended 2019 with net income of Php 5.6 billion, up by 11% from previous year due to strong marketing delivery and refinery cost savings. This helped temper the suppressed regional refining margins and higher excise taxes that affected the oil industry.</p> <p>Pilipinas Shell's robust marketing agility, technological capability and adaptability, integrated value chain, and financial discipline played to its advantage as it remains to show a positive performance amid a volatile business environment. In 2019, it spent PHP6 billion to expand the retail network, support refinery growth projects, and enhance supply and distribution capabilities. The Company's gearing remained low at 26%.</p> <p>"We will remain focused on strengthening our core businesses while being mindful of the evolving energy landscape. We will use our foundation of values and strong corporate governance as we continue to deliver on our strategy to make Pilipinas Shell a world-class investment case," says President and CEO Cesar Romero.</p>
16 April 2020	<p>Item 9 - Other Events</p> <p>Audited Financial Statements for FY 2019</p>	Audited Financial Statements as at December 31, 2019 and 2018 and years ended December 31, 2019, 2018 and 2017 and Independent Auditor's Report. Attached as well are the SEC Certification and BIR ITR Filing Reference.
05 May 2020	<p>Item 9 - Other Events</p> <p>Temporary Shutdown of the Tabangao Refinery</p>	<p>The spread of the COVID-19 pandemic led to the implementation of the Enhanced Community Quarantine ("ECQ") in Luzon and selected provinces nationwide. As a result, it has impacted the country's economic activity due to limited mobility resulting in lower demand for fuel. Pilipinas Shell will continue to reinforce its financial resilience through cash conservation measures to position the Company for the subsequent economic recovery of the Philippines from the crisis.</p> <p>The Company has prepared itself by building the flexibility to switch from refinery production to full import of petroleum products, and therefore safeguard the continuous and cost-effective supply of high-quality fuels to the country. The commissioning of the NMIF in 2016 is a clear evidence of this.</p> <p>In response to the drastic decline in local product demand and the significant deterioration of regional refining margins brought about the COVID-19 pandemic, the Company will</p>

		<p>temporarily shut down its Refinery operations for approximately one month starting mid-May 2020. The Company will also use the Refinery shutdown as an opportunity to conduct proactive maintenance activities in the Refinery while we re-assure the public that we comply with the minimum inventory requirements of the government.</p> <p>The temporary shutdown will help insulate the Company from further potential drops in refining margins and will also aid in its cash conservation initiatives. Nonetheless, the Refinery will retain the flexibility to do a start-up immediately should market and demand conditions improve and stabilize.</p> <p>The joint operations of the NMIF and the Refinery as import terminals, coupled with the Company's resilient and efficient supply chain will help ensure that the supply of Shell fuels remains uninterrupted to serve the needs of the Filipinos.</p>
07 May 2020	<p>Item 9 - Other Events</p> <p>2020 Annual Stockholders' Meeting</p>	<p>During its Regular Board Meeting on 26 March 2020, the Board of Directors of the Corporation delegated the decision to determine and set the dates of the Annual Stockholders' Meeting and closing of Stock and Transfer Book (to determine the list of stockholders entitled to the notice) to the President and Chief Executive and the Vice President – Finance and Treasurer of the Corporation.</p> <p>To protect and safeguard the wellbeing of all concerned, and to help avert the spread of COVID-19, the Meeting will be conducted virtually. This is also in compliance with existing government regulations prohibiting mass gatherings and mandating strict social distancing measures and in line with the priority that the Corporation gives to health and safety.</p>
13 May 2020	<p>Item 9 - Other Events</p> <p>Regular Meeting of the Board of Directors of Pilipinas Shell Petroleum Corporation held on 12 May 2020</p>	<p>At the Regular Meeting of the Board of Directors of the Corporation held on 12 May 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. Hold Virtual Annual Stockholders' Meeting ("Meeting") on 16 June 2020; and 2. Deferment of decision to declare cash dividend to the next Board meeting. <p>On (1), in view of the Corporation's priority to the health and safety, the need to protect and safeguard the wellbeing of the participants of the Meeting, and to help avert the spread of COVID-19, the Meeting will be conducted virtually. As</p>

		<p>previously disclosed, the decision to determine and set the dates of the Annual Stockholders' Meeting and closing of Stock and Transfer Book (to determine the list of stockholders entitled to the notice) was delegated by the Board to the President and Chief Executive and the Vice President – Finance and Treasurer. Pursuant to this authority, the Meeting has been set to 16 June 2020 with record date on 20 May 2020. This has been duly disclosed to the Philippine Stock Exchange and the Securities and Exchange Commission. This is also in compliance with existing government regulations prohibiting mass gatherings and mandating strict social distancing measures. Further details on the process for the virtual Meeting will be disclosed in the Definitive Information Statement.</p> <p>On item (2), the Corporation's 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 ECQ. 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, create uncertainty on the post-ECQ demand levels and have slowed down the implementation of the Corporation's recovery strategy. For these reasons, the decision to declare cash dividend has been deferred to the next Board meeting(s).</p>
13 May 2020	<p>Item 9 - Other Events</p> <p>Pilipinas Shell 1Q income takes a hit from low oil prices, COVID-19</p>	<p>The collapse in global oil prices, coupled with the slowdown in economic activity under a government-imposed quarantine due to the coronavirus disease of 2019 (COVID-19), has resulted in a first quarter loss of P5.5 billion for Pilipinas Shell.</p> <p>"Our first quarter loss is disappointing given our robust overall performance last year and the strong marketing delivery from the start of 2020 up until mid-March. We will overcome this challenge the same way we surmounted the various crises and upheavals during our 106-year legacy in the Philippines. We have taken prompt action to reinforce the financial strength and resilience of our business, leveraging on the flexibility of our supply chain and prudent balance sheet management over the past years. This way, we can ensure continuing care and support for the health and safety of our employees, business partners and society as a whole, as we continue to provide the country's fuel and energy needs now and in the long term," says Pilipinas Shell President and CEO Cesar Romero.</p>

17 June 2020	Item 9 - Other Events 2020 Annual Stockholders' Meeting	<p>Results of the Annual Stockholders' Meeting held on 16 June 2020</p> <table border="1"> <thead> <tr> <th>Name of Person</th><th>Shareholdings in the Listed Companies</th><th>Shareholdings in the Listed Companies</th></tr> <tr> <td></td><th>Direct</th><th>Indirect</th></tr> </thead> <tbody> <tr> <td>Cesar A. Buenaventura</td><td>200,001</td><td>0</td></tr> <tr> <td>Fernando Zobel de Ayala</td><td>1</td><td>0</td></tr> <tr> <td>Mona Lisa B. Dela Cruz</td><td>5,210</td><td>7</td></tr> <tr> <td>Cesar G. Romero</td><td>11,290</td><td>1</td></tr> <tr> <td>Lydia B. Echaz</td><td>2,000</td><td>1</td></tr> <tr> <td>Rolando J. Paulino, Jr.</td><td>0</td><td>1</td></tr> <tr> <td>Jose Jerome R. Pascual III</td><td>29,230</td><td>1</td></tr> <tr> <td>Luis C. la Ó</td><td>0</td><td>1</td></tr> <tr> <td>Min Yih Tan</td><td>0</td><td>1</td></tr> <tr> <td>Randolph T. Del Valle</td><td>0</td><td>1</td></tr> <tr> <td>Rafi Haroon Basheer</td><td>0</td><td>1</td></tr> </tbody> </table>	Name of Person	Shareholdings in the Listed Companies	Shareholdings in the Listed Companies		Direct	Indirect	Cesar A. Buenaventura	200,001	0	Fernando Zobel de Ayala	1	0	Mona Lisa B. Dela Cruz	5,210	7	Cesar G. Romero	11,290	1	Lydia B. Echaz	2,000	1	Rolando J. Paulino, Jr.	0	1	Jose Jerome R. Pascual III	29,230	1	Luis C. la Ó	0	1	Min Yih Tan	0	1	Randolph T. Del Valle	0	1	Rafi Haroon Basheer	0	1
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17 June 2020	Item 9 - Other Events Organizational Meeting of the Board of Directors	<p>On 16 June 2020, in compliance with SEC Memorandum Circular No. 6, Series of 2020, the newly elected members of the Board of Directors of Pilipinas Shell held their Organizational Board Meeting via teleconferencing, at which meeting all members were present and acting throughout. The following matters were discussed and approved:</p> <p>(a) Election of Officers:</p> <p>Min Yih Tan - Non-Executive Chairman of the Board Cesar G. Romero - President and Chief Executive Officer Jose Jerome Rivera Pascual III - Treasurer, Vice President – Finance and Chief Risk Officer Randolph T. Del Valle - Vice President – Retail</p>																																							

		<p>Sergio C. Bernal, Jr. - Vice President - External Relations and Government Relations</p> <p>Jan-Peter Groot Wassink - Vice President – Manufacturing</p> <p>Dennis Evaristo C. Javier - Vice President - Wholesale Commercial Fuels</p> <p>Carlo D. Zanduetta - Vice President - Human Resources</p> <p>Atty. Jannet C. Regalado - Vice President – Legal and Chief Compliance Officer</p> <p>Reynaldo P. Abilo - Corporate Assurance Manager</p> <p>Atty. Erwin R. Orocio - Corporate Secretary</p> <p>Atty. Ellie Chris C. Navarra - Assistant Corporate Secretary</p> <p>(b) Appointment of Chairperson & Members of Committees</p> <p>Committees Members</p> <p>Board Audit and Risk Oversight Committee</p> <p>Cesar A. Buenaventura (Chairperson)</p> <p>Lydia B. Echauz</p> <p>Luis C. la Ó</p> <p>Rafi Haroon Basheer</p> <p>Related Party Transactions Committee Lydia B. Echauz (Chairperson)</p> <p>Cesar A. Buenaventura</p> <p>Luis C. la Ó</p> <p>Mona Lisa Dela Cruz</p> <p>Corporate Governance Committee</p> <p>Fernando Zobel de Ayala (Chairperson)</p> <p>Cesar A. Buenaventura</p> <p>Lydia B. Echauz</p> <p>Atty. Jannet C. Regalado</p> <p>Nomination Committee</p> <p>Cesar G. Romero (Chairperson)</p> <p>Cesar A. Buenaventura</p> <p>Atty. Jannet C. Regalado</p> <p>Carlo D. Zanduetta (Non-voting)</p> <p>Corporate Social Responsibility Committee Luis C. la Ó (Chairperson)</p> <p>Min Yih Tan</p> <p>Rafi Haroon Basheer</p> <p>Sergio C. Bernal, Jr. (Non-voting)</p>
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		(c) Approval of the Integrated-Annual Corporate Governance Report
13 August 2020	<p>Item 9 - Other Events</p> <p>Notice of Analysts'/Investors' Briefing</p>	<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: August 17, 2020 (Monday) Time: 5:00 PM (GMT+8) Duration: 1 hour</p> <p>RSVP: To register for the webcast, please email PSPC-Investor-Relations@shell.com on or before August 14, 2020 (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>
13 August 2020	<p>Item 9 - Other Events</p> <p>Pilipinas Shell Strengthens Financial Position to Weather COVID-19 Storm and Board Actions</p>	<p>Pilipinas Shell is making strategic choices to secure the long-term sustainability of its business and thrive in both the ongoing energy transition and the new normal created by the COVID-19 pandemic.</p> <p>With the price of fuel products lower than or almost equal to the cost of refining crude oil, the Corporation is permanently shutting down its refinery operations in Tabangao and transforming the facility into a world-class full import terminal to optimize its asset portfolio and enhance its cost and supply chain competitiveness.</p> <p>"We have the technical capability and financial flexibility to manage and adapt to disruptive conditions. Due to the impact of the COVID-19 pandemic on the global, regional and local economies, and the oil supply-demand imbalance in the region, it is no longer economically viable for us to run the refinery," says President and Chief Executive Officer Cesar Romero.</p> <p>The shift in supply chain strategy from manufacturing to full</p>

		<p>import, is a move that will further strengthen the Corporation's financial resilience amidst the significant changes and challenges in the global refining industry and the change to the new normal brought about by the COVID-19 pandemic. It also prepares the Corporation for a future that will rely on more and cleaner energy solutions.</p> <p>The Corporation is in fighting form as it goes deeper into the second half of the year, narrowing its quarter-on-quarter net loss from P5.5 billion in the first quarter to P1.2 billion in the second quarter, as crude oil and product prices slightly improved and stabilized during the second quarter. Net loss booked as of end of June totaled P6.7 billion.</p> <p>Despite seeing volume and earnings recovery in the months of May and June, the Corporation remains cautious given the spike of COVID-infected cases in the country and the consequent decision to place Metro Manila, Bulacan, Cavite, Laguna, and Rizal under modified enhanced community quarantine (MECQ) again.</p> <p>To ensure the Corporation remains financially resilient, and to preserve cash, the Board of Directors of the Corporation has also decided to cancel 2020 dividend payouts for 2019 financial results.</p> <p>"We are committed to make the right sustainable decisions now to protect our shareholders for the long-term," says Romero.</p>
13 August 2020 2019	<p>Item 9 - Other Events</p> <p>Amendment of the Second Article (Primary Purpose and Secondary Purpose) of the Articles of Incorporation</p>	<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 P6 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>
10 November 2020	<p>Item 9 - Other Events</p> <p>Notice of Analysts'/Investors' Briefing</p>	<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: November 13, 2020 (Friday) 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 November 11, 2020 (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>
11 November 2020	<p>Item 9 - Other Events</p> <p>Regular Meeting of the Board of Directors of Pilipinas Shell Petroleum Corporation held on 10 November 2020</p>	<p>At the Regular Meeting of the Board of Directors of the Corporation held on 10 November 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. Mr. Reynaldo “Rey” P. Abilo as new Director, Treasurer,

		<p>Vice President-Finance and Chief Risk Officer effective 01 January 2021;</p> <p>2. Mr. Mark Brian J. Nicdao as new Corporate Audit and Assurance Manager effective 01 January 2021;</p> <p>3. Atty. Erwin R. Orocio as new Chief Compliance Officer, Member of the Corporate Governance and Nomination Committees effective immediately;</p> <p>4. Atty. Ellie Chris Navarra as new Corporate Secretary and Chief Information Officer effective immediately; and</p> <p>5. Atty. Rubin G. Cura as new Assistant Corporate Secretary effective immediately.</p> <p>Mr. Jose Jerome R. Pascual, III will step down as Director, Treasurer, Vice President-Finance and Chief Risk Officer on 31 December 2020. To replace Mr. Pascual, Mr. Reynaldo “Rey” P. Abilo has been appointed the new Director, Treasurer, Vice President-Finance and Chief Risk Officer effective 01 January 2021, taking over from Mr. Pascual after almost six months of on-boarding and handover. Mr. Abilo is the Corporate Audit and Assurance Manager since 01 June 2017. He joined the Shell Group in 2009 as the Retail Economics Manager in Philippines where he distinguished himself by winning the 2012 CFO award for site profitability analysis and 2013 Downstream Director Award for Dealer Operated platform strategy. He is a Certified Public Accountant (“CPA”) Board Topnotcher.</p> <p>To succeed Mr. Abilo as Corporate Audit and Assurance Manager, Mr. Mark Brian J. Nicdao has been appointed the new Corporate Audit and Assurance Manager effective 01 January 2021. He joined the Shell Group in 2011 as the Commercial Fuels Pricing and Demand Analyst and has since held critical roles such as Country Business Manager of Specialities, Government & External Relations Manager for Downstream, and Internal Communications Manager. He has been instrumental in helping build the Corporation’s status as a trusted company and advisor with regard to industry advocacies and issues.</p> <p>After 28 years of service in the Corporation, Atty. Jannet Regalado has stepped down as Chief Compliance Officer and Member of the Corporate Governance and Nomination Committees of the Corporation. To replace Atty. Regalado,</p>
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11 November 2020	<p>Item 9 - Other Events</p> <p>Appointment of (a) New Director, Treasurer, Vice President-Finance and Chief Risk Officer; and (b) New Corporate Audit and Assurance Manager, effective 01 January 2021</p>	<p>Mr. Jose Jerome R. Pascual, III will step down as Director, Treasurer, Vice President-Finance and Chief Risk Officer on 31 December 2020. To replace Mr. Pascual, Mr. Reynaldo "Rey" P. Abilo has been appointed the new Director, Treasurer, Vice President-Finance and Chief Risk Officer effective 01 January 2021, taking over from Mr. Pascual after almost six months of on-boarding and handover. Mr. Abilo is the Corporate Audit and Assurance Manager since 01 June 2017. He joined the Shell Group in 2009 as the Retail Economics Manager in Philippines where he distinguished himself by winning the 2012 CFO award for site profitability analysis and 2013 Downstream Director Award for Dealer Operated platform strategy. He is a Certified Public Accountant ("CPA") Board Topnotcher.</p> <p>To succeed Mr. Abilo as Corporate Audit and Assurance Manager, Mr. Mark Brian J. Nicdao has been appointed the</p>

		<p>new Corporate Audit and Assurance Manager effective 01 January 2021. He joined the Shell Group in 2011 as the Commercial Fuels Pricing and Demand Analyst and has since held critical roles such as Country Business Manager of Specialities, Government & External Relations Manager for Downstream, and Internal Communications Manager. He has been instrumental in helping build the Corporation's status as a trusted company and advisor with regard to industry advocacies and issues.</p>
11 November 2020	<p>Item 9 - Other Events</p> <p>Appointment of (a) New Chief Compliance Officer, Member of the Corporate Governance and Nomination Committees; (b) New Corporate Secretary and Chief Information Officer; and (c) New Assistant Corporate Secretary, effective immediately</p>	<p>After 28 years of service in the Corporation, Atty. Jannet Regalado has stepped down as Chief Compliance Officer and Member of the Corporate Governance and Nomination Committees of the Corporation. To replace Atty. Regalado, Atty. Erwin R. Orocio, Managing Counsel of the Corporation with over 23 years of legal experience, has been appointed the new Chief Compliance Officer and Member of the Corporate Governance and Nomination Committees effective immediately. Atty. Orocio will concurrently retain the role of Managing Counsel Downstream for the 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 CPA Board Top notcher and a dual major in Economics and Accounting.</p> <p>To succeed Atty. Orocio, Atty. Ellie Chris Navarra has been appointed the new Corporate Secretary and Chief Information Officer of the Corporation effective immediately. Atty. Navarra is a Legal Counsel of the Corporation since February 2017, and was appointed its Assistant Corporate Secretary and of other Shell-affiliated companies in the Philippines, and the Corporate Secretary of Shell Energy Philippines, Inc. She worked to deliver the Corporation's Revised Manual on Corporate Governance, Securities Dealing Code, Corporate Disclosure Guide, Related Party Transactions Policy; its Board Committee Charters; and publication of multi-awarded Annual and Sustainability Reports. She is also a CPA and a Certified Fraud Examiner.</p> <p>To succeed Atty. Navarra, Atty. Rubin G. Cura has been nominated the new Assistant Corporate Secretary. Atty. Cura is a Legal Counsel of the Corporation with more than 23 years of business, legal, regulatory, compliance, and leadership experience. He is also the Foundation Secretary and Legal Counsel of Pilipinas Shell Foundation, Inc. and the Corporate</p>

		Secretary and one of the Board of Trustees of the Shell Employees Savings and Loan Association, Inc.
13 November 2020	<p>Item 9 - Other Events</p> <p>Pilipinas Shell stays resilient in Covid-hit Q3 amidst Tabangao refinery transformation</p>	<p>Following the announcement of the cessation of its manufacturing operations and conversion of Tabangao into a world-class import facility last August, Pilipinas Shell Petroleum Corporation (“Pilipinas Shell”) booked P7.5 billion of one-off charges in Q3 bringing the total net loss to P13.9 billion at the end of September 2020.</p> <p>Excluding these one-off charges relating to the Tabangao transformation, normalized earnings stand at a net loss of P6.4 billion, down from the P4.4 billion net income made in the same period last year but up from the P6.7 billion net loss reported at the end of the Q2 2020. Discounting the P5.7 billion in inventory valuation losses, core net loss has improved at P0.7 billion for Q3, up from Q2’s P0.9 billion.</p> <p>Pilipinas Shell has boosted its efforts to maintain financial resilience in the midst of the Covid-19 pandemic by posting savings of P2.5 billion by the end of the third quarter (Q3), exceeding its cash conservation target of P2 billion by yearend. Savings of P1.2 billion were generated from OPEX, with P1.3 billion from CAPEX.</p> <p>Cesar G. Romero, President and Chief Executive Officer of Pilipinas Shell, remains optimistic. Government’s efforts to gradually reopen the economy by prudently relaxing quarantine restrictions are slowly giving elbow room for the economy to recover.</p> <p>“The wins are coming in gradually as more businesses operate at increased capacity in the areas of manufacturing and transportation, to name a few. Our balance sheet, technical capability and resources are solid and serve us well in continuing to provide Filipinos with high-quality fuel products despite the challenging economic environment and to make the right sustainable decisions to protect the long-term interests of our shareholders,” he says.</p> <p>Gearing rose to 47 percent, mainly because of lower equity from net loss rather than an increase in net debt. Excluding the impact of Refinery one-off charges, the Company’s gearing stands at 41 percent.</p>

At the Annual Stockholders' Meeting of 16 June 2020, the following were elected as directors:

Name	Directorship
Cesar A. Buenaventura	Independent Director
Fernando Zobel de Ayala	Independent Director
Lydia B. Echauz	Independent Director
Luis C. La'O	Non-Executive Director
Mona Lisa B. Dela Cruz	Non-Executive Director
Min Yih Tan	Non-Executive Director (effective 01 January 2021)
Cesar G. Romero	Executive Director
Rafi Haroon Basheer	Non-Executive Director (effective 01 January 2021)
Rolando J. Paulino, Jr.	Non-Executive Executive Director
Randolph T. Del Valle	Executive Director (effective 01 January 2021)
Jose Jerome R. Pascual III	Executive Director (until 31 December 2020)

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	Cesar G. Romero
Vice President - Finance, Treasurer and Chief Risk Officer	Jose Jerome R. Pascual, III (until 31 December 2020)
Vice President - Manufacturing	Jan-Peter Groot Wassink
Vice President - External Relations and Government Relations	Sergio C. Bernal, Jr.
Vice President - Retail	Randolph T. Del Valle
Vice President - Human Resources	Carlo D. Zanduetta
Vice President - Legal and Chief Compliance Officer	Jannet C. Regalado (until 09 November 2020)
Vice President - Wholesale Commercial Fuel	Dennis Evaristo C. Javier
Corporate Secretary	Erwin R. Orocio (until 09 November 2020)
Asst. Corporate Secretary	Ellie Chris C. Navarra (until 09 November 2020)
Corporate Assurance Manager	Reynaldo P. Abilo (until 31 December 2020)
Board Audit and Risk Oversight Committee	
Chairman	Cesar A. Buenaventura
Member	Lydia B. Echauz
Member	Luis C. La'O
Member	Rafi Haroon Basheer

Related Party Transaction Committee	
Chairman	Lydia B. Echauz
Member	Cesar A. Buenaventura
Member	Luis C. La'O
Member	Mona Lisa B. De la Cruz
Corporate Governance Committee	
Chairman	Fernando Zobel de Ayala
Member	Cesar A. Buenaventura
Member	Lydia B. Echauz
Member	Jannet C. Regalado (until 09 November 2020)
Nomination Committee	
Chairman	Cesar G. Romero
Member	Cesar A. Buenaventura
Member	Jannet Regalado (until 09 November 2020)
Member (Non-voting)	Carlo D. Zanduetta
Corporate Social Responsibility Committee	
Chairman	Luis C. La'O
Member	Min Yih Tan
Member	Rafi Haroon Basheer

SIGNATURES

Pursuant to the requirements of Section 17 of the Code and Section 141 of PSPC Code, this report is signed on behalf of the issuer by the undersigned, thereunto duly authorized, in the City of Taguig on 12 day of April 2021.

Issuer:

Signature and Title: _____


CESAR G. ROMERO
President and Chief Executive Officer

Signature and Title: _____


REYNALDO P. ABILO
Chief Financial Officer

Signature and Title: _____


ANGELICA M. CASTILLO
Corporate Controller

SUBSCRIBED AND SWORN to before me this APR 13 2021 at Taguig City, affiant/s exhibiting to me the following Community Tax Certificate and/or Competent Evidence of Identification:

Name	Competent Evidence of Identification		
	Passport Number	Date of Issue	Place of Issue
CESAR G. ROMERO			
REYNALDO P. ABILO			

Name	CRN #	Type of ID
ANGELICA M. CASTILLO		

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

NOTARY PUBLIC

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Page No. 79 ;
Book No. II ;
Series of 2021.


ATTY. VINCENT C. JUAN
NOTARY PUBLIC FOR & IN TAGUIG CITY
UNTIL DEC 31 2021 / APPOINTMENT NO. 51 (2020-2021)
PTR NO. A-5115227; TAGUIG CITY; 20 JANUARY 2021
ROLL NO. 61889 / IBP NO. 110511, EASTERN MINDANAO-DAVAO DE NORTE CHAPTER
MCLE COMPLIANCE NO. VI-0029070 / 18 OCTOBER 2019
41ST FLOOR, THE FINANCE CENTER, 26TH STREET CORNER 9TH AVENUE, BGC, TAGUIG CITY

