

**PILIPINAS SHELL PETROLEUM CORPORATION
MINUTES OF THE ANNUAL MEETING
OF THE STOCKHOLDERS
HELD VIA SHELL OPERATED WEBCAST
ON 06 MAY 2022**

**STOCKHOLDERS
PRESENT:**

Stockholder	No. of Shares in Remote Communication	No. of Shares by Proxy	Percentage
ABILO, REYNALDO P.	1	16,000	0.0010%
AGUAS, NINA PERPETUA D.	7	164,350	0.0102%
BASHEER, RAFI HAROON		1	0.0000%
BERMUDEZ, KIT ARVIN M.		1,600	0.0001%
BERNAL JR., SERGIO C.		4,290	0.0003%
BPI SECURITIES CORPORATION FAO JULIUS VICTOR EMMANUEL J. SANVICTORES		100	0.0000%
BPI SECURITIES CORPORATION FAO MICHAEL PLANTA RAMOLETE		6,290	0.0004%
BUENAVENTURA, CESAR A.	1	200,000	0.0124%
CITIOMNIFOR1		557,500	0.0346%
CITIOMNIFOR2		66,700	0.0041%
CITIOMNIFOR3		32,070	0.0020%
CTS GLOBAL EQUITY GROUP INC FAO DIOCELDO SY SY		4,181,300	0.2592%
DE GUZMAN, ARLENE C.	1,490		0.0001%
DEL VALLE, RANDOLPH T.	1		0.0000%
DEUTSCHE BANK AG MANILA		2,643,341	0.1638%
DUTSCHE BANK AG MANILA FAO THE INSULAR LIFE ASSURANCE COMPANY, LTD.		10,013,070	0.6206%
ECHAUZ, LYDIA B.	1	2,000	0.0001%
MARK HADRIAN P. GAMO HSBC10		3,000 37,132,320	0.0002% 2.3014%
I.B GIMENEZ SECURITIES, INC FAO EUGENIA SOCORRO CRUZ GOMEZ		2,070	0.0001%
JIMENEZ, MARIA LUISA P.		1,490	0.0001%
LA 'O, LUIS C.	1		0.0000%
LIM, ALBERT A.		4,290	0.0003%
NICDAO, MARK BRIAN J.		2,200	0.0001%

Stockholder	No. of Shares in Remote Communication	No. of Shares by Proxy	Percentage
OROCIO, ERWIN C.		6,290	0.0004%
OSIAL, LORELIE Q.	1		0.0000%
PEUSA AIF		83,000	0.0051%
PNB SECURITIES FAO B-MIRK ENTERPRISES CORPORATION		4,000	0.0002%
RBC INV SVC TR CL AC		10,400	0.0006%
SCB OBO SSBTC FUND KMAR		1,300	0.0001%
SHAREHOLDERS' ASSOCIATION OF THE PHILIPPINES, INC.		10	0.0000%
SHELL OVERSEAS INVESTMENTS B.V.		890,860,233	55.2148%
SPATHODEA CAMPANULATA INC.		67,184,265	4.1640%
SSBTC FUND 0MK4		67,300	0.0042%
SSBTC FUND 310H		157,000	0.0097%
SSBTC FUND 59ID		139,200	0.0086%
SSBTC FUND ACXU		7,000	0.0004%
SSBTC FUND ACZF		1,600	0.0001%
SSBTC FUND ARTM		146,700	0.0091%
SSBTC FUND ATB1		4,632,560	0.2871%
SSBTC FUND F9P9		18,100	0.0011%
SSBTC FUND FD96		65,300	0.0040%
SSBTC FUND J734		251,900	0.0156%
SSBTC FUND KMUB		47,800	0.0030%
SSBTC FUND N2XP		51,500	0.0032%
SSBTC FUND NIFG		131,700	0.0082%
SSBTC FUND NYLY		137,530	0.0085%
SSBTC FUND PTWA		303,048	0.0188%
SSBTC FUND PXAM		21,256	0.0013%
SSBTC FUND Q4EX		492,810	0.0305%
TAN, MIN YIH	1		0.0000%
TETANGCO, AMANDO M. JR	1		0.0000%
THE INSULAR LIFE ASSURANCE COMPANY, LTD.		255,452,325	15.8327%
ZOBEL DE AYALA, FERNANDO		1	0.0000%
Total	1,505	1,275,308,110	
Grand Total		1,275,309,615	79.0427%

DIRECTORS Mr. Min Yih Tan
PRESENT: Ms. Lorelie Q. Osial

Mr. Reynaldo P. Abilo
Mr. Cesar A. Buenaventura
Ms. Nina D. Aguas
Dr. Lydia B. Echauz
Mr. Luis C. la 'O
Mr. Randolph T. Del Valle
Mr. Fernando Zobel de Ayala
Mr. Amando M. Tetangco, Jr.

**ALSO IN
ATTENDANCE:**

Mr. Erwin R. Orocio, Managing Counsel and Chief Compliance Officer
Ms. Ellie Chris C. Navarra, Corporate Secretary and Legal Counsel
Mr. Mark Hadrian P. Gamo, Assistant Corporate Secretary and Legal Counsel
Mr. Sergio C. Bernal, Jr., Vice President – External Relations and Government Relations
Mr. Carlo D. Zandueta, Vice President – Human Resources
Mr. Albert A. Lim, Vice President – Wholesale Commercial Fuels
Mr. Steve L. Quila, Vice President – Lubricants
Mr. Kit Arvin M. Bermudez, Vice President – Vice President – Supply & Distribution
Ms. Nimfa G. Dimailig, Country Tax Manager
Mr. Mark Brian J. Nicdao, Corporate Audit and Assurance Manager
Ms. Angelica M. Castillo, Investor Relations Officer and Controller
Mr. Oliver Ortega, Country Security Manager
Mr. Alex Hernandez, DSO Integration Manager
Mr. Ryan Andres, Legal Counsel
Mr. Vincent Juan, Legal Counsel
Mr. Paulo Gavino, External Relations and Internal Communications Manager

838. **Safety Briefing**

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

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

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

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

839. **National Anthem**

Atty. Ellie Chris Navarra requested the participants to stand up for the Philippine National Anthem.

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

840. **Call to Order**

The Corporate Secretary turned over floor to the Chairman of the Board, Mr. Min Yih Tan. Mr. Tan is concurrently the Senior Vice President - Global Mobility Network of Shell. He is a key member of the Shell Global Mobility Leadership Team and leads its Global Network Leadership Team.

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

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

The Corporate Secretary acknowledged the presence of the following directors:

NAME	POSITION	COMMITTEE
Min Yin Tan	Non-Executive Chairman of the Board	Member – Sustainability Committee
Lorelie Q. Osial	Executive Director/ President & Chief Executive Officer	Chairperson – Nomination Committee
Cesar A. Buenaventura	Independent Director	Chairman - Board Audit and Risk Oversight Committee, Member – Corporate Governance Committee Member – Related Party Transactions Committee

NAME	POSITION	COMMITTEE
		Member - Nomination Committee
Dr. Lydia B. Echauz	Independent Director	Chairperson – Related Party Transaction Committee Member - Board Audit and Risk Oversight Committee Member – Corporate Governance Committee
Fernando Zobel de Ayala	Independent Director	Chairman- Corporate Governance Committee
Amando M. Tetangco, Jr.	Independent Director	Member - Board Audit and Risk Oversight Committee Member – Sustainability Committee
Nina D. Aguas	Non-Executive Director	Member – Related Party Transactions Committee
Luis C. la ‘O	Non-Executive Director	Chairman – Sustainability Committee Member – Related Party Transactions Committee Member – Board Audit and Risk Oversight Committee
Reynaldo P. Abilo	Executive Director/ Treasurer/ VP- Finance/ Chief Risk Officer	
Randolph T. Del Valle	Outgoing New Executive Director/ VP-Mobility	
Rafi Haroon Basheer	New Non-Executive Director	Member- Board Audit and Risk Oversight Committee Member – Sustainability Committee

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

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

The Chairman of the Board inquired whether the stockholders had been duly notified of the Annual Meeting. The Corporate Secretary declared that in accordance with the By-laws of the Corporation and applicable rules and regulations, the written notice of the date, place, purpose and details as well as materials of the meeting were published through alternative modes of distribution through the website of the Corporation, Philippine Stock Exchange and newspapers of general circulation. The stockholders of record as of the record date on 08 April 2022 were entitled to the notice.

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

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

The Corporate Secretary certified to the presence of a quorum. In attendance, via remote communication, *in absentia*, and by proxy, were stockholders owning 1,275,309,615 shares representing 79.043% of the total issued and outstanding shares.

843. **Voting Procedure**

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

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

Total votes received of from shareholders owning 1,207,909,503 shares accounting for 74.8653% of the outstanding shares, were validated and counted by RCBC Stock and Transfer Agent.

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

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

The Chairman of the Board informed the stockholders that the next item in the agenda was the approval of the minutes of the previous meeting. Copies of the Minutes of the Annual Meeting of the Stockholders held on 11 May 2021 were

distributed through alternative modes to the stockholders together with the Notices, and an electronic copy was made available on the website of the Corporation.

Based on the final voting tabulation, stockholders owning 1,207,909,503 shares and representing 74.8653% of the outstanding capital stock of the Corporation, voted for the resolution:

“**RESOLVED**, that the Minutes of the Annual Meeting of the Stockholders held on 11 May 2021 be, as it is hereby, approved.”

No shareholder (or 0.00%) voted against or had abstained from the decision to approval.

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

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

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

“Good afternoon. My name is Min Yih Tan, Chairman of the Board at Pilipinas Shell.

Welcome to our 2022 Annual Stockholders’ Meeting. Last year, it was remarkable how we responded, grew, and innovated despite all the challenges we had to face - the continuing pandemic, company-wide reorganisation, and a super typhoon that ravaged parts of the country. From strengthening the business to advancing our social programs, we were able to weather the storms and adapt to the fast-paced changes of our times. We continue to power progress and make the Filipino’s journeys better through our services and solutions.

With 108 years of investment and experience in the Philippines, Pilipinas Shell seeks to provide more and cleaner energy solutions in step with society.

We took a dynamic approach to rebalance our business portfolio and generate robust returns for our shareholders while we work with our customers and sectors to lower carbon emissions of our operations and products.

We intend to continue supporting lives and livelihoods with reliable, affordable, and sustainable energy. As we grow our customer-facing businesses, we are evolving our retail stations into

mobility destinations with upgraded offers to delight our customers and communities.

We are operating three medium range-capable import terminals in Subic, Batangas, and Cagayan de Oro. Our fourth import terminal will rise in the Southern part of Mindanao particularly in Davao, with a capacity of 67 million Liters called Darong Import Terminal. Our facilities will boost supply and stability ensuring energy security and business continuity especially in times of calamities.

We are making structural additions by 2025 to achieve best-in-class supply chain in support of our marketing growth aspirations. Our 2021-25 strategy is the bridge we envision for Pilipinas Shell.

We are increasing our delivery of innovative low carbon products like Shell Helix 0W lubricant for vehicles and Shell Bitumen FreshAir for road pavements including the iconic Cebu-Cordova Link Expressway.

More customers can also avail carbon offsets to realize their decarbonization goals.

Mobility stations are also establishing lower carbon operations by employing different technologies to reduce energy consumption. These locations would include more contemporary layouts and designs, new engineering and construction standards, solar panels, inverter aircons, LED lighting, and more sustainable materials.

Our priority has always been safety and care for our people and our customers. We remained vigilant, followed stringent health protocols, continued work-from-home schemes, and strengthened our existing programs to ensure our people and business partners are safe and healthy, physically and mentally. Our COVID-19 vaccination program successfully provided opportunities for staff to receive their vaccines. By December 2021, 99% of PSPC employees have been vaccinated.

We also implemented Project Reshape, as part of group-wide organisational restructuring towards a more streamlined and competitive organization. We are proud to share that most staff secured new roles within the Shell companies in the Philippines network.

The high employee engagement score in our latest Shell People Survey reflects employees' satisfaction with the quality of leadership and management.

We continued to support our communities through our social investment arm, the Pilipinas Shell Foundation Inc. (PSFI), by providing programs on health, safety, education, and livelihood development.

We also provided aid in terms of food and essentials to families affected by typhoon Odette amid logistical constraints and damages to our distribution facilities. Six million litres of fuel were provided to essential sectors. We also delivered relief assistance to our Shell staff and forecourt champions in the VisMin region.

In times of calamities, Shell has always been present and active in responding to calls for help and we couldn't have done this without the efforts of our staff and partners.

We remain grounded by our core values of honesty, integrity, and respect for people, as we make the future for the industry and the country. Shell will continue to invest in the Philippines for the next 100 years and more through our innovative products and services. We will continue to drive the Filipino's journeys.

With Pilipinas Shell's strategic priorities in place, we are confident of accelerating the growth of our customer-facing businesses sustainably and profitably.

I am incredibly proud of our employees' fortitude and the progress made and would like to extend our recognition to all our staff and front-liners for their dedication in the past year.

Finally, let me convey my appreciation to our outgoing directors, especially Cesar Romero, for their invaluable service in keeping Pilipinas Shell as the most preferred energy brand in the country. I too welcome the incoming directors, including Lorelie Osial – our first female CEO ever, to join the exciting Pilipinas Shell journey.

Thank you.”

846. **President's Report**

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

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

“Good afternoon. I am Lorelie Quiambao Osial, the new Pilipinas Shell President and CEO. I start my term in what can only be described as unparalleled times.

2021 was another year full of challenges caused by the COVID-19 pandemic, as the global crises continue to heavily affect our lives and the economy. At the end of the year, we were also beset with Typhoon Odette which caused devastation in the Visayas and Mindanao regions.

That said, the previous year was full of valuable learnings on how to thrive, restart, and refocus. Guided by our core values, Pilipinas Shell remained agile, resilient, and demonstrated unwavering care amid all uncertainties.

One of the things I am most proud of is how Pilipinas Shell remained true to its responsibility towards our host communities, and the Philippines as a whole.

COVID-19 as well as travel restrictions affected many areas in the country. Through this, we continued operations employing the highest safety standards to protect our people, with most of our staff working from home. Our mobility stations also remained open to serve, offering more than just fuel but also vehicle maintenance services and new amenities that cater to customers’ mobility needs in the new normal.

Typhoon Odette caused great devastation in the Visayas and Mindanao region at the end of the year. We provided much-needed fuel to keep power plants, hospitals, communications, and other facilities operational. Our staff and business partners worked round the clock to resume our operations, resulting to around 96% of our VisMin stations operated safely and reliably. We were able to provide 6 million liters of fuel as an aid to hospitals and essential partner companies in Cebu and Negros Island.

Our Disaster Relief Operations, a combined effort of our staff from the different functions and business units, including our contractors and Pilipinas Shell Foundation, Inc. (PSFI), have aided more than 7,000 families. We have set aside PHP 12 Million to provide relief assistance and aid in the rehabilitation phase in key provinces.

Aside from being present during some of the most challenging times of the year, we continued to share wider benefits where we operate and power lives through our social programs led by the team of PSFI. Our projects and programs in the areas of health, education, livelihood development, and people empowerment are ever-present to reach out to communities that

need these services the most. We are also looking at more ways to incorporate sustainability in our businesses and contribute to sustainable development, something that is important to us, as a Company and our stakeholders.

Powering lives also means investing heavily in our employees, ensuring their well-being, and forging a safe environment. Two major events caused concern in our employees this 2021: the continued uncertainties of the pandemic and then Project Reshape, our enterprise-wide global review to reshape our organization so that it is resilient and delivers on our ambitions.

In relation to COVID-19, employees were supported in three different ways:

- Promote—where information campaigns on staying healthy physically and mentally, as well as vaccination guidelines were conducted with staff;
- Protect— This focused on COVID-19 prevention through the establishment and implementation of safety protocols and;
- Access—where we organized free vaccination drives for employees and their dependents, provided care kits, tele-medicine consults and assistance in locating hospitals.

Meanwhile, Project Reshape, which led to a simpler, leaner, customer first and more entrepreneurial organisation , took place last year. Our impacted employees were our utmost priority in this change. Programs were put in place to manage the change and support our employees. This included ensuring that employees remained healthy and resilient; controls were established to provide fair and transparent resourcing and outplacement process; proper handover and transition plans and organizational effectiveness training was implemented to support the teams' transition.

I am happy to note that we have placed most of our staff within roles in the Shell Companies in the Philippines, resulting in an overall low net employee displacement.

At Pilipinas Shell, we aim to shape a more sustainable energy future, in step with society.

We moved to our new 100% importing supply chain model and successfully maintained a steady supply of high-quality products nationwide throughout the transition. Moreover, we have shifted our energy use in our largest asset, the Shell Tabangao Import Facility (SHIFT), to 100% Renewable Energy.

Lower carbon operations will be gradually implemented across Pilipinas Shell's assets. The continued installations of solar panels, green walls, LED lights, inverter technology, and the use of eco-bricks or upcycled plastics in our ~1,120 mobility stations are expected to reduce energy consumption by approximately 30% versus a traditional site. The same sustainability features will also be implemented in our terminals.

Moreover, we gained additional customers who are availing of our Carbon Offset offers, like Mazda. We expect more partnerships to prosper in this area as we support the decarbonization journey of our B2B customers and their sectors.

I am very proud to say that we are number one in our trust rating versus our local industry peers in all top drivers such as quality of products/ services, safe operations, and business ethics.

We have also maintained our 'most preferred fuels brand' in the Philippines with the brand share preference rating of 37%, which is one of the highest in Shell plc worldwide.

Indeed, we are powering forward. And with hard work, innovative ideas, and creative solutions shown through our different businesses, the Company is moving forward towards recovery. Though the pandemic is still ongoing, our refocused and re-energized strategies support our way to a stronger, more sustainable future.

As the Philippines grows, Pilipinas Shell continues to strive to be a partner in development and serve current demands. And more than that, we look forward to the future and create more innovative products and services that could deal with the fast-changing needs of our times.

We are pursuing our reset and refocused strategy as we aim to expand our mobility network with 40-60 new sites per year, and grow our convenience and retail offers with 550 Select stores and 900 vehicle servicing sites by 2025. These new developments, among others, are anchored on offering more integrated solutions to vehicle care and maintenance, new customer-centric amenities, and modern site and structure design that considers sustainable construction and operation.

We opened the first site of the future in Silang, Cavite, a global blueprint for mobility stations focused on enhancing customer experiences, enabling more forms of transportation, and lowering carbon footprint through innovation.

We are also focused on digitization and will soon offer more digital tools to help customers manage their fleet easily. Sustainability requires a multi-sectoral approach. In Pilipinas Shell, we have been working on nature-based solutions offerings to help clients in their decarbonization journey. We are also partnering with government agencies and the private sector to launch a program to explore the opportunities to use recycled plastic on road projects.

We will continue to invest in our world-class supply chain with an aspiration to have five medium-range (MR) import terminals nationwide. We have just recently inaugurated the Darong Import Facility in Davao— the Company’s fourth import facility, set to be our second highest volume and margin contributor. The facilities allow us to fulfil our commitment to support economic activities as the Philippines continues to recover from COVID-19. This also helps ensure supply stability during typhoons and natural calamities.

We hope to maintain our leading position in corporate governance, talent management and progressively move towards our lower carbon operations.

I am here to grow our Company profitably and responsibly and the strategic priorities of Pilipinas Shell will accelerate the growth of our customer-facing businesses.

I want to reinforce the care that the Company extends to our partner communities through our programs on health & safety, education, livelihood development, energy and nutrition & food security. We will power progress by supporting various groups - vulnerable communities, schools, women, our youth, non-profit organizations and local government units among others.

I remain committed to a leadership that’s anchored on our core values of honesty, integrity, and respect for people. Pilipinas Shell has been and will be unwavering in our commitment to serve our communities and power progress for the Filipino people.

Thank you.”

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

847. **Chief Financial Officer’s Report**

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

The Chief Financial Officer rendered his report:

“Thank you, Mr. Chairman.

Good afternoon, our dear shareholders. My name is Reynaldo Abilo, your Chief Financial Officer.

In 2021, we took concrete steps towards recovery and growth in line with our reset and refocused strategy. We have made choices to pursue superior value built upon a highly competitive and future-proof portfolio of assets. The Company delivered net income of Php3.9Bn, a significant bounce back from last year’s Php16.2Bn loss. This was achieved at the back of a challenging business and macroeconomic environment.

The effects of COVID-19 pandemic continued to be felt throughout the year particularly on mobility and demand for fuel products. The pandemic persisted with the emergence of new variants which the government addressed through calibrated restrictions – targeted locations, more frequent, but shorter in duration.

On the industry side, global finished product market prices increased by ~50% in 2021 vs PY, at one point even reaching >90 USD/barrel, driven by the oil demand recovery, weather-related supply disruptions, and restrained production by OPEC+. In the Philippines, this meant a corresponding increase in oil pump prices. At the same time, global refining margins stayed negative for most part of 2021, at an average of -3 USD/bbl. The decision to permanently cease refining operations insulated us from the negative impact of the volatility in refining margins and enabled us to reallocate our investment in enhancing our supply chain to world-class stature.

In terms of the Philippine context, the CREATE bill was signed into law last March 26, 2021, with effectivity date of July 1, 2020. This fiscal stimulus will benefit corporations like Pilipinas Shell as it reduces corporate income tax rate from 30 to 25%, among others. However, as part of the transition, the Company recognized a one-off remeasurement loss in deferred tax assets which reduced our net income by ~Php1.0Bn. Towards the end of the year, the Company paid under protest P1.7Bn of excise tax and VAT on alkylate components used in our refinery for years 2014-2020 pursuant to the demand letter issued by the Bureau of Customs (BOC), which was done outside of the court processes. The payment representing the first tranche of the P3.4Bn demand by the BOC was made to avert grave disruption in operations, mindful of its impact to the livelihood of thousands of Filipinos and allow us to continue providing the energy needs of our

customers and the general public. The case on whether alkylate is subject to excise tax or not is yet to be decided by the courts. We remain firm on having a strong legal and factual position on this case. And as such, we have initiated refund proceedings to recover the amounts paid under protest.

With the sustained focus in managing the 3Cs – Cash, Cost, and Capital, Pilipinas Shell continues to demonstrate strong financial resilience in spite of the headwinds that we faced during the year. Our strategy is working, and it is propelling us towards a more sustainable, purposeful and profitable future.

STRONG CASH GENERATION

Stronger net earnings performance resulted in positive CFFO before working capital of PHP13.8Bn, while net CFFO stood at PHP1.1Bn. The big difference is caused by higher working capital requirement that is primarily due to significantly higher market prices for petroleum products.

The remarkable recovery in net earnings is driven by value maximization initiatives of our marketing businesses. The Mobility and Commercial B2B teams delivered business growth through high premium product penetration (e.g. V-Power, FO Plus), successful execution of campaigns and promotions, while also offering innovative customer value propositions. In our first year of launch, we have reached our 1st million of Shell GO+ members, our loyalty app program, generating incremental value in both fuel and non-fuel offerings per store visit.

We kept our collections and overdues at healthy levels through a robust cash governance framework, with strong accountabilities across businesses and functions. Opportunities to evolve our processes and systems were always explored - like new collection gateways for customers, provision of digital payment options and medium-term cash scenario planning. Strong banking relationships were maintained to guarantee continued access to bridging funds.

PRUDENT COST MANAGEMENT

Our cash preservation focus continued throughout 2021. We recognize the continuing uncertainties in the external environment and have therefore exercised financial prudence whenever we can. This has been a standard priority in our business conversations with both internal and external stakeholders.

The reported selling, general, and administrative expenses is 12% higher vs. our most disrupted year of operations in 2020

and 6% higher vs. pre-pandemic level in 2019. The increase is due to the shift in the residual operating costs in Tabangao from cost of sales to selling expenses, additional repairs due Typhoon Odette, resumption of employee discretionary bonus based on 2021 performance as well as advertising and promotional activities in line with demand recovery.

We continue to progress our supply chain enhancements and cost takeout efforts to drive efficiency and competitiveness in the market. In 2021, the end-to-end optimization and collaboration in Tabangao resulted in Php0.9Bn of cost savings for the company.

DISCIPLINED CAPITAL ALLOCATION

As part of our strategy, we directed financial resources to more sustainable and higher yielding projects. We continued to invest in 2021 in line with our Php3-4Bn per annum CAPEX plan while delivering industry leading ROACE of 18% – higher than pre-pandemic level. Our agile and value-oriented approach complimented the robust strategy we have in place.

We built 43 new mobility (formerly retail) stations nationwide, 26 of which are the bigger company-owned (CO) sites that are located in key cities/higher foot traffic areas. This is our highest CO station opening in the last decade. Based on our financial evaluation, the returns on building slightly less number but bigger stations with full mobility offer and more strategically located, makes better economic prospects for us in the longer-term, compared to original plan. So, while our station opening count is short of our initial strategy of ~60 station openings, the value to be generated remains the same, and even better in some areas. On the other hand, we remain aggressive in our non-fuel retail investments ending the year with 187 Shell Select, 75 Deli2Go, 225 Select Express, and 455 Shell Helix Oil Service Centers.

The Company launched its first Site of the Future in Cavite, a modern, customer-centric and sustainability-focused station – of which, its blueprint is used as a model in the Shell Group, globally. We also reached a number of milestones in our shift to lower carbon operations in our assets. In mobility, we have already equipped our 100th site with solar panel fixtures. Other lower carbon alternative switches include the use of ecobricks & BitumenFreshAir (lesser harmful air particulates emitted) as building materials for our stations, converting to LED lights and inverters in-store, utilizing green walls, and rainwater recycling systems. In our supply chain assets, our Villanueva depot (for our bitumen products) followed suit with our Tabangao import

terminal in installing solar panels as a part-substitute in our operations' energy sources, shifting to more renewables.

Last November 2021, the Securities and Exchange Commission approved the Company's equity restructuring application to offset the 2020 retained earnings deficit of Php4.3Bn against its share premium. However, unrestricted retained earnings available for dividend distribution remains at a deficit position by the end of 2021. We are committed to our dividend policy and rest assured that dividend pay-out remains to be a key priority the moment we are able to do so in compliance with SEC guidelines.

Overall, we have made considerable strides in realizing our next 5-year growth ambitions, even in the face of the continued uncertainties and volatilities. We will maintain the discipline to ensure the effective and efficient deployment of our capital while rewarding our shareholders and delivering on our aspiration to become a compelling, world-class investment case. As the world shifts to the next normal, we are excited to grow and thrive in the energy transition, to deliver sustainable solutions, and to power progress for the Filipinos.

Thank you.”

The Chairman of the Board thanked Mr. Abilo.

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

a. **Appointment of External Auditor**

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

The Corporate Secretary reported that the Board Audit and Risk Oversight Committee recommended to the Board of Directors the appointment of an external auditor who will examine the accounts of the Corporation for 2022. The Board of Directors, at its meeting held on 24 March 2022, approved the re-appointment of Sycip Gorres Velayo & Company as the external auditor of the Corporation for 2022.

Based on the final voting tabulation, stockholders owning 1,207,909,503 shares and representing 74.8653% of the outstanding capital stock of the Corporation, voted for the resolution:

“RESOLVED, that Sycip Gorres Velayo and Co., member of Ernst and Young International, be appointed as the External Auditors of the Corporation for the calendar period

ending 31 December 2022, under such terms and conditions as the Board of Directors may consider reasonable.”

No shareholder (or 0.00%) voted against or had abstained from the decision to approval.

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

849. **Election of Directors**

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

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

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

The nominees were:

<u>Directors</u>	<u>Independent Directors</u>
Nina D. Aguas	Cesar A. Buenaventura
Rafi Haroon Basheer	Lydia B. Echaz
Randolph T. Del Valle	Fernando Zobel de Ayala
Luis C. La ‘O	Amando M. Tetangco, Jr.
Reynaldo P. Abilo	
Lorelie Q. Osial	
Min Yih Tan	

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

	YES	NO	ABSTAIN
Fernando Zobel de Ayala (Independent Director, Incumbent)	1,139,953,079	459,970	-
Cesar A. Buenaventura (Independent Director, Incumbent)	1,139,788,722	459,970	164,357
Lydia B. Echaz (Independent Director, Incumbent)	1,140,306,949	106,100	-
Amando Tetangco, Jr. (Independent Director, Incumbent)	1,140,306,949	106,100	-
Nina D. Aguas (Non-Executive Director, Incumbent)	1,511,472,148	171,400	-
Luis C. la O' (Non-Executive Director, Incumbent)	1,511,430,177	213,370	-

Min Yih Tan (Non-Executive Chairman, Incumbent)	1,140,004,548	408,500	-
Rafi Haroon Basheer (Non-Executive Director, Incumbent)	1,140,199,679	213,370	-
Lorelie Q. Osial (Executive Director, Incumbent)	1,140,110,339	302,710	-
Reynaldo P. Abilo (Executive Director, Incumbent)	1,140,241,648	171,400	-
Randolph T. Del Valle (Executive Director, Incumbent)	1,140,241,648	171,400	-

Based on the final voting tabulation, a total of 13,238,017,586 cumulative votes were affirmatively cast in favor of the eleven (11) nominees:

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

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

The Secretary read the names of the newly elected directors:

1. Reynaldo P. Abilo
2. Nina D. Aguas
3. Rafi Haroon Basheer
4. Randolph T. Del Valle
5. Luis La ‘O
6. Lorelie Q. Osial
7. Min Yih Tan
8. Fernando Zobel de Ayala (Independent Director)
9. Cesar A. Buenaventura (Independent Director)
10. Lydia B. Echauz (Independent Director)
11. Amando M. Tetangco, Jr. (Independent Director)

850. **Question and Answer**

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

First question: Your 2021 result showed a NIAT of 3.9Bn, what is the reason for not declaring any dividends for 2021? Is this because you spent the money to pay BOC of your unpaid taxes worth billions?

Mr. Abilo responded as follows:

“Our RE position greatly improved from -Php4.3Bn by end 2020 to positive Php1.3Bn currently - a consolidation of all our recovery efforts through delivery of net income and the approval of our Equity Restructuring application by the SEC. However, as per SEC guidelines, any unrealized items should be excluded from retained earnings available for dividend distribution. Hence, after taking into account the company’s unrealized deferred tax assets of PHP6bn, our retained earnings available for dividend distribution remains at a deficit of PHP5.1bn. The payment made under protest to BOC regarding previous Alkylate imports has no impact to PSPC’s earnings. Your company’s finance and tax teams have been exerting effort to ensure that we utilize our deferred tax assets as fast as we can in compliance with rules and regulations.

It is our priority to pay out dividends as soon as we are able to. Our dividend policy remains the same, which is to payout at least 75% of our net income attributable to shareholders. We are hopeful that our business profitability continues to recover as demand resurges back. We will update you accordingly on this.”

Second question: As a follow-up question, what is the chance of getting any dividends this year?

Mr. Abilo responded as follows:

“It is our priority to pay out dividends as soon as we are able to follow the SEC guidelines. Our dividend policy remains the same, which is to payout at least 75% of our net income attributable to shareholders. We are hopeful that our business profitability continues to recover as demand resurges back. We will update you accordingly on this.”

Third question: You always say that you have the technology and capability to put up electric charging stations for over 3 years now, how many have you installed and ready to use? If none, is this another LNG type of project, forever a project? Care to comment?

The President and CEO responded as follows:

“Shell, as a global company has the technological expertise and experience to bring e-mobility to life in the country. Our e-mobility strategy requires full development of its infrastructure and ecosystem to ensure that the power source will be harnessed from renewable/ clean energy and not from coal (as it will defeat the purpose of using EV). In partnership with Shell Energy Philippines (SEPH), a Shell affiliate which aims to grow our renewable energy source in the country, we are

carefully progressing our EV plans together with DOE, OEM partners and other public and private institutions who will be vital in our journey towards energy transition.”

Fourth question: Why are PSPC’s shares still not picking up? Can you explain why?

Mr. Abilo responded as follows:

“It’s hard to directly pinpoint why this is the case but we have 3 insights that can help explain this.

First, our stock is thinly traded. The average volume of our shares traded in the exchange is ~550k per day which is significantly lower than the volume traded during the IPO (~38m) and during the past quarter (~40k to 2m shares) which makes the share price easily susceptible to be swayed in the market

Second, despite getting feedback from several analysts and investors that our stock is greatly undervalued, there are concerns about the timing of our dividend payout due to the retained earnings deficit we incurred in 2020 mainly due to the cessation of the refinery operations. We are addressing this by 1) equity restructuring which was approved by the Securities and Exchange Commission to offset the deficit in our retained earnings against additional paid in capital and 2) managing the company’s performance to constantly deliver income as the economy recovers from the pandemic. We are pleased to advise that Pilipinas Shell has qualified for the PSE’s Mid Cap Index, a new index launched by the Philippine Stock Exchange. This means that Pilipinas Shell is among a broader segment outside PSEi with established track record of performance and potential to grow even further. The 20 constituents of the Mid Cap Index were selected based on market capitalization, liquidity, financials, and free float. We’re optimistic that this will help increase the liquidity of Pilipinas Shell as investors maximize the new index in their benchmarking and can use additional tools to monitor market performance of the new index.

Lastly, investors who easily let go of their shares at lower prices are typically those who are after significant capital appreciation which is a quality that may be expected from speculative stocks. We’d like to reiterate that Pilipinas Shell is a stable company with clear and identified growth opportunities that can help provide investors with secure and stable dividend payout. Your management team is looking at various options to increase shareholder value. We will be sharing more about this in the future.”

Fifth question: Any update on your new import facility in Tabangao? It has been two years now since you transformed the refinery into an import terminal and you mentioned investment, was there any major investment done after two years?

The President and CEO responded as follows:

“1. What we are currently executing are the projects and activities related to decommissioning/decontamination of the assets related to the conversion of the Refinery into an Import Terminal as well as the those that are necessary to ensure Safe and Reliable Operations in Tabangao (the normal Maintenance & Repair).

2. We already completed the construction of 2 additional ethanol tanks and is expected to finish the construction of additional bottom loading gantry in SHIFT by May. These projects are worth 6M USD.

3. We already started and is expected to complete by next year our USD 30M investment programs for Tank Integrity, Pipe integrity, Jetty rehab and other items to continuously operate SHIFT

4. We are also developing possible terminal conversion pathways in an aim to identify and pursue the most competitive conversion model/option in Tabangao. We are working towards more detailed cost estimates and commercial evaluation of options by November 2022.

That other than Tabangao (263 Million Liters), we also have our Import Terminal capable to receive Medium Range Vessel in NMIF in Cagayan de Oro with a capacity of 90 Million Liters and Subic in the north with 45 Million liters plus the new one located in Barangay Darong Sta Cruz Davao with 67 Million liters capacity expected to be operational in 3Q 2024.”

Sixth question: Why is it that when there is an oil price hike, it's higher, but when it comes to the rollback, it's a little bit lower?

The CFO responded as follows:

“While we acknowledge this perception, the fact is that the market dictates the price of fuels. This has been validated by several independent studies undertaken by independent scholars.”

Seventh question: How long does the crude oil of Shell have enough supply when the tension in Ukraine is not yet over?

The President and CEO responded as follows:

“In August 2020, your company permanently decommissioned its refinery with the decision to convert Tabangao to a world class import facility.

As such, we now import our requirements leveraging on our relationship and integration with the Shell Group network.”

The Chairman of the Board added:

“Let me add that the Shell Group's global trading and supply team (for the East, which includes the Philippines, this is situated in Singapore) sources a reliable supply of high-quality fuels from various refineries. As confirmed from Shell's trading arm, the refineries where our finished products are sourced from do not use Russian crude oil.

On a global level, Shell, as one of the biggest players in the industry, maintains a strong, reliable supply chain network - and in varying degrees, with secured long term supplier agreements. Supply-wise, we are confident and secured and continue to comply with statutory minimum inventory requirements.”

Eighth question: Why is it so difficult to contact your offices?

The President and CEO responded as follows:

“We regret any inconvenience caused by our migration to soft phones. For this reason, we have also provided our email addresses as well as a mailbox in our website.”

851. **Adjournment**

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

Prepared by:

ELLIE CHRIS C. NAVARRA
Corporate Secretary

Attested By:

MIN YIH TAN
Chairman of the Board