

COVER SHEET

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S.E.C. Registration Number

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(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	3	1
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Month Day

17 - A

FORM TYPE

0	5	1	1
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Month Day

Fiscal Year

2nd Wednesday of May
Annual General Meeting as
per By-Laws

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

323

Total No. of Stockholders

Total Amount of Borrowings	
23,220,000,000	

Domestic Foreign

To be accomplished by SEC Personnel concerned

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File Number

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Document I. D.

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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 Pilipinas Shell 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 ("Pilipinas Shell", 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 Pilipinas Shell stood at 33.33% while foreign ownership at 66.67%.

On 18 August 2015, Pilipinas Shell received approval from the Securities and Exchange Commission ("SEC") for its application for increase in authorized capital stock from Php1 billion divided into 1 billion shares with par value of Php1.00 each to Php2.5 billion divided into 2.5 billion shares with par value of Php1.0 each. Out of the 1.5 billion increase in Pilipinas Shell's authorized capital stock, a total of 0.9 billion shares were offered to existing shareholders as of 12 May 2015 at Php20 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 refining business to make a public offering of at least 10 % of its common stock through the stock exchange, Pilipinas Shell was listed in the Philippine Stock Exchange, Inc. ("PSE") on 03 November 2016 with the stock symbol "SHLPH". Initially offered at Php 67.00 per share, the company 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%.

Pilipinas Shell celebrated its 107 years in the Philippines in 2021. Throughout history, the Company has been committed in partnering with the country in nation-building and powering progress of Filipinos.

As at 31 December 2021, Pilipinas Shell 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.

Pilipinas Shell Operational Highlights

In 2021, the COVID-19 pandemic continued to have a serious impact on people's health and livelihoods. The Philippine energy sector remained impacted by the mobility restrictions locally and globally coupled by the effect of strong weather disturbances and other calamities. This is at the back of recovering global oil prices reaching higher than pre-pandemic levels up to USD90/barrel.

In March 2021, Pilipinas Shell communicated its reset and refocused 2021-25 strategy highlighting the shift in its supply chain model, evolution of its retail stations into mobility destinations, and drive for lower carbon operations, products, and solutions. These will enable the company to continue powering progress in the country through innovative lower carbon products and services, while delivering superior value for its customers, shareholders, and the society.

Building on the company's strength in fuels retailing, the network of mobility stations will be more competitive, customer centric, and fit for the future. From being known as traditional gas station, the new Pilipinas Shell mobility stations will serve the wider needs of the Filipino consumers. They would cater not just cars, trucks, and buses, but will provide mobility offers to bikers, cyclists, and even pedestrians. Leveraging on digital applications, Shell mobility stations will also cater to people working from home through delivery services. In September, Pilipinas Shell opened its very first Site of the Future, one of the firsts in the world. Located in Acienda Silang, Cavite, the site is set to become a global blueprint for mobility stations focused on enhancing customer experiences, enabling more forms of transportation, and lowering carbon footprint through innovation.

Pilipinas Shell continues to elevate customer journey and experience through best-in-class digital loyalty program. The Shell Go+ App has reached more than 1 million subscribers over the course of the year. This program allows the customer to pay contactless while earning more rewards in both fuels and non-fuel offerings on-site. The program successfully helps in increasing customers' trip spending and loyalty volume through brand engagements and promotions.

Pilipinas Shell's mobility network remains the most efficient in the industry, with more than 1,100 Shell-branded stations nationwide. Recognizing the evolving needs of customers, the company continues to expand its non-fuel retailing business. Affordable food choices and other products are made available in its more than 180 Select shops, 75 deli2go stores and quick service restaurants present on the sites. The Company has also put up more than 200 Select Express stations nationwide – a smaller version of the typical Select shops. Other services such as oil change and car maintenance are also offered through its more than 450 SHOC+ and Helix Service Centers (HSC).

Wholesale Commercial Fuels continues to supply quality products to resilient industry sectors such as manufacturing, mining and power. The business also positions itself as the preferred energy partner in the growing construction sector of the country. Lubricants had an outstanding year in increasing its customer base with new products and services, maintaining its market leadership. In 2021, the Aviation business remained challenged with continued travel restrictions in international and domestic flights. Construction and Road (formerly, Specialities) business has recovered from last year by successfully capturing the resumption and expansion of construction projects nationwide.

In 2021, Pilipinas Shell made firm steps in integrating sustainability in how it operates and runs its businesses as well as in the products and services that it offers to customers. During the year, some accounts of the Fleet Solutions business have signed up for the carbon offset offer. Sales of lower carbon products such as Shell Helix Ultra 0W and Shell BituFreshAir have more than doubled. At the same time, the company continued to reduce its carbon footprint on its assets with its Shell Import Facility in Tabangao (SHIFT) running on 100% renewal energy, and the use of ecobricks and other sustainability features in mobility stations. Pilipinas Shell also declared its support to the Financial Stability Board Task Force on Climate-related Financial Disclosures (TCFD), the 15th Philippine company to do so and the first in the energy sector. The company will use the TCFD framework along with other globally recognized frameworks such as the Global Reporting Initiative (GRI) in the Company's Annual and Sustainability Report (ASR).

The Company applied for equity restructuring with the Securities and Exchange Commission (SEC) to offset the 2020 deficit against its share premium amounting to Php4.3 billion. The SEC approved the application and the same has been reflected in the 2021 Audited Financial Statements. More information on 2021 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 2021. In its sixth ASR, the Company details its sustainability efforts – 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 Pilipinas Shell

(i) Principal products or services and their markets

Pilipinas Shell 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.

Pilipinas Shell is one of the leading fuel mobility players in the country, boasting a strong network of over 1,100 Shell-branded mobility stations nationwide. Through its mobility arm, the Company markets Shell V-Power Racing, Shell V-Power Gasoline, and Shell V-Power Diesel as its premium offering, and FuelSave Gasoline and FuelSave Diesel for its main grade offers. 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 Shell Oil Helix Oil Change+ and Helix Service Centers (HSC).

Pilipinas Shell’s commercial product portfolio includes wholesale commercial fuels, jet fuels, lubricants and bitumen. Wholesale commercial fuel premium products include, among others, Shell Fuel Save Diesel and Shell Fuel Oil Plus. The wholesale commercial fuels product portfolio includes diesel, gasoline, kerosene, fuel oil and blended fuels. Pilipinas Shell 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 Pilipinas Shell’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>	Domestic	Exports	Total
2021, in million pesos	175,981	1,175	177,156
2021, in percentage	99%	1%	100%
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%

Over the last three years, most of the export sales were made to Singapore.

(iii) Distribution methods of the products

Pilipinas Shell's integrated supply chain is composed of 24 fuel distribution terminals and supply points, 12 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 Shell Import Facility Tabangao (SHIFT), 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 Tabangao import terminals through vessels/barges and lorry trucks to supply the demand in Luzon. Vessels/barges also transport imported products from NMIF to other parts of the country. Pilipinas Shell 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

Lubes

In 2021, the Company launched Shell Coolants which offers a superior protection from corrosion, rust and cavitation. Shell Coolants are also compatible and can be mixed with Japanese Car coolant initial filling (Toyota, Honda, Suzuki, Daihatsu, Mitsubishi, Nissan, Subaru, Mazda). It has the most number of OEM specification and approvals (General Motors, Ford, Honda, Chrysler, Mercedes-Benz, Toyota, VW, Nissan, Hyundai, Suitable) and compatible with all automotive and light diesel applications.

Mobility

True to Shell Mobility's thrust to cater to its customers' complete vehicle care needs, the Shell-branded Car Care products were launched in Q3 2021. These car care products bring in Shell's high-quality formulation into the car care industry. The portfolio offers a wide range of SKUs such as car shampoo, car wax, coolant, instant tyre repair, AC sanitizer and refresher, interior cleaners engine degreaser, brake cleaner and many more.

(v) Competition

The Philippine oil industry is composed of numerous players in the mobility and commercial segments. Based on the market share data available from DOE, Pilipinas Shell retains its top 2 position in terms of serving the total demand of petroleum products in the country as of YTD Q3 2021. The two largest companies, Petron and Pilipinas Shell, hold around 34% while the balance is made up of numerous smaller players.

In the mobility segment, Pilipinas Shell holds around 30% of the total mobility fuels market. The company's value delivery is maintained and protected through the company's differentiated offerings and integrated supply chain. Its differentiated fuels portfolio providing both economy and performance driven formulas, combined with innovative and high-quality services, drives the company's growth in a competitive fuels market. The company also leads the industry in the sustainable products segment. On the other hand, its integrated, competitive, and reliable supply chain and highly efficient mobility network assures its customers with the reliability and quality of its offerings.

Pilipinas Shell 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 in the Industry

The downstream oil industry is heavily impacted by market fluctuations and economic and political developments overseas. Some of these include: the economic contraction and recession experienced by other economies and foreign exchange volatilities. There is a steep increase in average global fuel prices for petroleum product such as gasoline, diesel, fuel oil, aviation fuel from ~\$53/bbl as of 31 December 2020 to ~\$82/bbl by end of 31 December 2021. The rebound came as nations emerged from lockdowns while OPEC countries agreed to major cuts in petroleum production. Despite the bounce back, oil price remains volatile as global mobility remains uncertain with the on-going COVID-19 pandemic. Being a petroleum product importer, Pilipinas Shell is exposed to volatilities in regional product prices and foreign exchange.

Pilipinas Shell also used to be exposed in movements in regional refining margins. In 2021, the company formally transitioned into a pure-import supply chain model, removing its exposure on refining margins.

(vi) Sources and availability of products and the names of principal suppliers

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

Bulk of Pilipinas Shell's finished products requirements, are sourced from Asian countries such as China, Taiwan, Korea, and Singapore. As confirmed with SIETCO, the refineries where the Company obtains its petroleum products from, do not use Russian crude as feedstock.

(vii) Major customers

Pilipinas Shell 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 petroleum products; (b) reimbursement of expenses; (c) entering into lease agreements; (d) placing short-term placements; and (e) 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, Pilipinas Shell has established a separate Related Party Transaction (RPT) Board Committee that performs oversight functions over related party transactions of the company. Pilipinas Shell 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 Pilipinas Shell:

- i. Pilipinas Shell purchases petroleum products from Shell International Eastern Trading Co. (SIETCO), an entity under common shareholdings.
- 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 Pilipinas Shell under certain terms and conditions.
- iii. Pilipinas Shell leases from Tabangao Realty, Inc. (TRI) land for several depots and mobility 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 Trade Marks and Manifestation License Agreement with Pilipinas Shell pursuant to which SBI, the licensor, grants Pilipinas Shell, the licensee, a non-exclusive right to reproduce, use, apply and display the Shell trade mark and other manifestation. In consideration, the company shall pay a royalty fee, which shall be computed as certain percentage of business contribution of each class of business. Royalty rate varies from 0.87% to 9.27% depending on class of business, subject to a minimum royalty amount. This agreement can be terminated by either party without any penalty.
- v. Pilipinas Shell 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, the company charges entities under common shareholdings for group-shared expenses related to personnel and other administrative costs and other services.
- vi. Pilipinas Shell has long-term loan from Bank of Philippines (BPI), an entity with common director.
- vii. Pilipinas Shell has five common members between its Board of Directors and Board of Trust of Pilipinas Shell Foundation Inc. The company 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 Shell Brands International AG. Such intellectual properties are considered as Shell Group’s assets rather than the properties of individual companies, such as Pilipinas Shell.

License Agreements

The use of trademarks and trade name by Pilipinas Shell 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 the company 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 Pilipinas Shell, 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

As part of running the facilities that store and handle petroleum products, Pilipinas Shell coordinates with various government stakeholders to comply with several regulations and regularly obtain approvals, permits and/or certifications as necessary. In general, these ensure that the company facilities are conforming to national or accepted international standards on health, safety and environment. A major stakeholder is the Department of Environment and Nature Resources (DENR), to which the company site procures various certifications and registrations (Chemical Control Order, Hazardous Waste Generator ID Registration, Environmental Compliance Certificate, PCL Compliance Certificate, Permit to Operate an Air Pollution Source Equipment, Wastewater Discharge Permit). In addition, Third Party Liability Insurance and the Environmental Compliance Certificate issued by the DENR are required for service stations and for environmentally-critical projects. These certificates have to be submitted to the DOE for monitoring (not regulation) purposes.

Several authorities also require facility inspections and certifications (Permit to Operate-PPA, Certificate of Annual inspection-PEZA, Certificate of Compliance-ERC, Fire Safety Inspection-BFP, Statement of Compliance of a Port facility-DOTR). The company's terminals are also mandated to have permits issued by local government units (Business Barangay Clearance, Business Permit (or Mayor's Permit), Real Property Tax, Sanitary Permit, Zoning Permit/Certificate). There are also approvals / registrations required for specific aspects of running the operations (Annual Registration-BIR, License to Handle CPECS and Purchaser's License for Controlled Chemicals-PDEA, Portable Radio License-NTC, Water Permit -NWRB).

(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. Pilipinas Shell 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.

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, Pilipinas Shell upgraded its refinery which enabled the company to supply Euro IV fuels in all its mobility sites and depots before it ceased its operation in 2020.

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. Pilipinas Shell 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 05 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 conducting random field testing and confirmatory testing on fuel to check its compliance towards the mandatory fuel marking requirement in 2020. This initiative is targeted to help curb smuggling.

Data gathered by the government consortium in 2021 identified homogeneity issues of the fuel marker in storage tanks for several oil industry players resulting to a deferment of the program's enforcement phase. The government has identified terminals/locations where fuel marking operations are instructed to shift from vertical tanks dosing to truck/lorry marking to immediately address the homogeneity issues. Subic OSP is scheduled to shift their marking operations to truck marking on Q1 2022.

The automated injection system fuel marking facility for SHIFT, which is funded by the Department of Finance as part of the fuel marking program, has commenced onsite installation activities in December 2021 with a target commissioning date of March 2022. Pilipinas Shell has also proposed to the Department of Finance to upgrade its own fuel marking facility at Shell North Mindanao Import Facility to an automated injection system (AIS) of technology to minimize the homogeneity risks identified in the present fuel marking dosing operations by the consortium. The proposal is currently undergoing review by the DOF.

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.

Pilipinas Shell currently blends diesel with 2% coconut methyl ester (CME) and gasoline with 10% ethanol as mandated in the current PNS.

On December 2021, the Department of Energy Technical Committee on Petroleum Products and Additives (TCPPA) has finalized the draft national standards for 3% and 4% CME blends into diesel and are ready for endorsement to the Bureau of Product Standards. The implementation of these new standards are subject to the DOE's implementation plan for the succeeding years. Utilization of Locally-Produced Bioethanol in the Production of E-Gasoline.

Consistent with The Biofuels Act of 2006, DC2011-12-0013 was implemented. It mandated the exhaustion of locally-sourced bioethanol in order to sustain and expand the local bioethanol industry. Pilipinas Shell sources its local bioethanol in accordance with its Local Monthly Allocation as computed and circulated by the Department of Energy's Oil Industry Management Bureau (OIMB).

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. Pilipinas Shell, 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. Pilipinas Shell successfully completed its refinery upgrade and is producing and supplying Euro IV-compliant fuels since 01 January 2016. All Shell terminals and mobility 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.

No further impact from the effect of Clean Water Act towards the Company's Shell Mobility stations is expected. No major change from the Pollution Head Accreditation Board has been received. All sites continue to comply with the quarterly SMRs and Discharge Permit to DENR or LLDA.

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 local tankers and barges hauling oil and/or contributing oil (petroleum products) in Philippine waterways and coast wise shipping routes. This new fund, named the Oil Pollution Management Fund (“OPMF”), is on top of the requirement under the 1992 CLC and 1992 Fund Conventions and will be administered by the Maritime Industry Authority (“MARINA”). The circular was published in November 2021, and the imposition of the 10 centavos/liter fee has taken into effect starting 10 December 2021.

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.

The Philippine Coast Guard **MC 01-2005** provides implementing guidelines pursuant to PD No. 600, PD No. 979 as rationalized in accordance with the International Convention for the Prevention of Pollution from Ships, MARPOL 73/78. This MC applies to oil marine pollution in all bodies of water within the territorial jurisdiction of the Philippines including ports, coastlines, lakes, rivers and their tributaries.

Under the Policies of this MC, below are some of the requirements:

- Oil refineries/terminals/depots and tanker owners engaged in black products and persistent oil shall be provided with at least complete set of oil containment and recovery equipment, sorbent dispersants and other MARPOL combating accessories duly accredited by the PCG sufficient to prevent, control and mitigate a medium discharge.
- Oil companies and tanker owners shall submit to CPCG their respective contingency plans for approval and execution in case of oil spillages in their areas and conduct regular team training on managing oil spill operations, handling and operations, handling and operation of MARPOL combating equipment. A dedicated oil spill response team shall be organized to react to land and ship originated oil spills.

(xii) Amount spent on research and development

Under existing agreement with Shell International Petroleum Company (“SIPC”) an entity under common control, SIPC provides research and development services to Pilipinas Shell.

R & D Costs	2021	2020	2019
Amount (in Million Php)	133.89	185.86	235.13
Revenue/Net Sales	177,157	156,952	218,403
	0.08%	0.12%	0.11%

(xiii) Costs and effects of compliance with environmental laws

Compliance with various environmental laws entails costs on the part of Pilipinas Shell, resulting in higher production costs and operating expenses. In 2021, Pilipinas Shell's long term provision for environmental remediation is Php65.3 million and the short-term provision is Php1,014.5 million.

(xiv) Manpower

Pilipinas Shell has a total of 489 regular employees as of 31 December 2021. This includes senior executives, junior executives, junior staff and operatives.

The junior staff and operatives belong to the labor organization, Kapisanan Ng Mga Manggagawa sa Shell ("KMS"), whose members comprise the rank and file workers assigned to Pilipinas Shell's network of depots and installations.

The current Collective Bargaining Agreement ("CBA") with KMS is effective from 16 January 2017 to 15 January 2022.

In addition to the statutory benefits and reference to Pilipinas Shell's policies defining eligibility and implementation rules, Pilipinas Shell provides 14th month pay, club membership allowance, location allowance, relocation and housing allowance, maternity/paternity assistance, funeral Assistance, sick leave encashment, group hospitalization and out-patient insurance, emergency loan without interest, representation and travel reimbursements and various performance-related incentives to employees. Pilipinas Shell sponsors a defined benefit and defined contribution retirement gratuity plan for the benefit of its regular employees.

(xv) Major risks involved/Risk management

Pilipinas Shell'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. Internal controls include a number of general and specific risk 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 Pilipinas Shell's Management culture
- Evaluate Pilipinas Shell'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 Pilipinas Shell 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 Pilipinas Shell'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 Pilipinas Shell's governance, internal control and risk management processes.

Based on the results of controls self-assessments and risk-based assurance reviews, the reliance on the work of SGV Co., the Company's external auditor, on their audit of the December 31, 2021 Financial Statements, and the assurance provided by the Corporate Assurance and Audit Department (CAAD) as a result of their audit activities, the Board Audit and Risk Oversight Committee assessed that Pilipinas Shell's systems of internal control, risk management, compliance, and governance processes are adequate and effective as of December 31, 2021.

Risk Response Strategies & Accountabilities

To manage risk effectively for Pilipinas Shell, 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 Pilipinas Shell 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 mobility 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, Pilipinas

Shell, 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 through the Fuel Marking Program. Pilipinas Shell has been complying to the site and terminal marking and has also been providing technical input to the Philippine Institute for Petroleum (PIP) to support the program's success.

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 Pilipinas Shell's ability to meet customer requirements. Pilipinas Shell has an asset master plan which includes preventive maintenance activities to ensure strong reliability performance.

Calamities such as typhoons and earthquakes, are considered normal occurrences in the Philippines. Severe calamities can disrupt operations, particularly the company's supply chain. Pilipinas Shell has a Business Continuity Plan to ensure the continued supply of quality products nationwide.

3. Regulatory risks

Abrupt changes in laws and regulations can pose detrimental results on Pilipinas Shell'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. Pilipinas Shell 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 petroleum products will adversely affect the value of Pilipinas Shell's assets, liabilities or expected future cash flows.

1. Foreign currency exchange risk

Pilipinas Shell is exposed to fluctuations in exchange rates, primarily with respect to the importations of petroleum products denominated in US dollars. Foreign currency exchange risk may also arise from future commercial transactions and recognized assets and liabilities denominated in a currency other than Pilipinas Shell's functional currency.

Foreign exchange currency risks are not hedged. Pilipinas Shell does not enter into significant derivative contracts to manage foreign currency risks. Since foreign currency exposure is significantly concentrated on purchase of petroleum products, Pilipinas Shell manages foreign currency risk by planning the timing of its importation settlements with related parties and considering the forecast of foreign exchange rates.

2. Interest rate risk on cash flow and fair value of financial instruments

Future cash flows and fair value, of a financial instrument may fluctuate because of changes in market interest rates.

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

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

At 31 December 2021 and 2020, Pilipinas Shell's short-term borrowings and loans payable carry floating rates based on a certain index plus applicable premium.

Pilipinas Shell does not have significant hedging activities or enter into significant derivative contracts to cover risk associated with borrowings.

3. Commodity and other price risk

Commodity price risk is the risk that future cash flows may fluctuate because of changes in market prices. Pilipinas Shell is affected by price volatility of certain commodities such as petroleum products. To minimize Pilipinas Shell's risk of potential losses due to volatility of petroleum product prices, the company may implement commodity hedging for petroleum products. The hedges are intended to protect inventories from risk of downward prices and therefore lower 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.

Pilipinas Shell is not significantly exposed to price risk on equity securities and proprietary club shares as investments held by the company 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.

Pilipinas Shell maintains cash and certain other financial instruments with various major financial institutions. To minimize this risk, the company 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 3 of the Audited Financial Statements.

Pilipinas Shell 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 Pilipinas Shell 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 2021.

(III) Liquidity risk

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

(3) Description of Properties

Pilipinas Shell operates on various leased property for its import terminals, storage installations, depots and various mobility (formerly retail) stations located throughout the Philippines.

Pilipinas Shell's full-import supply chain model is primarily supported by its three MR-capable import terminals - the 263ML finished products capacity Shell Import Facility – Tabangao (SHIFT) in Batangas serving Luzon and Northern Visayas, the 83.48ML finished products capacity terminal in Subic that serves the demand of Northern Luzon, and the 94ML finished products capacity Northern Mindanao Import Facility (NMIF) in Cagayan De Oro (CDO) serving the rest of the Visayas and Mindanao.

SHIFT, Pilipinas Shell 's largest terminal, is located on a 160-hectare land in Tabangao, Batangas City, 121 kilometers south of Manila and was recently inaugurated as an import facility last June 2021. SHIFT consists of Product & Component tanks, LPG Spheres and jetties.

NMIF is the first full-import facility constructed by Pilipinas Shell in 2016, enabling a more efficient and economical distribution to provide energy security for Visayas and Mindanao. The landmark project in CDO consists of product and component tanks.

Pilipinas Shell 's third import facility located in Subic was opened recently in 2020, enhancing access to fuel products in North and Central Luzon while also supporting efforts to restart the country's economy amidst the COVID-19 pandemic. This newest addition to Pilipinas Shell 's network of import terminals consists of product and component tanks.

Aside from the company strong network of import terminals, Pilipinas Shell also has a network of installations and depots scattered all over the archipelago. These are situated in Luzon (Calapan, Poro, Pasacao, Masbate, and Puerto Princesa) and the Southern Islands (Mandaue, Bacolod, Iloilo, Leyte, Tagbilaran, Cabadbaran, Davao, and Iligan). The company also sources or operates on some strategic third-party owned terminals across the country – General Santos, Bataan, Lapu-lapu, Amlan, Roxas, Mindoro, and Zamboanga.

(4) 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 Php7.35 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 totaling Php5.72 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 Php7.35 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 06 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 31 December 2021.

Management believes that provision should not be recognized as at 31 December 2021 and 31 December 2020 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 Php1.9 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 07 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.

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. Pilipinas Shell filed its Comment/Opposition on 27 November 2020. In July 2021, the Supreme Court lifted the temporary restraining order (TRO) against the collection of excise tax for the Company’s alkylate importations from March 2014 to April 2020 (principal amount involved is around Php3.4 billion) and remanded the case to the Court of Tax Appeals (CTA) for the latter to determine the propriety of issuing a TRO / injunction in favor of the Company.

In line with said Supreme Court ruling, the Company has already filed an application for TRO / injunction with the CTA, which remains pending to date. The CTA has scheduled a hearing on the application for TRO / injunction on 26 January 2022.

In the meantime, the District Collector of the Bureau of Customs, taking action outside of the court proceedings, issued a letter to the Company demanding for the payment of around Php3.4 billion.

The Company promptly responded and argued, among others, that there is no final decision yet from either the CTA or Supreme Court on the taxability of the Company's alkylate importations.

Nevertheless, the Bureau of Customs commenced actions to suspend the Company's accreditation as an importer. Left without an immediate legal remedy that would avert the disruption of its operations, the Company in December 2021 and January 2022 was constrained to pay under protest the Bureau of Customs the amount of around Php3.4 billion. The Company has since initiated refund proceedings to recover the amounts paid under protest.

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:

In a decision dated 16 February 2021, the RTC dismissed the case on the merits. The Bureau of Customs has filed a Notice of Appeal. As of 31 December 2021, the Company is awaiting further actions from the RTC and/or the Court of Appeals.

(c) Excise Tax Refund Case

There are also tax cases filed by the Company for its claims from the government amounting to Php1.03 billion that are pending as at 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 of 31 December 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

Pilipinas Shell common shares were listed as "SHLPH" with the Philippine Stock Exchange on 03 November 2016.

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

The high and low sale prices for the end of 2021 are as follows:

FROM	TO	HIGH (Php)	LOW (Php)
04 January 2021	29 January 2021	21.55	20.10
01 February 2021	26 February 2021	22.40	20.05
01 March 2021	31 March 2021	22.55	20.35
05 April 2021	30 April 2021	21.70	20.15
03 May 2021	31 May 2021	22.00	20.45
01 June 2021	30 June 2021	21.25	20.00
01 July 2021	30 July 2021	20.90	18.30
02 August 2021	31 August 2021	18.56	17.62
01 September 2021	30 September 2021	20.00	18.60
01 October 2021	29 October 2021	24.25	19.30
02 November 2021	29 November 2021	23.30	20.35
01 December 2021	31 December 2021	20.60	19.34

As of 31 December 2021, the last trading day in 2021, Pilipinas Shell (SHLPH) stock closed at Php19.88.

2. **Holders** – There are three hundred and twenty-three (323) 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.	255,452,325	15.83%
3	PCD Nominee Corp - Filipino	200,539,585	12.43%
4	PCD Nominee Corp - Foreign	155,687,543	9.65%
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. Eraña	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	De Leon, Miguel P.	272,459	0.02%
18	Henry O. Chusuey	215,000	0.01%
19	Jose Araneta Albert	203,877	0.01%
20	Jordan M. Pizarra	168,881	0.01%

3. **Dividends**

The Company has negative unrestricted retained earnings as at 31 December 2021, making it unable to declare dividends. Updates on dividend payout will be disclosed as necessary.

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 Pilipinas Shell'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 the company's Unrestricted Retained Earnings as of 31 December 2018.

During its regular meeting 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.

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 Pilipinas Shell'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 2021, 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 Pilipinas Shell's Shares

(1) Capital stock and treasury shares as at 31 December 2019 to 2021 consist of:

	2021		2020		2019	
	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 2021, Pilipinas Shell has 323 shareholders excluding treasury shares (31 December 2020 - 320), 286 of whom hold at least 100 shares of the company's common shares (31 December 2020 - 283).

Each common share is entitled to one vote.

(2) Debt Securities

Pilipinas Shell does not have any outstanding debt securities.

(3) Stock Ownership Plan

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

PART III - FINANCIAL INFORMATION

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

Financial condition as of the year ended 31 December 2021 compared to the year ended 31 December 2020

The following is a discussion of Pilipinas Shell's current and non-current assets and liabilities as of the year ended 31 December 2021 compared to the year ended 31 December 2020.

Current assets

Pilipinas Shell's current assets increased from Php29,902.6 million as of 31 December 2020 to Php36,475.6 million as of 31 December 2021 primarily due to the following:

Trade and other receivables increased by Php4,207.5 million, or 35.9% from Php11,732.6 million as of 31 December 2020 to Php15,940.1 million as of 31 December 2021 primarily driven by the increase in finished products prices in the region.

Inventories increased by Php5,837.1 million, or 58.3% from Php10,016.4 million as of 31 December 2020 to Php15,853.5 million as of 31 December 2021 primarily driven by steep increase in average global fuel prices for petroleum product such as gasoline, diesel, fuel oil, aviation fuel from ~\$53/bbl as of 31 December 2020 to ~\$82/bbl by end of 31 December 2021.

Prepayments and other current assets increased by Php1,134.7 million, or 60.9% from Php1,863.1 million as of 31 December 2020 to Php2,997.8 million as of 31 December 2021 mainly driven by increase in creditable withholding tax which the company may offset against future income tax liability and increase in input VAT credit.

Cash decreased by Php4,606.3 million, or 73.2% from Php6,290.5 million as of 31 December 2020 to Php1,684.3 million as of 31 December 2021 driven by net earnings performance, capital expenditures, working capital movements including payment under protest of alleged excise tax on importation of alkylate and settlement of contractual obligations from the cessation of refinery operations, and movements in borrowings.

Non-Current Assets

Pilipinas Shell's non-current assets increased from Php56,647.5 million as of 31 December 2020 to Php58,673.6 million as of 31 December 2021 primarily due to the following:

Right to use assets, increased by Php3,457.0 million, or 23.8% from Php14,507.5 million as of 31 December 2020 to Php17,964.5 million as of 31 December 2021 owing to additions and renewal of lease contracts.

Long-term Receivables, rentals and investments, net increased by Php2,275.3 million, or 40.6% from P5,605.2 million as of 31 December 2020 to P7,880.5 million as of 31 December 2021 mainly due to increase in excise duty claims including the payment under protest of alleged excise tax on importation of alkylate.

Property, plant and equipment, net increased by Php284.4 million, or 1.2% from Php23,135.0 million as of 31 December 2020 to Php23,419.4 million as of 31 December 2021 due to additional mobility stations built during the year, upgrades made to existing mobility sites and enhancement of the supply chain network. This is partially offset by additional impairment of certain assets that will no longer be used in SHIFT.

Deferred income tax assets, net, decreased by P1,972.1 million, or 32.3% from P6,102.8 million as of 31 December 2020 to P4,130.7 million as of 31 December 2021 primarily due to reduction in Regular Corporate Income Tax Rate (RCIT) from 30% to 25% effective 01 July 2020 and realization of the provisions related to the cessation of the refining operations.

Other assets decreased by Php 2,018.5 million, or 27.7% from Php7,297.1 million as of 31 December 2020 to Php5,278.6 million as of 31 December 2021 mainly driven by decrease in fair value of pension assets.

Current Liabilities

Pilipinas Shell's current liabilities decreased from Php33,394.3 million as of 31 December 2020 to Php32,704.3 million as of 31 December 2021 primarily due to the following:

Trade and other payables increased by Php4,090.2 million, or 20.1% from Php20,377.2 million as of 31 December 2020 to Php24,467.5 million as of 31 December 2021 primarily driven by increase in overall global petroleum product prices and depreciation of Philippine peso.

Short-term loans decreased by Php4,780.0 million, or 36.8% from Php13,000.0 million as of 31 December 2020 to Php8,220.0 million as of 31 December 2021 primarily due to settlement and conversion of short-term loans to long-term borrowing.

Non-Current Liabilities

Pilipinas Shell's non-current liabilities increased from Php29,524.0 million as of 31 December 2020 to Php36,273.4 million as of 31 December 2021 primarily due to the following:

Long term debt increased by Php6,000.0 million, or 66.7% from Php9,000.0 million as of 31 December 2020 to Php15,000.0 million as of 31 December 2021 primarily driven by conversion of short-term loan to long-term borrowing.

Lease liabilities, increased by Php2,910.4 million, or 22.4% from Php13,018.8 million as of 31 December 2020 to Php15,929.2 million as of 31 December 2021 primarily driven by additions and renewals of lease contracts.

Provision and other liabilities decreased by Php2,161.0 million, or 28.8% from Php7,505.2 million as of 31 December 2020 to Php5,344.2 million as of 31 December 2021 primarily driven by reversal of provision for decommissioning and restoration costs of the refinery process unit sold and the settlement of refinery contractual obligation arising from the cessation of the refinery operations.

Equity

Pilipinas Shell's total equity increased from Php23,631.9 million as of 31 December 2020 to Php26,171.5 million as of 31 December 2021 primarily due to the following:

Share Premium decreased by Php4,304.1 million, or 16.5% from Php26,161.7 million as of 31 December 2020 to Php21,857.7 million as of 31 December 2021 primarily due to an equity restructuring to offset the 2020 deficit in share premium.

Retained earnings increased by Php8,159.8 million, or 119.4% from Php6,833.9 million deficits as of 31 December 2020 to Php1,325.9 million as of 31 December 2021 primarily driven by the earnings for the period and equity restructuring.

Remeasurement Gains on Defined Benefit Plans decreased by Php1,382.3 million, or 54.6% from Php2,529.8 million as of 31 December 2020 to Php1,147.5 million as of 31 December 2021 primarily due to reduction in fair value of pension assets during the year.

Other reserves increased by Php66.3 million, or 11.0% from Php600.2 million as of 31 December 2020 to Php666.5 million as of 31 December 2021 due to increase in fair value of equity instruments.

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

The following is a discussion of Pilipinas Shell'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

Pilipinas Shell'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 petroleum products stock in 2020, as a result of cessation of refining operations in Tabangao. The Company does not hold any remaining marketable petroleum products 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

Pilipinas Shell'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

Pilipinas Shell'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 petroleum 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

Pilipinas Shell'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

Pilipinas Shell'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 petroleum 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.

Results of operations for the year ended 31 December 2021 compared to the year ended 31 December 2020

Net sales increased by Php20,205.0 million, or 12.9%, from Php156,951.8 million for the year ended 31 December 2020 to Php177,156.9 million for the year ended 31 December 2021 mainly driven by higher pump prices driven by the general increase in global oil prices.

Cost of sales increased by Php1,121.5 million, or 0.7% from Php153,291.2 million for the year ended 31 December 2020 to Php154,412.7 million for the year ended 31 December 2021 driven by increase in average global fuel prices for petroleum product such as gasoline, diesel, fuel oil, aviation fuel from ~\$53/bbl as of 31 December 2020 to ~\$82/bbl by end of 31 December 2021, partially offset by reclassification of specific expenses to selling expenses after the cessation of refinery operations.

Gross profit increased by Php19,083.5 million, or 521.3% from Php3,660.6 million for the year ended 31 December 2020 to Php22,744.2 million for the year ended 31 December 2021 primarily as result of increased premium fuel penetration and the cessation of charges associated to the closure of refining operations in 2020.

Selling, General and Administrative expenses increased by Php1,625.0 million, or 11.8% from Php13,722.8 million for the year ended 31 December 2020 to Php15,347.7 million for the year ended 31 December 2021 primarily as a result of increased spending on repairs and maintenance due to Typhoon Odette, logistics and transshipment, advertising expenses and employee cost. Some costs were also reclassified from cost of sales to selling, general and administrative expenses after the cessation of refinery operations.

Impairment losses decreased by Php10,824.1 million, or 97.3%, from Php11,124.5 million for the year ended 31 December 2020 to Php300.4 million for the year ended 31 December 2021 due to the conversion of the refinery into Shell Import Facility Tabangao (SHIFT) and additional impairment of certain assets that will no longer be used in SHIFT.

Other operating income increased by Php1,737.0 million, or 977.1%, from Php177.8 million for the year ended 31 December 2020 to Php1,914.8 million for the year ended 31 December 2021 primarily driven by reversals of onerous provisions from the refinery's contractual obligations, net movements of decommissioning and demolition due to remeasurements and increase in market prices leading to commodity hedging net mark to market gain in 2021 as compared to net mark to market loss in 2020.

Finance income decreased by Php277.0 million, or 98.9%, from Php280.1 million for the year ended 31 December 2020 to Php3.1 million for the year ended 31 December 2021, mainly due to decrease in foreign currency exposure during the year as a result of weakening of Peso against other foreign currencies.

Finance expense decreased by Php51.5 million, or 2.2%, from Php2,299.4 million for the year ended 31 December 2020 to Php2,248.0 million for the year ended 31 December 2021 mainly driven by decrease in interest expense on borrowing as a result of lower interest rate.

Net Income After Tax for the period improved by Php20,038.6 million or 123.8% from a loss of Php16,182.7 million for the year ended 31 December 2020 to a profit of Php3,855.7 million for the year ended 31 December 2021. This is primarily driven by higher premium fuel penetration and cost savings due to the conversion of the refinery into Shell Import Facility Tabangao (SHIFT).

Core earnings increased by Php1,958.6 million, from Php362.4 million for the year ended 31 December 2020 to Php2,321.0 million for the year ended 31 December 2021 primarily driven by marketing delivery and the cessation of refinery operations. In 2020, depressed regional refining margins have resulted in significant losses in the manufacturing segment. The cessation of refinery operations has eliminated the Company's exposure to refining margins in 2021. Core earnings represents earnings before inventory holding gains and other one-offs (i.e., inventory holding gains, adjustments related to the enactment of CREATE and adjustments in manufacturing provisions in 2021).

EBITDA increased significantly by Php28,866.7 million, or 174.9% from a loss of Php16,501.4 million for the year ended 31 December 2020 to a profit of Php12,365.3 million for 31 December 2021 mainly due to impact of increase in pre-tax inventory holding gains from Php6,812.2 million inventory holding loss in 2020 vs inventory holding gain of Php4,859.5 million in 2021.

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 community lockdowns as a measure to prevent the spread of the pandemic. The Government has taken measures to relax the community lockdowns to improve the market conditions 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 petroleum products 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 decrease in travel expenses in line with the various cash preservation initiatives and strategies implemented.

Other operating income decreased by Php210.7 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 mobility 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 petroleum products prices.

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 inventory holding gain in 2019 vs inventory holding loss of Php6,803.4 million in 2020.

SUMMARY FINANCIAL AND OPERATING INFORMATION

Pilipinas Shell's selected financial data as of and for the years ended 31 December 2019, 2020 and 2021 were derived in each case from the audited financial statements of the company.

KEY FINANCIAL RATIOS AND OPERATING DATA

Key financial ratios

	As of/for the year ended 31 December		
	2019	2020	2021
Current ratio ¹	1.2	0.9	1.1
Acid test ratio ²	1.2	0.8	1.0
Solvency ratio ³	21.2%	2.5%	15.7%
Debt to equity ratio ⁴	0.4	0.7	0.8
Debt ratio ⁵	0.14	0.18	0.23
Return on assets ⁶	5.5%	(18.7)%	4.1%
Return on equity ⁷	14.3%	(70.3)%	15.1%
Return on average capital employed ⁸	16.3%	(39.8)%	17.5%
Return on core average capital employed ⁹	14.5%	5.6%	9.8%

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		
	2019	2020	2021
Mobility volumes sold (million litres) ¹	3,175	2,312	2,184
Commercial volumes sold (million litres) ²	2,084	1,748	1,602
Others (million litres) ³	570	1,022	65

Note:

¹ Mobility volumes sold indicates the total volume of fuels and lubricants sold through the mobility business for the period.

² Commercial volumes sold indicates the total volume of wholesale commercial fuel, jet fuel, lubricants and specialities sold for the period.

³ Others volume sold indicates the total volume of manufacturing and supply for the period.

OTHER FINANCIAL DATA

4Q 2021	4Q 2020		Financial year 2021	Financial year 2020
52,838,973	49,059,560	Net sales	177,156,862	156,951,843
(47,389,558)	(47,625,087)	Cost of sales	(154,412,692)	(153,291,201)
5,449,415	1,434,473	Gross profit	22,744,170	3,660,642
(4,635,687)	(3,674,877)	Selling, general and administrative expenses	(15,347,738)	(13,722,778)
755,950	381,010	Other operating income, net	1,914,787	177,773
(300,368)	(740,086)	Impairment losses	(300,368)	(11,124,473)
1,269,310	(2,599,880)	Income from operations	9,010,851	(21,008,836)
(563,326)	(635,384)	Finance expense, net	(2,244,906)	(2,019,366)
(2,728)	-	Other non-operating income (expenses), net	-	-
703,256	(3,235,264)	Income before income tax	6,765,945	(23,028,202)
(212,994)	922,429	Provision for income tax	(2,910,232)	6,845,529
490,262	(2,312,835)	Net income	3,855,713	(16,182,673)
0.3	(1.43)	Earnings per share – Basic and Diluted	2.39	(10.03)

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

Uncertainties that may impact the Company's liquidity are disclosed in the Corporate Risks section of this annual report.

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

There are no identified material or significant events during the reporting period that may trigger direct or contingent financial obligation to Pilipinas Shell. The Company's pending legal cases are discussed in Note 28 of the Audited Financial Statements.

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

Pilipinas Shell does not have any material off-balance sheet arrangements with unconsolidated entities.

Capital Expenditures

Pilipinas Shell 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 expanding and upgrading its network of mobility stations 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

The ongoing conflict between Ukraine and Russia has resulted in several uncertainties on businesses and institutions worldwide. The Company does not expect any significant impact from these developments after the end of the reporting period. The Company has long-term and secured access to petroleum products through the Shell network. The Company will continue to closely monitor the situation.

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 a material effect on the financial condition or results of operations during the period.

A. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

The accounting firm of Sycip Gorres Velayo & Co. (EY Philippines) was appointed as the principal accountant and external auditor of Pilipinas Shell 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 2021.

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 2021:

Reynaldo P. Abilo (Filipino) serves as a Director of the Corporation since 01 January 2021. He is likewise the Vice President-Finance, Treasurer and Chief Risk Officer of the Corporation. He was appointed Corporate Assurance Manager on 01 June 2017. Mr. Abilo joined Shell in 2009 as the Mobility Economics Manager in the Philippines where he distinguished himself by winning the 2012 CFO award for site profitability analysis and the 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 over 17 years of experience in audit, accounting, economics, strategy development, business performance management, and commercial decision support. Prior to this assignment, he was a 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 examinations. From 2017 to 2021, he attended various seminars on corporate governance.

Nina D. Aguas (Filipino) was appointed Non-Executive Director of the Corporation on 10 August 2021. She is the Executive Chairperson of The Insular Life Assurance Co., Ltd., where she also served as a Non-Executive Director from 2016 to 2018. She was the first woman CEO of Insular Life after more than a century of its operations. She currently holds the following positions: Chairman of the Board of Bank of Florida; Independent Director of Monde Nissin Corporation; Director of Unionbank of the Philippines; Trustee of Insurance Institute for Asia and Pacific; and member of the Advisory Council for Gender and Development of the World Bank Group. She is a business leader with over 30 years in mobility, wealth, investments and private banking. She managed global and regional and country-level businesses and operations in large international companies in developed and emerging markets in the Asia-Pacific and the US. She was recognized by Forbes Magazine as one of the 25 Asia Power Businesswomen in 2019. She holds a Bachelor of Science in Commerce, Accounting degree from the University of Santo Tomas. In 2021, she attended a seminar on corporate governance.

Fernando Zobel de Ayala (Filipino) is currently an Independent Director of the Corporation. Mr. Zóbel de Ayala is the President and Chief Executive Officer of Ayala Corporation and is part of the seventh generation in the family overseeing Ayala Corporation. He is Board Chairman of Ayala Land and AC Energy, Vice Chairman of Bank of the Philippine Islands, Co-Vice Chairman of Globe Telecom, and a Director of Manila Water. In addition to roles in publicly listed companies, he also serves on the Board of Institut Européen d'Administration des Affaires (INSEAD) and Georgetown University and is a member of the Chief Executives Organization. He is also involved in various international and local non-profit organizations. He serves on the Board of Asia Society, and is a member of Asia Philanthropy Circle and Habitat for Humanity International’s Asia Pacific Development Council. In the Philippines, he is a Board member of Ayala Foundation, Caritas, and Pilipinas Shell Foundation. From 2015 to 2021, he attended seminars on corporate governance.

Rafi Haroon Basheer (Pakistani) is a 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 Mobility 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

Mobility Business Finance Manager – Shell Pakistan Limited (January 2000 – December 2002). He is a member of the Institute of Chartered Accountants in England and Wales. He earned his diploma in Accountancy with distinction at the London Metropolitan University. From 2020 to 2021, he attended seminars on corporate governance.

Cesar A. Buenaventura (Filipino) 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 Echaz 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, I People Inc, and Manila Water. 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 2021, he attended seminars on corporate governance.

Randolph T. Del Valle (Filipino) is the Vice-President – Mobility (formerly, Retail) of the Corporation effective 01 January 2020. He has been re-appointed as Director of the Corporation on 09 November 2021. He is responsible for the Downstream Marketing Mobility 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 as Global Head of Strategy & Planning for DS Mobility Network based in Singapore, he helped shape a number of important Mobility Growth Projects (Russia, Indonesia, China and the US), evolved Network Strategy & Planning processes and methodology toward a holistic value maximization approach with various Integrated Mobility 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 in effectively planning and executing Shell's largest strategic acquisition of BG Group in 2015/2016. He has also held various local, regional and global roles: Mobility 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. Echaz (Filipino) is an Independent Director of the Corporation since 16 May 2017. Dr. Echaz currently holds directorships in publicly listed companies Meralco and D&L Industries, Inc.; as well as PLDT Beneficial Trust Fund, Tahanan Mutual Building and Loan Association, Inc., Philstar Group, Riverside College Inc., NBS College, Inc. and Fern Realty Corp. Dr. Echaz 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 a 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 a 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 2021, she attended seminars on corporate governance.

Luis C. la Ó (Filipino) 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 2021, he attended seminars on corporate governance.

Lorelie Q. Osial (Filipino) is the new President and Chief Executive Officer of the Corporation since 01 December 2021, the first female CEO since its incorporation. Prior to her appointment, she is the Vice President – Finance Process Expenditure of Shell Shared Services (Asia) B.V. since 2019. Ms. Osial has 20 years of experience with Shell having previously worked at Pepsi-Cola and Jargine/United Logistics. She joined Shell Philippines Exploration B.V. and since then, has worked in various business-facing Finance roles in production, projects, regional, shareholder and joint venture environments in Upstream and Midstream Asia, the Middle East and North Africa. Prior to her return to the Philippines in 2016, she was the Finance Manager for Projects in Iraq South Gas Projects/Basrah Gas Company, the world's largest flare reduction project and one of the toughest external environments within the Shell portfolio. After that, she took on the role of Finance Director Upstream and Country Controller in the Philippines. She is Chairperson of the Board of Trustees in two pension funds and was formerly a member of the Board of Directors of the British Chamber of Commerce in the Philippines. Ms. Osial has a degree in Bachelor of Science in Accountancy from Silliman University (Cum Laude) and is a Certified Public Accountant in the Philippines. She also holds a Master of Business Administration degree from the University of Western Australia.

Min Yih Tan (Singaporean) is the Chairman of the Board of Pilipinas Shell Petroleum Corporation starting 01 January 2020. Mr. Tan is likewise the Vice President - Global Mobility Network and oversees the life cycle management of all Shell Mobility assets across the world. He is a key member of the Global Mobility Leadership Team and leads its Global Network Leadership Team. He has held the following positions in the Shell Group: General Manager, Mobility Network Development; General Manager, Global Mobility & Commercial Strategy; General Manager, Commercial Fuels (East); and General Manager, Lubricants (S. E. Asia). Prior to joining Shell, Mr. Tan worked in ExxonMobil where he held a series of commercial, operational and staff leadership roles in downstream businesses spanning Mobility, 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. From 2020 to 2021, he attended seminars on corporate governance.

Amando Tetangco, Jr. (Filipino) is an Independent Director of the Corporation since 11 May 2021. He was a career central banker for over four decades. He served as the Governor of the Bangko Sentral ng Pilipinas for two consecutive terms (July 2005 - July 2017). He held other government positions, such as Chairman of the Anti-Money Laundering Council, the Financial Stability Coordination Council and the Philippine International Convention Center. Prior to his appointment as Governor, he was Deputy Governor in charge of the Banking Services Sector, Economic Research and Treasury of the BSP. He worked at the Management Services Division of SGV and Co. in 1973 - 1974. Currently, he also serves as an independent director in various companies in the property development, resort and leisure, telecommunications, auto, hotel, health care and credit information sectors, and is a trustee in foundations involved in education, environment and other social services. Mr. Tetangco graduated from the Ateneo de Manila University with an AB Economics degree and obtained his Master's degree in Public Policy and Administration (Development Economics) from the University of Wisconsin-Madison, USA. He attended various training programs at different institutions including the Harvard Business School and the New York Institute of Finance. In 2021, he attended a seminar on corporate governance.

The Corporate and By-Laws Executive Officers of the Corporation as of 31 December 2021 are as follows:

Min Yih Tan*	Non-Executive Chairman of the Board	Singaporean
Lorelie Q. Osial*	President and Chief Executive Officer	Filipino
Reynaldo P. Abilo*	Vice President – Finance/Treasurer/Chief Risk Officer	Filipino
Randolph T. Del Valle*	Vice President – Mobility	Filipino
Sergio C. Bernal, Jr.	Vice President – Corporate Relations	Filipino
Carlo D. Zandueta	Vice President – Human Resources	Filipino
Erwin R. Orocio	Managing Counsel & Chief Compliance Officer	Filipino
Albert A. Lim	Vice President – Wholesale Commercial Fuels	Filipino
Stephen D. Quila	Vice President – Lubricants	Filipino
Kit Arvin M. Bermudez	Vice President – Supply and Distribution	Filipino
Ellie Chris C. Navarra	Corporate Secretary	Filipino
Mark Hadrian P. Gamo	Assistant Corporate Secretary	Filipino
Angelica M. Castillo	Corporate Controller and Investor Relations Manager	Filipino
Mark Brian J. Nicdao	Corporate Audit and Assurance Manager	Filipino

*Member of the Board of Directors

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

Kit Arvin M. Bermudez (Filipino) was appointed Vice President – Supply and Distribution on 10 August 2021. He has been with Shell for more than 23 years with experience in the Downstream-Mobility and Strategy. His career stamps are founded on strong operational delivery focus, HSSE and high achievement track records, delivering high performance results in teams handled across different positions, cultures, and geographies to include base country the Philippines and extending to the Middle East (Oman), Europe (Italy), and Asia (Singapore). He started as a Mobility Convenience Store Operations Executive when he joined us from San Miguel Corporation in 1997. He then became a Territory Manager before being posted to Milan, Italy for a business development role where he won a European VP Award for his contribution to Mobility Italy’s pricing strategy. He came back to the local Mobility Business as a District Manager (DM) and then moved to the Operations Manager (OM) role. He was then posted to Oman for three years as the National Sales and Operations Manager before transferring to Singapore as a member of the Strategy and Portfolio Team. He led the Downstream Integrated Strategy Review for the Philippines in 2013 and the Chemical Logistics Project in Bukom which eventually won the Downstream Strategy and Portfolio (DX) EVP Award for Creativity and Innovation. He was also a part of the Chief Executive Review for 2013 Portfolio work stream that also won another DX EVP Award. He came back to Mobility (now Mobility) to support the growth of Mobility East’s convenience retailing business as the Regional Convenience Mobility Manager before he returned to the Philippines to take up his role as the Marketing Delivery Manager. In 2019, he was appointed as a National Sales Manager. He has been a consistent high performer and has significantly progressed the growth and development of the Mobility business in the Philippines. In 2021, he attended a seminar on corporate governance.

Sergio C. Bernal, Jr. (Filipino) was appointed as the Vice President-External Relations on 08 August 2019. He graduated from De La Salle University in Manila with a Bachelor’s degree in Industrial Management Engineering. Mr. Bernal started his career in sales before taking up a few other roles including Business Development, Training and Marketing in local, regional and global posts. Serge 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 Serge led teams to achieve over 110% sales growth and at the same time built a strong high-performing team, winning global recognition. Serge himself was a recipient of 2 Global EVP awards for Project Pearl and

Project Kindle. In his recent lubricant marketing role, he was in charge of both the Philippines and Thailand. From 2019 to 2020, he attended seminars on corporate governance.

Angelica M. Castillo (Filipino) 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.

Mark Hadrian P. Gamo (Filipino) was appointed as the new Assistant Corporate Secretary of the Corporation effective 09 November 2021. He is currently a Legal Counsel of the Corporation effective August 2021. Prior to his current role, he was with Shell Global Litigation Asia Pacific Team, a position he occupied since joining the Corporation in June 2012. In said capacity, he managed various litigation matters of Shell in the Philippines and in some other countries in the Asia Pacific region. Prior to joining the Corporation, he was a Senior Associate at the Litigation Department of Villaraza Cruz Marcelo & Angangco. He obtained his Juris Doctor degree from the Ateneo De Manila School of Law in 2006 where he graduated with honors and in the top 20 of his class. In 2002, he graduated from Ateneo De Manila University with a Bachelor of Arts degree in Economics. In 2021, he attended a seminar on corporate governance.

Albert A. Lim (Filipino) was appointed Vice President – Wholesale Commercial Fuels on 10 August 2021. Mr. Lim joined the Corporation in 1998 as a commercial sales account manager and eventually moved to a marketing role for the Philippines and thereafter, for East (Asia Pacific). He is a well-rounded Shell Commercial Fuels leader with over 20 years of experience both locally and globally. He headed the implementation of global and regional projects and pioneered initiatives in Commercial Fuels on hedging and exposure management, integrated planning and portfolio optimization activities. Prior to his new role, Mr. Lim was the Corporation's Business Development and Pricing Manager. He holds a degree in Management Engineering from the Ateneo De Manila University. In 2021, he attended a seminar on corporate governance.

Mark Brian J. Nicdao (Filipino) is the Corporate Audit and Assurance Manager of the Corporation since 01 January 2021. He joined the Corporation 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. He supported the businesses in managing risks associated with industry issues. Prior to joining the Corporation, he spent eight years in Unilever Philippines, where his last role was Country Channel Marketing Head. He graduated Magna Cum Laude from the University of the Philippines Diliman, majoring in Business Administration. From 2021 to 2022, he attended seminars on corporate governance.

Ellie Chris C. Navarra (Filipino) was appointed Corporate Secretary and Chief Information Officer of the Corporation on 10 November 2020. She is likewise a Legal Counsel for Downstream since 16 February 2017 and was appointed the Corporate Secretary of Shell Energy Philippines, Inc. and Assistant Corporate Secretary of other Shell-affiliated companies in the Philippines. She is a Graduate Member of the Institute of Corporate Directors. 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. 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 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 2021, she attended seminars on corporate governance.

Erwin R. Orocio (Filipino) was appointed Chief Compliance Officer and Member of the Corporate Governance and Nomination Committees of the Corporation on 10 November 2020. He is likewise the Managing Counsel with over 24 years of legal experience. He was previously the Corporate Secretary of the Corporation and various 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 director of Shell Energy Philippines, Inc., Shell Chemicals Philippines, Inc., and Shell Solar Philippines Corporation. He is also a trustee of Pilipinas Shell Foundation, Inc. He was a former trustee, Vice President and Treasurer of the Shell Employees’ Savings and Loan Association, Inc., a financial institution regulated by the Bangko Sentral ng Pilipinas. Erwin is 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 Recina & 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 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 2015 to 2021, he attended seminars on corporate governance.

Stephen D. Quila (Filipino) was appointed Vice President – Lubricants on 25 March 2021. He is the General Manager – Lubricants from 2018 to present. He is responsible for leading Shell’s Lubricants business in the Philippines. Prior to that, he was General Manager - Customer Operations of Shell Shared Services Asia, B.V. from 2012 to 2017. He led Shell’s largest Customer Operations & services in Manila covering the Americas, Global Marine & Aviation, Philippines & the United Kingdom. He has over 23 years of experience in Shell companies across different jurisdictions.

Carlo D. Zandueta (Filipino) was appointed Vice President-Human Resources on 01 October 2018. He held various positions within the Shell Group as: the Manufacturing Learning and Development Manager in 1999; HR Account Manager - B2B, Lubricants and Trading (Philippines) from 2003 to 2006; Regional Skillpool Manager – APME (Singapore) from 2006 to 2009; Global Learning Advisor – Commercial Fuels and Offer to Cash (Singapore) from 2010 to 2012; Senior Talent Advisor – Global Commercial (Singapore) from 2012 to 2016; and Global HR Manager - Shell Aviation (Singapore). He studied at the University of Santo Tomas, Bachelor of Arts in Philosophy (1989 to 1993) and Master of Arts in Philosophy (1994 to 1996); and at the De La Salle University, Master of Science in Industrial and Organizational Psychology, with High Distinction (2001 to 2006). From 2018 to 2021, he 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

Pilipinas Shell 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 Pilipinas Shell 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. Included in the complaint were Messrs. Buenaventura and Zobel as well as former Director Gamab and a former 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 24 March 2011, a civil case was filed against FPIC and its directors and officers (which include former officers of Pilipinas Shell), First Gen Corporation, Chevron, and Pilipinas Shell. The above-mentioned former officers of Pilipinas Shell were Dennis G. Gamab (Vice-President – Trading & Supply), Dennis C. Javier (Vice President – Wholesale Commercial Fuels), Edgar O. Chua (then the Chairman and President of Pilipinas Shell), and Willie J. Sarmiento (then the Vice President – Finance). 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. The company has also asserted that it is not liable for the alleged damages suffered by the complainants.

(B) Executive Compensation

(1) General

The compensation of Pilipinas Shell’s directors and officers is primarily based on its By-Laws provisions.

Directors. Article III Section 6 of Pilipinas Shell’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 Pilipinas Shell. Nothing herein contained shall preclude any Director from serving the company in any other capacity and receiving compensation therefor.”

Officers. Article IV, Section 4 of Pilipinas Shell’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 Pilipinas Shell.”

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.

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

Pilipinas Shell 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

Names	Principal Position	Projected 2022		2021		2020	
		Basic pay	Other variable pay	Basic pay	Other variable pay	Basic pay	Other variable pay
Cesar G. Romero (Filipino)	President and Chief Executive Officer until 30 November 2021						
Lorelie Q. Osial (Filipino)	President and Chief Executive Officer from 1 December 2021						
Rolando J. Paulino Jr. (Filipino)	Non-Executive Director until 9 September 2021						
Reynaldo P. Abilo (Filipino)	Treasurer, Vice President – Finance and Chief Risk Officer from 1 January 2021						

Names	Principal Position	Projected 2022		2021		2020	
		Basic pay	Other variable pay	Basic pay	Other variable pay	Basic pay	Other variable pay
Randolph T. Del Valle (Filipino)	Vice President – Mobility						
Sergio C. Bernal, Jr. (Filipino)	Vice President – External Relations and Government Relations						
Albert A. Lim (Filipino)	Vice President – Wholesale Commercial Fuels from 10 August 2021						
Carlo D. Zandueta (Filipino)	Vice President – Human Resources						
Stephen D. Quila (Filipino)	Vice President – Lubricants						
Kit Arvin Bermudez (Filipino)	Vice President – Supply and Distribution from 10 August 2021						
Erwin R. Orocio (Filipino)	Managing Counsel and Chief Compliance Officer						
Angelica M. Castillo (Filipino)	Corporate Controller and Investor Relations Manager						
Mark Brian J. Nicdao (Filipino)	Corporate Audit and Assurance Manager from 1 January 2021						
Ellie Chris C. Navarra (Filipino)	Corporate Secretary						
Mark Hadrian P. Gamo (Filipino)	Assistant Corporate Secretary from 9 November 2021						
All Directors as a Group		Php34.86 million		Php35.33 million		Php40.99 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 Php100,000.00 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 2021.

(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 Pilipinas Shell.

(5) Warrants and Options Outstanding: Repricing

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 Relationship 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 Company	Beneficial and Record Owner	Dutch	890,860,233	55.21%
Common	The Insular Life Assurance Company, Ltd. The Insular Life Bldg., Ayala Avenue cor. Paseo de Roxas, Makati City - Shareholder	Beneficial and Record Owner	Filipino	265,465,395	16.45%
Common	PCD Nominee Corporation (Filipino) 37th Floor Tower 1 The Enterprise Center 6766 Ayala Avenue corner Paseo de Roxas, Makati City - Shareholder	PCD Nominee Corporation	Filipino	200,539,585	12.43%

Title of Class	Name, Address of Record Owner and Relationship with Issuer	Name of Beneficial Owner and Relationship with Record Owner	Citizenship	No. of Shares	Percent
Common	PCD Nominee Corporation (Filipino) 37th Floor Tower 1 The Enterprise Center 6766 Ayala Avenue corner Paseo de Roxas, Makati City - Shareholder	PCD Nominee Corporation	Foreign	155,687,543	9.65%

Security Ownership of Management as of 31 December 2021

TYPE OF CLASS	NAME OF BENEFICIAL OWNER	POSITION	AMOUNT AND NATURE OF BENEFICIAL OWNERSHIP	NATIONALITY	PERCENTAGE
Common	Min Yih Tan	Non-Executive Director/ Chairman of the Board	Indirect: 1	Singaporean	0%
Common	Cesar A. Buenaventura	Independent Director	Direct: 200,001	Filipino	0.01240%
Common	Lydia B. Echauz	Independent Director	Direct: 2,000 Indirect: 1	Filipino	0.00012%
Common	Fernando Zobel de Ayala	Independent Director	Direct: 1	Filipino	0%
Common	Amando M. Tetangco, Jr.	Independent Director	Indirect: 1	Filipino	0%
Common	Nina D. Aguas	Non-Executive Director	Direct: 164,357 Indirect: 0	Filipino	0.01019%
Common	Lorelie Q. Osial	Director/ President/ Chief Executive Officer	Direct: 0 Indirect: 1	Filipino	0%
Common	Reynaldo P. Abilo	Director/ Treasurer/ Vice President - Finance/ Chief Risk Officer	Direct: 16,000 Indirect: 1	Filipino	0.00099%
Common	Randolph T. Del Valle	Executive Director/ Vice President - Mobility	Direct: 0 Indirect: 1	Filipino	0%

TYPE OF CLASS	NAME OF BENEFICIAL OWNER	POSITION	AMOUNT AND NATURE OF BENEFICIAL OWNERSHIP	NATIONALITY	PERCENTAGE
Common	Rafi Haroon Basheer	Non-Executive Director	Indirect: 1	Pakistani	0%
Common	Luis C. la Ó	Non-Executive Director	Indirect: 1	Filipino	0%
Common	Sergio C. Bernal, Jr.	Vice President - Corporate Relations	Direct: 4,290	Filipino	0.00027%
Common	Carlo D. Zandueta	Vice President -Human Resources	None	Filipino	Not Applicable
Common	Stephen D. Quila	Vice President - Lubricants	None	Filipino	Not Applicable
Common	Kit Arvin M. Bermudez	Vice President – Supply and Distribution	Direct: 0 Indirect: 1,600	Filipino	0.0001%
Common	Albert A. Lim	Vice President – Wholesale Commercial Fuels	Direct: 4,290	Filipino	0.00027%
Common	Erwin R. Orocio	Chief Compliance Officer/ Managing Counsel	Direct: 6,290	Filipino	0.00039%
Common	Ellie Chris C. Navarra	Corporate Secretary	None	Filipino	Not Applicable
Common	Mark Hadrian P. Gamo	Assistant Corporate Secretary	Direct: 3,000	Filipino	0.0002%
Common	Mark Brian J. Nicdao	Corporate Audit and Assurance Manager	Direct: 2,200	Filipino	0.00014%
Security Ownership of all Directors and Officers			Direct: 402,429 Indirect: 1,608		0.0250%

(2) Voting Trust Holders of 5% or More

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

(3) Changes in Control

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

(D) Certain Relationships and Related Transactions

Pilipinas Shell, 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 2021 Audited Financial Statements.

No other transaction was undertaken by Pilipinas Shell 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 the company 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 Pilipinas Shell as of 31 December 2021.

PART V – CORPORATE GOVERNANCE

On 24 and 25 November 2021, the Corporation held its second Virtual In-House Corporate Governance Training Sessions held on November 24 and 25 through Microsoft Teams (“Training”). The topic of the Training was Shell Scenarios: Building Resilient Mindsets. Ms. Geraldine Wessing, Chief Political Advisor from the Shell Group, delivered the Training. The Training commenced with the Founding Principles of a Scenario mindset, the Scenarios and the need to use them. The guiding principles in Scenarios: The Long View, Outside-in Thinking, and Multiple Perspectives are used to make better decisions. The participants applied the learnings in the Philippine setting for each Scenarios.

Following a competitive tender process and pursuant to the endorsement from the RPT Committee and Board approval, the Corporation secured a five-year loan amounting to Php6 billion with the Bank of the Philippines Islands, a related party, replacing an existing Php6 billion short-term loan. The loan will reduce the Corporation’s exposure to short-term volatilities in the market and maximize the low interest rate for its cash requirements. This will not impact its gearing which remains healthy. The drawdown date of the loan was on 20 December 2021.

On 10 November 2021, the Corporation received the Certificate of Approval of Equity Restructuring dated 05 November 2021 from the Securities and Exchange Commission (the “Commission”). Accordingly, the Corporation’s deficit amounting to Php4,304,059,000.00 in its Audited Financial Statements as of 31 December 2020 was wiped out against its additional paid-in capital (“APIC”) of Php26,161,736,000.00. Said approval is subject to the condition that the Corporation’s remaining APIC of Php21,857,677,000.00 shall not be used to wipe out future losses without the approval of the Commission. The Board of Directors of the Corporation approved its equity restructuring at its Regular Meeting held on 25 March 2021.

On 09 November 2021, the Board of Directors approved the contracts of the Corporation with Shell International Eastern Trading Company (SIETCO), the trading arm of the Shell Group, after a favorable endorsement from the RPT Committee. Due to the materiality of the contracts, an external independent party evaluated the fairness of the contract terms. Transactions with SIETCO accounted for 96% of the related party transactions of the Corporation as of Q3 2021. The relevant advisement report was timely disclosed in compliance with Sec Memorandum Circular No. 10 on Rules on Material Related Party Transactions (MRPT) for Publicly-Listed Companies and the Corporation’s RPT Policy.

On 11 October 2021, the Corporation became the first Philippine energy company to support Task Force on Climate-related financial disclosures (TCFD) and adopt its recommendations in providing decision-useful, climate-related information for its stakeholders. It will start to report on said disclosures in its 2021 Annual and Sustainability Report.

The Corporation appointed an external facilitator to conduct a Board Effectiveness Evaluation covering 2020. The directors completed the assessment in February 2021. The external firm also conducted interview with the President and Chief Executive Officer. Results of the evaluation were reported to the Corporate Governance Committee in July 2021. The Committees and their respective Secretariats were engaged to address the recommendations and set the way forward.

On 11 May 2021, the Corporation held its second virtual Annual Stockholders' Meeting. It recorded a quorum of more than 80% of the total outstanding shares of the Corporation. Total votes cast reached 1.295 billion shares and the elected directors garnered favorable votes of more than 13.352 billion votes. The Corporation also increased the number of its independent directors with the election of former Governor Amando M. Tetangco, Jr. He will be part of the Board Audit and Risk Oversight Committee and Sustainability Committee. He was the Governor of the Bangko Sentral ng Pilipinas (BSP) and Chairman of the Monetary Board for two six-year terms covering 04 July 2005 to 02 July 2017.

On 28 April 2021, the Corporate Governance Committee received the results of the Board Evaluation Survey covering the period of 2020 and has approved on 29 July 2021 the key action items to strengthen the Board's and the Committees' effectiveness.

On 26 March 2021, the Corporation launched its reset and refocused five-year strategy (2021-2025) which includes:

1. Transforming retail fuel stations to broader mobility destinations
2. Pursuing a reliable, competitive, and sustainable supply chain, and
3. Driving lower carbon operations, products, and solutions

On 21 January 2021, the Sustainability Committee (formerly, CSR Committee) has amended its Charter to make it more relevant to the Corporation and the Board. This has been approved by the Board on 21 March 2021. The Committee's objective has been amended to support one of the Mission Statements of the Corporation which is "to be a partner in nation-building through multi-sector collaboration, especially with national and local government, civil society/NGOs and communities, on sustainability initiatives." The duties of the Sustainability Committee would be focused on:

1. Sharing external sustainability best practices and trends
2. When there is an opportunity, steering the Business to provide additional resources or support to particular social performance, social investment and sustainability initiatives;
3. Providing support needed with regard to engagement with external stakeholders;
4. Support communication on the Corporation's social performance, social investment and sustainability initiatives, if needed; and
5. Reviewing the sustainability-related content of the Annual Report prior to its issuance.

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

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

On 31 May 2017, the Corporation filed its Revised Manual on Corporate Governance ("Revised Manual") in compliance with 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, the Corporation separated the roles of the Chairman from the President and that of the Corporate Secretary from the Chief Compliance Officer. The Corporation also created the Corporate Governance Committee, composed of independent directors, to assist in its corporate governance responsibilities and to take on, among others, the functions formerly assigned to the Compensation and Remuneration Committee. The Corporate Governance Committee ensures compliance with and proper observance of corporate governance principles and practices and ensures that these are reviewed and updated regularly and consistently implemented in form and substance.

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

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

Another initiative taken by the Corporation is the renaming of the 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 the Corporation. 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 the Corporation in order to address possible conflict of interest issues. In fact, the Corporation's internal policy on Conflicts of Interest applicable to all employees is well aligned with this requirement.

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

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

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	
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		16 May 2017	Nomination Committee and Board	Done	

Key Compliance Activities	Action Points	Milestone Dates	Person/ Entity Responsible	Status	Reason for Non-Compliance / Deviation from Manual
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	
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 and Board	Done	
24. Information drive on the Revised Related Party Transaction Policy			Related Party Transaction Committee	Done	
25. First SEC-Accredited In-House Corporate Governance Training		08 November 2019	Corporate Secretary	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 Pilipinas Shell'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 Pilipinas Shell's Revised Manual)		After election of Directors	Corporate Governance Committee and Corporate Secretary	Done	
38. Dissemination of copies of Pilipinas Shell's Revised Manual to all classes of business and service functions with one copy under custody of HR dept. (Sec. 3 of Pilipinas Shell's Revised Manual)			Corporate Secretary	Done	

Key Compliance Activities	Action Points	Milestone Dates	Person/ Entity Responsible	Status	Reason for Non-Compliance / Deviation from Manual
39. Held first Virtual Annual Stockholders' Meeting allowing shareholders to attend and vote in absentia 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	
42. Board approval of equity restructuring to wipe out deficit		25 March 2021	Board of Directors	Done	
43. Launched the next five-year strategy (2021 to 2025)		26 March 2021	Management	Done	
44. Results of the Board Evaluation Survey covering the period of 2020		28 April 2021	Corporate Governance Committee	Done	
45. Increase in the number of independent directors from three to four in the 2021 Annual Shareholders' Meeting		11 May 2021	Shareholders	Done	
46. Approved the key action items on Board Evaluation Survey		29 July 2021	Corporate Governance Committee	Done	
47. Submitted the Advisement Report on the contracts with SIETCO, a material reportable RPT		06 November 2021	RPT Committee and Secretariat	Done	
48. Disclosure of loan with BPI, a material RPT		20 December 2021	Corporate Disclosure Committee	Done	
49. Updated Securities Dealing Code		24 March 2022	Board	Done	
50. Revised Related Party Transaction Policy		24 March 2022	RPT Committee and Board	Done	
51. Revised Board Audit and Risk Oversight Committee Charter		24 March 2022	BARC and Board	Done	

On 24 March 2022, the Board approved the amendments to the following corporate governance documents:

1. Updated Securities Dealing Code
2. Revised Related Party Transaction Policy, as endorsed by the RPT Committee
3. Revised Board Audit and Risk Oversight Committee Charter, as endorsed by BARC

Summary of trading in the Company shares by the directors and key officers for the last financial year

Date	Name of Director/Officer	Nature of Trading	No. of SHLPH Shares
08 June 2021	Reynaldo P. Abilo	Acquisition	10,000

PART VI – EXHIBITS and SCHEDULES

Reported Items via SEC Form 17-C

The following items were reported and submitted in 2021 via the SEC Form 17-C:

Date Published	Item No/Description	Details
04 January 2021	Item 9 - Other Events Tax appeals court upholds refund of Php56.8 million to Pilipinas Shell	<p>The Business World (Online Edition) published on 04 January 2021 the attached news report entitled “Tax appeals court upholds refund of P56.8 million to Pilipinas Shell”, the pertinent portion reads:</p> <p>“THE Court of Tax Appeals (CTA) upheld its ruling granting P56.8-million excise tax refund to Pilipinas Shell Petroleum Corp.</p> <p>In a resolution dated Dec 2021, the court, sitting en banc, denied for lack of merit the motion for reconsideration of the Bureau of Internal Revenue (BIR) over the tax refund granted to Pilipinas Shell.</p> <p>The BIR claimed that the court erred in ruling that the company is entitled to the refund representing excise taxes it paid on Jet A-1 fuel sold to tax-exempt international carriers.</p> <p>The court said the arguments raised were ‘mere restatements’ of those in the previous pleadings.</p> <p>‘Petitioner utterly failed to raise any new or substantial matter let alone any compelling reason to warrant the modification much less reversal of the Court En Banc’s findings.,’ the court said.</p> <p>‘The Court En Banc stands by its ruling that respondent is entitled to the refund of duly substantiated excise taxes paid</p>

Date Published	Item No/Description	Details
		<p>on petroleum products sold to international carriers from 12 August 2013 to 31 December 2013,' it added.</p> <p>The court in June 2020 denied the petition for review of the BIR and upheld the 2018 decision and resolution of its special third division that partially granted the tax refund claim of Pilipinas Shell, ordering the BIR to refund the amount of Php56.8 million out of its Php61.5 million claim.</p> <p>Pilipinas Shell Petroleum Corporation (“SHLPH”) is awaiting its copy of the cited favorable resolution dated 21 December 2020 from the Court of Tax Appeals En Banc. The news article stated that the resolution granted SHLPH P56.8 million refund on excise taxes paid on petroleum products sold to tax-exempt international carriers from 12 August 2013 to 31 December 2013. Necessary disclosures will be made upon receipt of said copy of resolution.</p> <p>SHLPH will continue to exercise available legal remedies to support its claims.</p>
08 January 2021	<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 Mobility 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>

Date Published	Item No/Description	Details
12 January 2021	Item 9 - Other Events “Tax appeals court upholds refund of P56.8 million to Pilipinas Shell”	<p>The Business World (Online Edition) published on 04 January 2021 the attached news report entitled “Tax appeals court upholds refund of Php56.8 million to Pilipinas Shell”, the pertinent portion reads:</p> <p>“THE Court of Tax Appeals (CTA) upheld its ruling granting Php56.8 million excise tax refund to Pilipinas Shell Petroleum Corp.</p> <p>In a resolution dated Dec 2021, the court, sitting en banc, denied for lack of merit the motion for reconsideration of the Bureau of Internal Revenue (BIR) over the tax refund granted to Pilipinas Shell.</p> <p>The BIR claimed that the court erred in ruling that the company is entitled to the refund representing excise taxes it paid on Jet A-1 fuel sold to tax-exempt international carriers.</p> <p>The court said the arguments raised were ‘mere restatements’ of those in the previous pleadings.</p> <p>‘Petitioner utterly failed to raise any new or substantial matter let alone any compelling reason to warrant the modification much less reversal of the Court En Banc’s findings.,’ the court said.</p> <p>‘The Court En Banc stands by its ruling that respondent is entitled to the refund of duly substantiated excise taxes paid on petroleum products sold to international carriers from 12 August 2013 to 31 December 2013,’ it added.</p> <p>The court in June 2020 denied the petition for review of the BIR and upheld the 2018 decision and resolution of its special third division that partially granted the tax refund claim of Pilipinas Shell, ordering the BIR to refund the amount of P56.8 million out of its P61.5-million claim.</p> <p>On 04 January 2021, we disclosed that Pilipinas Shell Petroleum Corporation (“SHLPH”) was awaiting its copy of the cited favorable resolution dated 21 December 2020 from the Court of Tax Appeals En Banc.</p> <p>We confirm that we have received a copy of the resolution today and that the statements in the above-quoted news article are correct. The resolution granted SHLPH P56.8 million refund on excise taxes paid on petroleum products sold to tax-exempt international carriers from 12 August 2013 to 31 December 2013. The Court of Tax Appeals En</p>

Date Published	Item No/Description	Details
		<p>Banc denied the Motion of Reconsideration of the Bureau of Internal Revenue. Said ruling was based on similar cases decided by the Supreme Court. SHLPH shall continue to pursue and defend its claim for refund.</p>
20 January 2021	<p>Item 9 - Other Events</p> <p>Shell PH bullish, eyes 70 new outlets</p>	<p>The manilastandard.net published on 20 January 2021 the attached news report entitled “Shell PH bullish, eyes 70 new outlets”, the pertinent portion reads:</p> <p>“The Shell Companies in the Philippines unveiled a plan to expand the mobility network with additional 50 to 70 outlets and extend its newly-launched power business, a top executive said Monday night.</p> <p>‘As we continue to expand the Company’s core business, one key change that you may expect to see from Shell is a more diversified portfolio set to meet the cleaner energy needs of the country,’ SCIP chairman Cesar Romero said during a virtual media appreciation event.</p> <p>Romero said Pilipinas Shell Petroleum Corp. was also looking at opening 50 to 70 sites this year.</p> <p>‘One of the key priorities is the continuous growth of the Company’s mobility network. As of end of December 2020, we had over a thousand mobility sites nationwide, and with the increase in mobility sales especially during the last quarter of the year, it is reasonable to expect an additional 50 to 70 sites to open within 2021,’ he said.</p> <p>We would like to clarify the statements in the above-quoted news article. Mr. Cesar Romero is the President and Chief Executive Officer of Pilipinas Shell Petroleum Corporation (“SHLPH”), and concurrently the Country Chairman of Shell companies in the Philippines (“SciP”). SHLPH has been taking steps to reshape its portfolio for a resilient, adaptive, and future-ready organization. SHLPH currently has over a thousand mobility sites nationwide, and it intends to continuously grow it. It is expected to open an additional 50 to 70 sites within 2021. Mr. Romero’s mention of a newly launched power business refers to SHLPH’s affiliate, Shell Energy Philippines, Inc. (“SEPH”). SEPH is a separate entity within SciP with a mobility electricity supplier license. SEPH focuses on delivering cleaner, flexible, and innovative energy solutions to commercial and industrial customers. Collectively, SciP’s diversified portfolio is set to meet the cleaner energy needs of the country.</p>

Date Published	Item No/Description	Details
05 March 2021	Item 9 - Other Events Notice of Analysts'/Investors' Briefing	<p>Please be advised that Pilipinas Shell 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: 26 March 2021 (Friday) Time: 4:00 PM (GMT+8) Duration: 1.5 hours</p> <p>RSVP: To register for the webcast, please email PSPC-Investor-Relations@shell.com on or before March 23, 2021 (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>
17 March 2021	Item 9 - Other Events Notice of 2021 Annual Stockholders' Meeting	<p>Please be advised that the Annual Meeting of Stockholders of Pilipinas Shell Petroleum Corporation will be held on Tuesday, 11 May 2021, through virtual platform. Record date shall be on 31 March 2021. We will promptly announce further details.</p>
26 March 2021	Item 9 - Other Events Regular Meeting of the Board of Directors of Pilipinas Shell Petroleum Corporation held on 25 March 2021	<p>At the Regular Meeting of the Board of Directors of the Corporation held on 25 March 2021 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. Appointments of: <ol style="list-style-type: none"> a. Vice President – Lubricants; and b. Vice President – Supply and Distribution; 2. Approval of : <ol style="list-style-type: none"> a. 2020 Audited Financial Statements (“AFS”) b. Re-Appointment of Sycip Gorres Velayo and Co. as External Auditors for 2021 c. 2021 Virtual Annual Stockholders’ Meeting (“Meeting”) d. Equity Restructuring e. Amendments to Corporate Audit and Assurance (“CAA”) Charter f. Amendments to Corporate Social Responsibility (“CSR”) Charter to Sustainability Charter

Date Published	Item No/Description	Details
		<p>Regarding (1), two officers were appointed to level of Vice Presidents:</p> <ul style="list-style-type: none"> • Vice President – Lubricants <p>Mr. Stephen D. Quila has been appointed Vice President – Lubricants, effective immediately. Mr. Quila is the General Manager – Lubricants from 2018 to present. He is responsible for leading Shell’s Lubricants business in the Philippines. Prior to that, he was General Manager - Customer Operations of Shell Shared Services Asia, B.V. from 2012 to 2017. He led Shell’s largest Customer Operations & services in Manila covering the Americas, Global Marine & Aviation, Philippines & the United Kingdom. He has over 23 years of experience in Shell companies across different jurisdictions.</p> <ul style="list-style-type: none"> • Vice President – Supply and Distribution <p>Mr. Wesley Stewart has been appointed Vice President – Supply and Distribution, effective immediately. Mr. Stewart is the Distribution Operations Manager for Philippines, Thailand and Hong Kong since 01 January 2019. He was formerly Commercial Operations Manager for Main Fuels USA. Over the last 18 years, he has held various roles spanning terminal & supply operations, business development, LNG supply chain planning & optimization, upstream gas master planning; and strategy consulting.</p> <p>Concerning items (2) (a), (b) and (e), the 2020 AFS, re-appointment of external auditor and amendments to CAA Charter, were approved by the Board upon the endorsement of the Board Audit and Risk Oversight Committee.</p> <p>On (2) (c), to protect the health and safety of participants of the Meeting, and to help avert the spread of COVID-19, the Meeting will be conducted virtually. Closing of Stock and Transfer Book is set on 31 March 2021 to determine the list of Stockholders entitled to the Notice of Annual Stockholders Meeting on 11 May 2021. Further details will be disclosed promptly.</p> <p>Regarding (2) (d), subject to approval by the Securities and Exchange Commission, the Board approved the equity restructuring of the Corporation to apply/reclassify its Additional Paid-in Capital to offset the deficit in its 2020 Audited Financial Statements.</p> <p>Finally, item (2) (f), amendments to the CSR Charter to</p>

Date Published	Item No/Description	Details
		Sustainability Charter, was approved by the Board upon the endorsement of the Sustainability Committee (formerly, CSR Committee).
26 March 2021	Item 9 - Other Events Appointment of (a) Vice President - Lubricants; and (b) Vice President - Supply and Distribution	<p>Two officers were appointed to level of Vice Presidents:</p> <ul style="list-style-type: none"> • Vice President – Lubricants <p>Mr. Stephen D. Quila has been appointed Vice President – Lubricants, effective immediately. Mr. Quila is the General Manager – Lubricants from 2018 to present. He is responsible for leading Shell’s Lubricants business in the Philippines. Prior to that, he was General Manager - Customer Operations of Shell Shared Services Asia, B.V. from 2012 to 2017. He led Shell’s largest Customer Operations & services in Manila covering the Americas, Global Marine & Aviation, Philippines & the United Kingdom. He has over 23 years of experience in Shell companies across different jurisdictions.</p> <ul style="list-style-type: none"> • Vice President – Supply and Distribution <p>Mr. Wesley Stewart has been appointed Vice President – Supply and Distribution, effective immediately. Mr. Stewart is the Distribution Operations Manager for Philippines, Thailand and Hong Kong since 01 January 2019. He was formerly Commercial Operations Manager for Main Fuels USA. Over the last 18 years, he has held various roles spanning terminal & supply operations, business development, LNG supply chain planning & optimization, upstream gas master planning; and strategy consulting.</p>
26 March 2021	Item 9 - Other Events Equity Restructuring	<p>Subject to approval by the Securities and Exchange Commission, the Board approved the equity restructuring of the Corporation to apply/reclassify its Additional Paid-in Capital to offset the Retained Earnings deficit in its 2020 Audited Financial Statements. Note that this will not entail an amendment of the Articles of Incorporation of the Corporation.</p> <p>Date of Approval by Board of Directors: 25 Mar 2021</p> <p>Date of Approval by Stockholders: TBA</p> <p>Date of Approval by Securities and Exchange Commission: TBA</p> <p>Rationale for quasi-reorganization:</p>

Date Published	Item No/Description	Details
		<p>To apply/reclassify its Additional Paid-in Capital to offset the Retained Earnings deficit in its 2020 Audited Financial Statements.</p> <p>Amount of deficit that will be eliminated:</p> <p>The President and Chief Executive Officer and/or the Vice President-Finance/Treasurer/Chief Risk Officer have been authorized to determine the amount of Additional Paid-In Capital to be applied against and/or reclassified to and/or added to and/or offset against Retained Earnings.</p>
26 March 2021	<p>Item 9 - Other Events</p> <p>Pilipinas Shell rebounds strongly amidst challenging year; sets strategy for 2021-25</p>	<p>Pilipinas Shell Petroleum Corporation (Pilipinas Shell) continues to strengthen its financial position as it successfully pursued its strategic priorities of care, continuity and cash in this unprecedented year.</p> <p>It posted a core net income of Php0.4 billion by the end of 2020, a strong rebound from YTD 3Q's Php0.7 billion core net loss. Full year reported net loss stands at Php16.2 billion, of which 73% or Php12 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 petroleum products prices.</p> <p>Pilipinas Shell was also able to sustain its balance sheet strength despite the pandemic, as it reduces its gearing from 47% in Q3 to 41% by year end supported by its positive cash flow from operations. It also exceeded its cash conservation targets, recording P3.9 billion in capital and operating expenditure savings, almost double its target of Php2 billion for 2020.</p> <p>“Transforming the refinery into a world-class import terminal last August was a difficult but vital decision to make given the negative outlook for the refining sector worsened by the Covid 19 pandemic. A very hard decision for Pilipinas Shell but necessary to be more competitive and ratable in the future.” says Cesar Romero, Pilipinas Shell’s President and Chief Executive Officer. As of year-end, we were able to secure jobs for over 134 out of the 217 impacted refinery employees within other entities in the Shell Companies in the Philippines while 26 opted for a voluntary retirement.</p> <p>Despite mobility restrictions, Mobility opened 36 new sites nationwide while the Company’s Supply Chain business started the operation of the Company’s third MR-capable terminal in Subic. Adapting to the new normal, Pilipinas Shell reached its customers through digital platforms and</p>

Date Published	Item No/Description	Details
		<p>offered home deliveries of food and other essentials. As mobility restrictions were relaxed, Q4 marketing volume delivery saw a 30% increase vs Q2. Pilipinas Shell ended 2020 with total volume of 5.1 billion liters, 13% below last year's pre- pandemic level. "We are slowly seeing the results of the Company's agility and decisiveness to thrive from the challenges posed by the global pandemic. We are confident about driving fuel mobility and getting the country back on track as the country recovers from the impact of the pandemic," says Romero.</p>
26 March 2021	<p>Item 9 - Other Events</p> <p>Audited Financial Statements for FY 2020</p>	<p>Audited Financial Statements as at 31 December 2020 and 2019 and years ended 31 December 2020, 2019 and 2018 and Independent Auditor's Report. Attached as well are the SEC Certification and BIR ITR Filing Reference.</p>
08 April 2021	<p>Item 9 - Other Events</p> <p>Clarification of News Report - "Pilipinas Shell eyes P20-B budget for next 5 years"</p>	<p>The Business World (Online Edition) published on 08 April 2021 the attached news report entitled "Pilipinas Shell eyes P20-B budget for next 5 years", the pertinent portion reads:</p> <p>"PILIPINAS Shell Petroleum Corp. is looking at investing up to Php20 billion in the next five years to fund, among others, the construction of oil import terminals and more 'mobility sites' as the listed company shifts to a new business model.</p> <p>'Php15 to Php20 [billion] over the five-year period... In terms of investment, we are hoping that we will be able to continue with the Company's investment profile of anywhere between Php3 to Php4 billion per year for the next five years,' Pilipinas Shell President and Chief Executive Officer Cesar G. Romero said in a media briefing on Wednesday.</p> <p>Mr. Romero was quoted as saying that the firm plans to open up 60 to 80 new mobility sites per year to reach its target of 1,500 sites by 2025.</p> <p>In the media briefing, Mr. Romero said that 'around 60% of the planned investment' will typically go to its new mobility sites.</p> <p>According to Reynaldo P. Abilo, Pilipinas Shell's director, treasurer, vice-president for finance and chief risk officer, said that the Php20 billion investment over the next five years will also cover the construction of new import terminals.</p> <p>'We will be funding [the investment] through the Company's own cash-generated funds from its operations,' Mr. Abilo said during the media briefing. He added that the firm</p>

Date Published	Item No/Description	Details
		<p>recently disclosed that it had around P60 billion in borrowing capacity or untapped credit lines.</p> <p>Pilipinas Shell has three import terminals — in Subic, Batangas and Mindanao — and hopes to add two more in five years’ time, Mr. Romero said.</p> <p>We confirm that the statements in the above-quoted news article are accurate.</p> <p>The Corporation is planning to invest between Php15 to Php20 billion over the next five-year period to fund, among others, the construction of new Medium Range (MR) capable import terminals and mobility sites. Fuel stations will evolve to mobility sites with more customer centric offerings. The Corporation will thus continue to increase its accessibility to customers nationwide by opening up 60 to 80 new mobility sites per year. On the other hand, the new import terminals of the Corporation will aim to increase and strengthen its supply chain across the country.</p> <p>The borrowing capacity of the Corporation in the form of unused and undrawn borrowing facilities at floating rate is disclosed in its 2020 Audited Financial Statements of the Corporation.</p>
07 May 2021	<p>Item 9 - Other Events</p> <p>Notice of Analysts'/Investors' Briefing</p>	<p>Please be advised that Pilipinas Shell 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: 17 May 2021 (Monday) 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 14 May 2021 (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>
12 May 2021	Item 9 - Other Events	Background/Description of the Disclosure

Date Published	Item No/Description	Details																																							
	2021 Annual Stockholders' Meeting	<p>Results of the Annual Stockholders' Meeting held on 11 May 2021</p> <p>List of elected directors for the ensuring year with their corresponding shareholdings</p> <table border="1" data-bbox="699 421 1439 1556"> <thead> <tr> <th data-bbox="699 421 975 566">Name of Person</th> <th data-bbox="983 421 1222 566">Shareholdings in the Listed Companies</th> <th data-bbox="1230 421 1439 566">Shareholdings in the Listed Companies</th> </tr> <tr> <td data-bbox="699 566 975 633"></td> <th data-bbox="983 566 1222 633">Direct</th> <th data-bbox="1230 566 1439 633">Indirect</th> </tr> </thead> <tbody> <tr> <td data-bbox="699 633 975 734">Cesar A. Buenaventura</td> <td data-bbox="983 633 1222 734">200,001</td> <td data-bbox="1230 633 1439 734">0</td> </tr> <tr> <td data-bbox="699 734 975 835">Fernando Zobel de Ayala</td> <td data-bbox="983 734 1222 835">1</td> <td data-bbox="1230 734 1439 835">0</td> </tr> <tr> <td data-bbox="699 835 975 936">Mona Lisa B. Dela Cruz</td> <td data-bbox="983 835 1222 936">5,210</td> <td data-bbox="1230 835 1439 936">7</td> </tr> <tr> <td data-bbox="699 936 975 1014">Cesar G. Romero</td> <td data-bbox="983 936 1222 1014">11,290</td> <td data-bbox="1230 936 1439 1014">1</td> </tr> <tr> <td data-bbox="699 1014 975 1081">Lydia B. Echauz</td> <td data-bbox="983 1014 1222 1081">2,000</td> <td data-bbox="1230 1014 1439 1081">1</td> </tr> <tr> <td data-bbox="699 1081 975 1182">Rolando J. Paulino, Jr.</td> <td data-bbox="983 1081 1222 1182">0</td> <td data-bbox="1230 1081 1439 1182">1</td> </tr> <tr> <td data-bbox="699 1182 975 1249">Reynaldo P. Abilo</td> <td data-bbox="983 1182 1222 1249">6,000</td> <td data-bbox="1230 1182 1439 1249">1</td> </tr> <tr> <td data-bbox="699 1249 975 1317">Luis C. la Ó</td> <td data-bbox="983 1249 1222 1317">0</td> <td data-bbox="1230 1249 1439 1317">1</td> </tr> <tr> <td data-bbox="699 1317 975 1384">Min Yih Tan</td> <td data-bbox="983 1317 1222 1384">0</td> <td data-bbox="1230 1317 1439 1384">1</td> </tr> <tr> <td data-bbox="699 1384 975 1485">Amando M. Tetangco, Jr.</td> <td data-bbox="983 1384 1222 1485">0</td> <td data-bbox="1230 1384 1439 1485">1</td> </tr> <tr> <td data-bbox="699 1485 975 1552">Rafi Haroon Basheer</td> <td data-bbox="983 1485 1222 1552">0</td> <td data-bbox="1230 1485 1439 1552">1</td> </tr> </tbody> </table> <p data-bbox="699 1556 1439 1624">External auditor Sycip Gorres Velayo & Company</p>	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. Echauz	2,000	1	Rolando J. Paulino, Jr.	0	1	Reynaldo P. Abilo	6,000	1	Luis C. la Ó	0	1	Min Yih Tan	0	1	Amando M. Tetangco, Jr.	0	1	Rafi Haroon Basheer	0	1
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12 May 2021	Item 9 - Other Events Organizational Meeting of the Board of Directors	<p>On 11 May 2021, in compliance with SEC Memorandum Circular No. 6, Series of 2020, the newly elected members of the Board of Directors of Pilipinas Shell Petroleum Corporation (the "Corporation") 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</p>																																							

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		<p>Reynaldo P. Abilo - Treasurer, Vice President – Finance and Chief Risk Officer Randolph T. Del Valle - Vice President – Mobility Sergio C. Bernal, Jr. - Vice President – External Relations and Government Relations Dennis Evaristo C. Javier - Vice President – Wholesale Commercial Fuels Carlo D. Zandueta - Vice President – Human Resources Stephen D. Quila - Vice President – Lubricants Wesley Stewart - Vice President – Supply and Distribution Atty. Erwin R. Orocio - Managing Counsel and Chief Compliance Officer Mark Brian J. Nicdao - Corporate Audit and Assurance Manager Atty. Ellie Chris C. Navarra - Corporate Secretary Atty. Rubin G. Cura - Assistant Corporate Secretary</p> <p>(b) Appointment of Chairperson & Members of Committees</p> <p>Committees Members</p> <p>Board Audit and Risk Oversight Committee Cesar A. Buenaventura (Chairperson) Lydia B. Echaz Luis C. la Ó Rafi Haroon Basheer Amando M. Tetangco, Jr.</p> <p>Related Party Transaction Committee Lydia B. Echaz (Chairperson) Cesar A. Buenaventura Luis C. la Ó Mona Lisa B. Dela Cruz</p> <p>Corporate Governance Committee Fernando Zobel de Ayala (Chairperson) Cesar A. Buenaventura Lydia B. Echaz Atty. Erwin R. Orocio</p> <p>Nomination Committee Cesar G. Romero (Chairperson) Cesar A. Buenaventura Atty. Erwin R. Orocio</p> <p>Nomination Committee Cesar G. Romero (Chairperson) Cesar A. Buenaventura</p>

Date Published	Item No/Description	Details
		<p>Atty. Erwin R. Orocio Carlo D. Zanduetta (Non-voting)</p> <p>Sustainability Committee Luis C. la Ó (Chairperson) Min Yih Tan Rafi Haroon Basheer Amando M. Tetangco, Jr. Sergio C. Bernal, Jr. (Non-voting)</p> <p>(c) Integrated-Annual Corporate Governance Report</p>
12 May 2021	<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> <p>Moreover, in its virtual Annual Stockholders’ Meeting on 11 May 2021 through Shell Operated Webcast, stockholders representing at least 75.314% (final figures subject to validation by Rizal Commercial Banking Corporation) of the</p>

Date Published	Item No/Description	Details
		<p>total issued and outstanding capital approved the the transformation of the Tabangao Refinery into a world-class full import and storage terminal for finished products and components to support the long-term sustainable plan of the Corporation. Consequently, the Primary Purpose of the Articles of Incorporation of the Corporation have been amended.</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>
12 May 2021	<p>Item 9 - Other Events</p> <p>Ex-BSP governor joins Pilipinas Shell as new independent director</p>	<p>Pilipinas Shell is pleased to announce the election of former Bangko Sentral ng Pilipinas (BSP) Governor Amando M. Tetangco Jr. as a new independent member of Pilipinas Shell’s Board of Directors effective 11 May 2021.</p> <p>Mr Tetangco’s board election increased the number of Pilipinas Shell independent directors to four joining the distinguished roster of Cesar A. Buenaventura, Fernando Zobel de Ayala, and Lydia B. Echauz.</p> <p>Tetangco is the only person so far to have served two six-year terms as BSP governor from 2005 to 2017. He joined the BSP as a statistician in 1974, marking the start of a distinguished central banking career for over four decades that saw the country go through tough challenges.</p> <p>As director of the International Economic Research Department, he was involved in crafting a debt-restructuring package in the 1980s to enable the country to postpone payments due to low foreign exchange reserves.</p> <p>Tetangco was also integral as managing director for economic research and treasury in implementing measures that re-stabilized the foreign exchange market and the financial system during the 1997 Asian Financial Crisis.</p> <p>By the end of his term, BSP was described in an S&P report dated 14 May 2017 as having “a record of supporting</p>

Date Published	Item No/Description	Details
		<p>sustainable economic growth and responding appropriately to changing economic circumstances. Its ability to maintain macroeconomic and price stability through an economic cycle has been tested, including a period of exogenous shocks."</p> <p>Tetangco was conferred the Order of Lakandula with the Rank of Bayani by the President of the Philippines in 2009 and the Order of the Rising Sun, Gold and Silver Star by the Emperor of Japan in 2019. He has been recognized multiple times as one of the world's top central bankers by the Global Finance magazine of New York, consistently receiving an "A" rating in the Central Bank Report Cards.</p> <p>The 2015 MAP Management Man of the Year currently sits on the board of private corporations in the health care, auto, hotel, leisure and tourism development, telecommunications, and credit information sectors. He is also a trustee in foundations involved in education, health services and social welfare.</p> <p>Tetangco graduated cum laude with an Economics degree from the Ateneo de Manila University, and earned his Master's in Public Policy and Administration with concentration in Development Economics at the University of Wisconsin-Madison, USA as a Central Bank scholar. He also attended training programs in prestigious institutions that include the Harvard Business School and the New York Institute of Finance.</p>
14 May 2021	<p>Item 9 - Other Events</p> <p>Pilipinas Shell 1Q income hits Php1.0 billion</p>	<p>Pilipinas Shell posted a net income of Php1.0 billion for the first quarter, a strong rebound from the Php5.5 billion loss in the same period last year due to its new supply chain strategy, higher premium penetration across all segments and continued cash conservation measures.</p> <p>"We are now seeing the positive results of the tough decisions we made that ensured Pilipinas Shell financial resiliency and competitiveness brought about by the COVID-19 pandemic. The difficult decision to transform the Company's refinery into world-class import facility allowed us to avoid the significant losses we incurred during the first half of 2020. We have yet to see fuel demand to go back to pre-pandemic levels. With the Company's refocused and reset strategy, we are well-positioned to meet the country's energy requirement as the economy recovers from the pandemic," says Pilipinas Shell President and CEO Cesar Romero.</p>

Date Published	Item No/Description	Details																																																											
08 June 2021	Item 9 - Other Events Change in Shareholdings of Directors and Principal Officers	<table border="1"> <tr> <td colspan="2">Name of person</td> <td colspan="5">Reynaldo P. Abilo</td> </tr> <tr> <td colspan="2">Position/Designation</td> <td colspan="5">Executive Director, Vice President - Finance, Treasurer and Chief Risk Officer</td> </tr> <tr> <td colspan="7">For Equity Securities</td> </tr> <tr> <th rowspan="2">Type of Security / Stock Symbol</th> <th rowspan="2">Date of Transaction</th> <th colspan="3">Securities Acquired (A) or Disposed (D)</th> <th rowspan="2">Ownership Form Direct (D) or Indirect (I)</th> <th rowspan="2">Nature of Indirect Beneficial Ownership</th> </tr> <tr> <th>Number of Shares</th> <th>(A) or (D)</th> <th>Price per Share</th> </tr> <tr> <td>SHLPH</td> <td>08 June 2021</td> <td>10,000</td> <td>A</td> <td>20.7</td> <td>D</td> <td>N/A</td> </tr> <tr> <td colspan="7">Number of Shares Owned after the Transaction</td> </tr> <tr> <td colspan="5">Direct</td> <td colspan="2">16,000</td> </tr> <tr> <td colspan="5">Indirect</td> <td colspan="2">1</td> </tr> </table>	Name of person		Reynaldo P. Abilo					Position/Designation		Executive Director, Vice President - Finance, Treasurer and Chief Risk Officer					For Equity Securities							Type of Security / Stock Symbol	Date of Transaction	Securities Acquired (A) or Disposed (D)			Ownership Form Direct (D) or Indirect (I)	Nature of Indirect Beneficial Ownership	Number of Shares	(A) or (D)	Price per Share	SHLPH	08 June 2021	10,000	A	20.7	D	N/A	Number of Shares Owned after the Transaction							Direct					16,000		Indirect					1	
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08 July 2021	Item 9 - Other Events Pilipinas Shell inaugurates world-class Tabangao Import Terminal	<p>Pilipinas Shell inaugurated its world-class import terminal in Tabangao, Batangas last 30 June, enhancing its capacity to meet fuel demand not just in Metro Manila, but also in Southern Luzon and Northern Visayas.</p> <p>The Shell Import Facility in Tabangao, aptly known as SHIFT, also marks two major pivots in Pilipinas Shell’s more-than-a-century history in the Philippines: the transformation of Tabangao from refinery into a world class terminal; and the Company’s shift in its approach to a world coping with COVID-19 from effective, real-time response to recovery.</p> <p>“From tough decisions come positive results. The transformation of Pilipinas Shell’s refinery into a world-class import facility demonstrates Shell’s commitment to provide sustainable energy to the Philippines despite the challenging conditions posed by the pandemic. We are now better positioned, operationally and financially, to serve the country’s energy needs as the economy reopens with the lifting of restrictions,” said Pilipinas Shell President and Chief Executive Officer Cesar G. Romero.</p> <p>The structural transformation of the Tabangao refinery also “bolstered Pilipinas Shell with a more balanced and competitive marketing portfolio, supported by the organization’s robust supply chain,” he added. “It helped lead into a positive trajectory for Pilipinas Shell despite the pandemic, as we posted a net income of Php1.0 billion for the first quarter of 2021; this figure was a strong rebound from the Company’s Php5.5 billion loss in the same period last year.”</p>																																																											
12 July 2021	Item 9 - Other Events Clarification of News Report - “SC affirms	The BusinessWorld (Online Edition) published on 12 July 2021 the attached news report entitled “SC affirms nearly P2-B suspended taxes from Shell”, the pertinent portion reads:																																																											

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	nearly P2-B suspended taxes from Shell”	<p>“THE Supreme Court (SC) affirmed the suspension by the Court of Tax Appeals (CTA) of the collection of excise taxes from Pilipinas Shell for its importation of a petroleum additive from January 2010 to June 2012 amounting to Php1.99 billion.</p> <p>However, the SC also ruled that CTA correctly refused to issue a suspension order on further taxation of Pilipinas Shell’s shipment of the petroleum additive, alkylate.</p> <p>In its decision promulgated March 15 and published on July 8, the high court said that the CTA can only decide on final and executory tax assessments.</p> <p>Pilipinas Shell Petroleum Corporation (“SHLPH”) is awaiting its copy of the cited Decision dated 15 March 2021 (“Decision”) from the Supreme Court (“SC”).</p> <p>The news article stated that the Decision affirmed the suspension by the Court of Tax Appeals (“CTA”) of the collection of excise taxes from Pilipinas Shell Petroleum Corporation (“SHLPH”) for its importation of a petroleum additive from January 2010 to June 2012 amounting to Php1.99 billion. This appears to be a confirmation of the CTA’s jurisdiction and power to issue suspension order for said importations and that SHLPH is not required to pay said excise taxes.</p> <p>The article mentions that the SC remanded to the CTA First Division the determination of SHLPH’s entitlement to a temporary restraining order (TRO) covering alkylate importations subsequent to the filing of the original CTA petition. The CTA First Division has yet to decide on this and the substantial merits of the matter.</p> <p>SHLPH will continue to preserve and protect its rights and remedies under the law. Necessary disclosures will be made upon receipt of a copy of the Decision.</p>
29 July 2021	Item 9 - Other Events Notice of Analysts'/Investors' Briefing	<p>Please be advised that Pilipinas Shell 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: 13 August 2021 (Friday) Time: 4:00 PM (GMT+8) Duration: 1 hour</p> <p>RSVP: To register for the webcast, please email PSPC-</p>

Date Published	Item No/Description	Details
		<p>Investor-Relations@shell.com on or before August 12, 2021 (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>
05 August 2021	Item 9 - Other Events Receipt of SC Decision dated 15 March 2021 Remanding the Case on Alkylate Importations to CTA	<p>The BusinessWorld (Online Edition) published on 12 July 2021 the attached news report entitled “SC affirms nearly P2-B suspended taxes from Shell”, the pertinent portion reads:</p> <p>“THE Supreme Court (SC) affirmed the suspension by the Court of Tax Appeals (CTA) of the collection of excise taxes from Pilipinas Shell for its importation of a petroleum additive from January 2010 to June 2012 amounting to P1.99 billion.</p> <p>However, the SC also ruled that CTA correctly refused to issue a suspension order on further taxation of Pilipinas Shell’s shipment of the petroleum additive, alkylate.</p> <p>In its decision promulgated March 15 and published on July 8, the high court said that the CTA can only decide on final and executory tax assessments.</p> <p>On 12 July 2021, we disclosed by way of clarification of news article that Pilipinas Shell Petroleum Corporation (“SHLPH”) was awaiting its copy of the Decision dated 15 March 2021 (“Decision”) from the Supreme Court (“SC”). We confirm that we received a copy of the Decision on 04 August 2021. The SC affirmed the suspension order by the Court of Tax Appeals (“CTA”) for SHLPH’s alkylate importations from January 2010 to June 2012 amounting to P1.99 billion. The SC likewise affirmed the power of the CTA to issue temporary restraining order/writ of preliminary injunction (“TRO/WPI”) to stop the government from collecting excise taxes on SHLPH’s subsequent alkylate importations. Accordingly, the SC remanded the case to the CTA for the determination of SHLPH’s entitlement to a TRO/WPI. To date, the merits of the case, including the very issue of whether SHLPH’s alkylate importations are subject to excise tax or not, are yet to be decided by the CTA.</p>

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		<p>Following the Supreme Court’s directive to remand the case to the CTA, SHLPH has filed a motion to pursue a previous TRO application with the CTA to whom this matter has been remanded.</p>
<p>11 August 2021</p>	<p>Item 9 - Other Events</p> <p>Regular Meeting of the Board of Directors of Pilipinas Shell Petroleum Corporation held on 10 August 2021</p>	<p>At the Regular Meeting of the Board of Directors of the Corporation held on 10 August 2021 via teleconferencing, at which meeting a quorum was present and acting throughout, the following new appointments were discussed and approved:</p> <ol style="list-style-type: none"> 1. Non-Executive Director and member of the Related Party Transaction (“RPT”) Committee; 2. Vice President – Wholesale Commercial Fuels; and 3. Vice President – Supply and Distribution. <p>Regarding (1), Ms. Nina D. Aguas was appointed Non-Executive Director succeeding Ms. Mona Lisa B. Dela Cruz, who resigned following her retirement from The Insular Life Assurance Co., Ltd. (“Insular Life”). Ms. Dela Cruz has been a member of the Corporation’s Board for six years and the RPT Committee since it was organized. Ms. Aguas, Executive Chairperson of Insular Life, was a Non-Executive Director of the Corporation from 2016 to 2018. She was the first woman CEO of the Insular Life after 106 years of operations. She is a business leader with over 30 years in mobility, wealth, investments and private banking. She managed global and regional and country level businesses and operations in large international companies in developed and emerging markets in the Asia-Pacific and the US. She was recognized by the Forbes Magazine as one of the 25 Asia Power Businesswomen in 2019. She was also chosen to be a member of the Advisory Council for Gender and Development by the World Bank Group in 2018. She holds a Bachelor of Science in Commerce, Accounting degree from the University of Santo Tomas.</p> <p>Anent (2), Mr. Albert Lim was appointed Vice President – Wholesale Commercial Fuels succeeding Mr. Dennis Evaristo C. Javier following the latter’s end of employment. Mr. Lim joined the Corporation in 1998 as a commercial sales account manager and eventually moved to a marketing role for the Philippines and thereafter, for East (Asia Pacific). He headed the implementation of global and regional projects and pioneered initiatives in Commercial Fuels on hedging and exposure management, integrated planning and portfolio optimization activities. Prior to his new role, Mr. Lim was the Corporation’s Business Development and Pricing Manager.</p>

Date Published	Item No/Description	Details
		<p>He holds a degree in Management Engineering from the Ateneo De Manila University.</p> <p>In relation to (3), Mr. Kit Arvin Bermudez was appointed Vice President – Supply and Distribution succeeding Mr. Wesley Stewart following the latter’s end of assignment. Mr. Bermudez has been with Shell for more than 23 years with great wealth of experience in the Downstream Mobility and Strategy. His career stamps are founded on strong operational delivery focus, HSSE and high achievement track records across different positions, cultures, and geographies in the Philippines and extending to Middle East (Oman), Europe (Italy), and Asia (Singapore). He garnered various awards from his various roles: a European VP Award for his contribution to Mobility Italy’s pricing strategy, two EVP Awards – for Customer Service as District Manager and Operations Excellence as an Operations Manager, and Downstream Strategy and Portfolio (DX) EVP Award for Creativity and Innovation. Prior to his new role, Mr. Bermudez was the Corporation’s National Sales Manager – Mobility since 2019.</p>
11 August 2021	<p>Item 9 - Other Events</p> <p>Appointment of (a) Non-Executive Director and Member of the Related Party Transaction Committee; (b) Vice President - Wholesale Commercial Fuels; and (c) Vice President - Supply and Distribution</p>	<p>1. Non-Executive Director and member of the Related Party Transaction (“RPT”) Committee</p> <p>Ms. Nina D. Aguas was appointed Non-Executive Director succeeding Ms. Mona Lisa B. Dela Cruz, who resigned following her retirement from The Insular Life Assurance Co., Ltd. (“Insular Life”). Ms. Dela Cruz has been a member of the Corporation’s Board for six years and the RPT Committee since it was organized. Ms. Aguas, Executive Chairperson of Insular Life, was a Non-Executive Director of the Corporation from 2016 to 2018. She was the first woman CEO of the Insular Life after 106 years of operations. She is a business leader with over 30 years in mobility, wealth, investments and private banking. She managed global and regional and country level businesses and operations in large international companies in developed and emerging markets in the Asia-Pacific and the US. She was recognized by the Forbes Magazine as one of the 25 Asia Power Businesswomen in 2019. She was also chosen to be a member of the Advisory Council for Gender and Development by the World Bank Group in 2018. She holds a Bachelor of Science in Commerce, Accounting degree from the University of Santo Tomas.</p> <p>2. Vice President – Wholesale Commercial Fuels</p>

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13 August 2021	Item 9 - Other Events Pilipinas Shell keeps momentum with Php2.2 billion income in 1H	<p>Pilipinas Shell’s shift in supply chain strategy is working, with the Company posting Php2.2 billion in net income for the first half of the year.</p> <p>“We’re seeing a significant rebound from the Company’s Php6.7 billion loss in the same period last year. It validates the Company’s bold decision to transform the way we do business amidst uncertain conditions resulting from the Covid-19 pandemic,” says Pilipinas Shell President and CEO Cesar Romero.</p> <p>The company inaugurated the Shell Import Facility Tabangao (SHIFT) last 30 June, marking the transformation of its refinery into a world-class import terminal that will meet fuel demand in Metro Manila, Southern Luzon and Northern Visayas. “This SHIFT means stronger supply reliability, greater operational efficiency, and improved overall logistics performance,” adds Romero.</p>																																																																																												
09 September 2021	Item 9 - Other Events Change in Director	Please be informed that Mr. Rolando J. Paulino, Jr. has tendered his resignation as director of Pilipinas Shell (the “Corporation”) effective 08 September 2021. Mr. Paulino was appointed director of the Corporation on 21 March 2019. He was the Managing Director and General Manager of Shell Philippines Exploration B.V. with over 20 years of international senior leadership experience in the oil and gas industry.																																																																																												

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		His successor will be appointed and disclosed in due course.
29 October 2021	Item 9 - Other Events Notice of Analysts'/Investors' Briefing	<p>Please be advised that Pilipinas Shell 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: 16 November 2021 (Tuesday) 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 15 November 2021 (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>
09 November 2021	Item 9 - Other Events Regular Meeting of the Board of Directors of Pilipinas Shell Petroleum Corporation held on 09 November 2021	<p>At the Regular Meeting of the Board of Directors of Pilipinas Shell (the "Corporation") held on 09 November 2021 via teleconferencing, at which meeting a quorum was present and acting throughout, the following new appointments were discussed and approved:</p> <ol style="list-style-type: none"> 1. Executive Director; 2. Assistant Corporate Secretary; and 3. Executive Director, President and Chief Executive Officer, and Chairperson of the Nomination Committee. <p>Regarding (1), Mr. Rolando J. Paulino, Jr. has left Group service on 08 September 2021. Succeeding him as director is Mr. Randolph "Randy" T. Del Valle, Vice President – Mobility, effective immediately. He was a former Executive Director of the Corporation from January 2020 to May 2021. Prior to his current role, Mr. Del Valle was the Global Head of the Shell Downstream Mobility 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</p>

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		<p>Integration PMO Shell Lead, Paddington, London (2015 – 2016); Senior Consultant, Downstream Strategy Consultancy, London (January 2014 – 2015); Global On-Site Operational Excellence Manager- Downstream Mobility, London (November 2009 – December 2013); Mobility Operations Manager, Downstream Mobility Philippines & North Pacific, Manila (April 2008 – October 2009). He held various roles within Operations and Marketing in Downstream Mobility in Shell Philippines/East. He is a Chemical Engineer and has an MBA degree from the London Business School.</p> <p>Anent (2), Atty. Mark Hadrian P. Gamo has succeeded Atty. Rubin G. Cura as the new Assistant Corporate Secretary of the Corporation effective immediately. Atty. Gamo is currently a Legal Counsel of the Corporation effective August 2021. Prior to his current role, he was with Shell Global Litigation Asia Pacific Team, a position he occupied since joining the Corporation in June 2012. In said capacity, he managed various litigation matters of Shell in the Philippines and in some other countries in the Asia Pacific region. Prior to joining the Corporation, he was a Senior Associate at the Litigation Department of Villaraza Cruz Marcelo & Angangco. He obtained his Juris Doctor degree from the Ateneo De Manila School of Law in 2006 where he graduated with honors and in the top 20 of his class. In 2002, he graduated from Ateneo De Manila University with a Bachelor of Arts degree in Economics.</p> <p>On (3), Mr. Cesar G. Romeo will step down as Executive Director, President and Chief Executive Officer, and Chairperson of the Nomination Committee of the Corporation effective 30 November 2021. Ms. Lorelie Q. Osial will succeed him as the new Executive Director, President and Chief Executive Officer, and Chairperson of the Nomination Committee of the Corporation effective 01 December 2021. Ms. Osial is currently the Vice President – Finance Process Expenditure at Shell Shared Services (Asia) B.V. She has 20 years of experience with Shell having previously worked at United Logistics and Pepsi Cola. She joined Shell in Upstream Philippines and since then, has worked in various business-facing Finance roles in production, projects, regional, shareholder and joint venture environments in Upstream and Midstream Asia, Middle East and North Africa. Throughout her career, she has brought a keen focus on value and has established high performing, diverse teams who have built a strong sense of community and motivation even in times of transition and change. Mr. Romero will stay on until 31 January 2022 to ensure a</p>

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		<p>smooth and streamlined transition and handover to Ms. Osial.</p> <p>The Board of Directors likewise approved the contracts of the Corporation with Shell International Eastern Trading Company (SIETCO), trading arm of the Shell Group, after a favorable endorsement from the Related Party Transaction Committee. Please refer to the attached 17-C for the full disclosure.</p>
10 November 2021	<p>Item 9 - Other Events</p> <p>Appointment of (a) New Executive Director effective immediately; (b) New Assistance Corporate Secretary effective immediately; and (c) New Executive Director/ President & Chief Executive Officer, and Chairperson of Nomination Committee effective 01 December 2021</p>	<p>Mr. Rolando J. Paulino, Jr. has left Group service on 08 September 2021. Succeeding him as director is Mr. Randolph “Randy” T. Del Valle, Vice President – Mobility, effective immediately. He was a former Executive Director of the Corporation from January 2020 to May 2021. Prior to his current role, Mr. Del Valle was the Global Head of the Shell Downstream Mobility 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 Mobility, London (November 2009 – December 2013); Mobility Operations Manager, Downstream Mobility Philippines & North Pacific, Manila (April 2008 – October 2009). He held various roles within Operations and Marketing in Downstream Mobility in Shell Philippines/East. He is a Chemical Engineer and has an MBA degree from the London Business School.</p> <p>Atty. Mark Hadrian P. Gamo has succeeded Atty. Rubin G. Cura as the new Assistant Corporate Secretary of the Corporation effective immediately. Atty. Gamo is currently a Legal Counsel of the Corporation effective August 2021. Prior to his current role, he was with Shell Global Litigation Asia Pacific Team, a position he occupied since joining the Corporation in June 2012. In said capacity, he managed various litigation matters of Shell in the Philippines and in some other countries in the Asia Pacific region. Prior to joining the Corporation, he was a Senior Associate at the Litigation Department of Villaraza Cruz Marcelo & Angangco. He obtained his Juris Doctor degree from the Ateneo De Manila School of Law in 2006 where he graduated with honors and in the top 20 of his class. In 2002, he graduated from Ateneo De Manila University with a Bachelor of Arts degree in Economics.</p> <p>Mr. Cesar G. Romeo will step down as Executive Director, President and Chief Executive Officer, and Chairperson of</p>

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11 November 2021	<p>Item 9 - Other Events</p> <p>SEC Grants SHLPH's Equity Restructuring</p>	<p>Pilipinas Shell ("SHLPH") has received today, 10 November 2021, the Certificate of Approval of Equity Restructuring dated 05 November 2021 from the Securities and Exchange Commission (the "Commission"). Accordingly, SHLPH's deficit amounting to Php4,304,059,000.00 in its Audited Financial Statements as of 31 December 2020 is wiped out against its additional paid-in capital ("APIC") of Php26,161,736,000.00. Said approval is subject to the condition that SHLPH's remaining APIC of Php21,857,677,000.00 shall not be used to wipe out future losses without the approval of the Commission.</p> <p>As previously disclosed, the Board of Directors of SHLPH approved its equity restructuring at its Regular Meeting held on 25 March 2021.</p>
12 November 2021	<p>Item 9 - Other Events</p> <p>Pilipinas Shell achieves Php3.4 billion income despite 3Q lockdowns</p>	<p>Pilipinas Shell grew its net income to Php3.4 billion by end September, a significant recovery from its Php13.9 billion loss in the same period last year. This despite the mobility slowdown resulting from the two-week Enhanced Community Quarantine (ECQ) implemented in NCR and select provinces last August, and the succeeding Alert 4 restriction.</p> <p>"The Company's renewed strategy has been proven effective for the business to thrive amidst the resurgence of selected lockdowns in the country. We are continuously growing the Company's capacity for the remainder of 2021, to prepare for the near and medium-term demand pick-up as active new</p>

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		<p>COVID cases decline, vaccination programs accelerate, and travel restrictions ease,” says Pilipinas Shell President and CEO Cesar Romero.</p> <p>The Company’s borrowing levels remain controlled, while working capital requirements increased as global market prices for gasoline and diesel increased by ~50% from December 2020.</p>
07 December 2021	<p>Item 9 - Other Events</p> <p>Appointment of (a) New Executive Director effective immediately; (b) New Assistance Corporate Secretary effective immediately; and (c) New Executive Director/ President & Chief Executive Officer, and Chairperson of Nomination Committee effective 01 December 2021</p>	<p>Mr. Rolando J. Paulino, Jr. has left Group service on 08 September 2021. Succeeding him as director is Mr. Randolph “Randy” T. Del Valle, Vice President – Mobility, effective immediately. He was a former Executive Director of the Corporation from January 2020 to May 2021. Prior to his current role, Mr. Del Valle was the Global Head of the Shell Downstream Mobility 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 Mobility, London (November 2009 – December 2013); Mobility Operations Manager, Downstream Mobility Philippines & North Pacific, Manila (April 2008 – October 2009). He held various roles within Operations and Marketing in Downstream Mobility in Shell Philippines/East. He is a Chemical Engineer and has an MBA degree from the London Business School.</p> <p>Atty. Mark Hadrian P. Gamo has succeeded Atty. Rubin G. Cura as the new Assistant Corporate Secretary of the Corporation effective immediately. Atty. Gamo is currently a Legal Counsel of the Corporation effective August 2021.</p> <p>Prior to his current role, he was with Shell Global Litigation Asia Pacific Team, a position he occupied since joining the Corporation in June 2012. In said capacity, he managed various litigation matters of Shell in the Philippines and in some other countries in the Asia Pacific region. Prior to joining the Corporation, he was a Senior Associate at the Litigation Department of Villaraza Cruz Marcelo & Angangco. He obtained his Juris Doctor degree from the Ateneo De Manila School of Law in 2006 where he graduated with honors and in the top 20 of his class. In 2002, he graduated from Ateneo De Manila University with a Bachelor of Arts degree in Economics.</p> <p>Mr. Cesar G. Romero will step down as Executive Director,</p>

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		<p>President and Chief Executive Officer, and Chairperson of the Nomination Committee of the Corporation effective 30 November 2021. Ms. Lorelie Q. Osial will succeed him as the new Executive Director, President and Chief Executive Officer, and Chairperson of the Nomination Committee of the Corporation effective 01 December 2021. Ms. Osial is currently the Vice President – Finance Process Expenditure at Shell Shared Services (Asia) B.V. She has 20 years of experience with Shell having previously worked at United Logistics and Pepsi Cola. She joined Shell in Upstream Philippines and since then, has worked in various business-facing Finance roles in production, projects, regional, shareholder and joint venture environments in Upstream and Midstream Asia, Middle East and North Africa. Throughout her career, she has brought a keen focus on value and has established high performing, diverse teams who have built a strong sense of community and motivation even in times of transition and change. Mr. Romero will stay on until 31 January 2022 to ensure a smooth and streamlined transition and handover to Ms. Osial.</p>
13 December 2021	Item 9 - Other Events Payment Under Protest	<p>The Bureau of Customs (BOC) recognized Pilipinas Shell Petroleum Corporation's (SHLPH) intent to pay under protest the excise tax and VAT relative to SHLPH's alkylate importations, pursuant to the demand letter of the Port of Batangas in view of the dissolution by the Supreme Court of the Temporary Restraining Order previously issued, as a result of the matter being remanded to the CTA.</p> <p>Taking into consideration the current economic challenges of the country as well as ensuring continued operations, uninterrupted imported fuel supply and welfare of the Company's motoring public and consumers, SHLPH will remit a total of Php3.49 billion, under protest, representing alleged excise taxes and VAT on fuel blending components used in the Company's refinery for years 2014-2020 to the BOC.</p> <p>This will allow us to continue to provide to the Company's customers and to the general public who rely on the Company's products and mindful of the thousands of Filipinos whose livelihood depends on the ability to maintain the operations.</p> <p>The case on whether Alkylate is subject to excise tax is yet to be decided by the courts.</p>

Date Published	Item No/Description	Details
20 December 2021	Item 9 - Other Events SHLPH obtains Php6 billion medium-term loan	Following a competitive tender process and pursuant to the endorsement from the Related Party Transaction Committee and Board approval, Pilipinas Shell Petroleum Corporation (“SHLPH”) secured a five-year loan amounting to PhP6 billion with the Bank of the Philippines Islands, replacing an existing Php6 billion of short-term loan. The loan will reduce SHLPH’s exposure to short-term volatilities in the market and maximize the low interest rate for its cash requirements. This will not impact the gearing of SHLPH which remains healthy. The drawdown date of the loan is on 20 December 2021.

At the Annual Stockholders’ Meeting of 11 May 2021, the following were elected as directors:

Name	Directorship
Amando M. Tetangco, Jr.	Independent Director
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
Rafi Haroon Basheer	Non-Executive Director
Rolando J. Paulino, Jr.	Non-Executive Director
Cesar G. Romero	Executive Director
Reynaldo P. Abilo	Executive Director


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	Reynaldo P. Abilo
Vice President - Mobility	Randolph T. Del Valle
Vice President - External Relations and Government Relations	Sergio C. Bernal, Jr.
Vice President - Mobility	Randolph T. Del Valle
Vice President - Human Resources	Carlo D. Zandueta
Vice President - Lubricants	Stephen D. Quila
Vice President – Supply and Distribution	Wesley Stewart
Managing Counsel and Chief Compliance Officer	Atty. Erwin R. Orocio
Corporate Audit and Assurance Manager	Mark Brian J. Nicdao
Corporate Secretary	Atty. Ellie Chris C. Navarra
Assistant Corporate Secretary	Atty. Rubin G. Cura
Board Audit and Risk Oversight Committee	
Chairman	Cesar A. Buenaventura
Member	Lydia B. Echauz
Member	Luis C. La’O
Member	Rafi Haroon Basheer
Member	Amando M. Tetangco, Jr
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	Atty. Erwin R. Orocio
Nomination Committee	
Chairman	Cesar G. Romero
Member	Cesar A. Buenaventura
Member	Atty. Erwin R. Orocio
Member (Non-voting)	Carlo D. Zandueta
Corporate Social Responsibility Committee	
Chairman	Luis C. La’O
Member	Min Yih Tan
Member	Rafi Haroon Basheer
Member (Non-voting)	Sergio C. Bernal, Jr.

SIGNATURES

Pursuant to the requirements of Section 17 of the Code and Section 141 of Pilipinas Shell Code, this report is signed on behalf of the issuer by the undersigned, thereunto duly authorized, in the City of Taguig on 5th day of April 2022.

Issuer:

Signature and Title: 
REYNALDO P. ABILO
Vice President – Finance, Treasurer and
Chief Risk Officer

Signature and Title: 
ANGELICA M. CASTILLO
Corporate Controller and Investor Relations Manager

Signature and Title: 
ELLIE CHRIS C. NAVARRA
Corporate Secretary

SUBSCRIBED AND SWORN to before me this APR 05 2022 at Taguig City, affiants 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
REYNALDO P. ABILO	P8614094B	4-Jan-22	DFA NCR North
ELLIE CHRIS C. NAVARRA	P5724788B	5-Nov-20	DFA NCR WEST

Name	CRN#	Type of ID
	ANGELICA M. CASTILLO	11136793374

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

ATTY. VINCENT C. JUAN

NOTARY PUBLIC FOR & IN TAGUIG CITY
 UNTIL DEC. 31 2021/ APPOINTMENT NO. 51 (2020-2021)
 PTR NO. A-5492919; TAGUIG CITY; 24 JANUARY 2022
 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

NOTARY PUBLIC



Doc. No. 510 ;
 Page No. 102 ;
 Book No. IV ;
 Series of 2022.