

**SHELL PILIPINAS CORPORATION
MINUTES OF THE ANNUAL MEETING
OF THE STOCKHOLDERS
HELD VIA PREMIUM CONFERENCING
ON 09 MAY 2023**

**STOCKHOLDERS
PRESENT:**

STOCKHOLDER	NO. OF SHARES IN PERSON AND/OR REMOTE COMMUNICAT ION	NO. OF SHARES BY PROXY	PERCENTAGE
ABILO, REYNALDO P.	1	16,000	0.0001%
AGUAS, NINA PERPETUA D.	7	164,350	0.0102%
ANTE, HOMER LEE AND/OR ANTE, SARA JEM MAGGAY	300,000		0.0186%
BPI SECURITIES CORPORATION FAO ANGEL JOSE DE JESUS		3,100.00	0.0002%
BPI SECURITIES FAO ANTHONY LAWRENCE YAM		186,290	0.0115%
BPI SECURITIES CORPORATION FAO JOSE JEROME R PASCUAL III		129,230	0.0080%
BPI SECURITIES CORPORATION FAO JULIUS VICTOR EMMANUEL J. SANVICTORES		100	0.0000%
BPI SECURITIES CORPORATION FAO MICHAEL PLANTA RAMOLETE		6,290	0.0004%
BPI SECURITIES FAO PEDRO JOVEN MACARAIG HERNANDEZ AND JAYLOU MARIE ROMERO HERNANDEZ		70,190	0.0044%
CITIOMNIFOR		4,471,639	0.2771%
DEUTSCHE BANK AG MANILA		401,600	0.0249%
DEUTSCHE BANK AG MANILA FAO THE INSULAR LIFE ASSURANCE COMPANY, LTD.		10,013,070	0.6206%
MARK HADRIAN P. GAMO		3,000.00	0.0002%
ARLENE C. DE GUZMAN		1,490.00	0.0001%
HSBC MNL CNC NOM 23/04143		34,792,720	2.1564%
LIM, ALBERT A.		4,290.00	0.0003%

OROCIO, ERWIN		6,290	0.0004%
SCBK1000000		8,439,801	0.5231%
SHELL OVERSEAS INVESTMENTS B.V.		890,860,233.00	55.2148%
SPATHODEA CAMPANULATA INC.		67,184,265.00	4.1640%
THE INSULAR LIFE ASSURANCE COMPANY, LTD.		255,452,325.00	15.8327%
Total	300,008	1,272,206,273	
Grand Total		1,272,506,281	78.8680%

**DIRECTORS
PRESENT:**

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

**Also In
Attendance:**

Mr. Erwin R. Orocio, Managing Counsel and Chief
Compliance Officer
 Mr. Mark Hadrian P. Gamo, Corporate Secretary
and Legal Counsel
 Mr. Ralph Gabrielle D. del Rosario, Assistant
Corporate Secretary and Legal Counsel
 Mr. Sergio C. Bernal, Jr., Vice President –
Corporate Relations
 Mr. Paulo Angelo N. Arias, Vice President –
Human Resources
 Mr. Albert A. Lim, Vice President – Wholesale
Commercial Fuels
 Ms. Jacqueline B. Famorca, Vice President –
Lubricants
 Mr. Kit Arvin M. Bermudez, Vice President –
Supply & Distribution
 Ms. Angelica M. Castillo, Investor Relations
Officer and Controller
 Mr. Cesar Abaricia, External Relations Adviser
 Mr. Ryan Andres, Legal Counsel
 Mr. Vincent Juan, Legal Counsel

Mr. Paulo Gavino, Business Adviser

862. **Safety Briefing**

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

“In Shell, we treat safety with utmost importance as it is a critical component of our license to operate. Although this is a virtual meeting, allow me to conduct a Safety Briefing.

First of all, please do not drive while you are attending this virtual meeting. We understand if you will need to drop off this webcast for any reasons. Please be mindful of your surroundings. If you are using an earpiece, please make sure that you will also be able to hear any alarms and can continue to be conscious of any potential hazards around you. Kindly take note of the nearest exit in case of emergency. In case of an earthquake, do not panic and remember the rules: Duck, cover and hold. Once clear, proceed to the nearest exit. Do not forget to have a ready list of the emergency numbers in your area.

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

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

863. **National Anthem**

The Corporate Secretary, Atty. Mark Hadrian Gamo (the “Secretary”), requested the participants to stand up for the Philippine National Anthem.

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

864. **Call to Order**

The Secretary introduced himself and then turned over floor to the Chairman of the Board of Shell Pilipinas Corporation (the “Corporation”), Mr. Min Yih Tan (the “Chairman”). The Secretary stated that the Chairman is concurrently the Senior Vice President - Global Mobility Network of Shell. He added that the Chairman is a key member of the Shell Global Mobility Leadership Team and leads its Global Network Leadership Team.

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

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

The Secretary acknowledged the presence of the following directors:

NAME	POSITION	COMMITTEE
Min Yih Tan	Non-Executive Chairman of the Board	Member – Sustainability Committee
Lorelie Q. Osial	Executive Director/ President & Chief Executive Officer	Chairperson – Nomination Committee
Cesar A. Buenaventura	Independent Director	Chairman - Board Audit and Risk Oversight Committee, Member – Corporate Governance Committee Member – Related Party Transactions Committee Member - Nomination Committee
Dr. Lydia B. Echauz	Independent Director	Chairperson – Related Party Transactions Committee Member - Board Audit and Risk Oversight Committee Member – Corporate Governance Committee
Fernando M. Zobel de Ayala	Independent Director	Chairman- Corporate Governance Committee
Amando M. Tetangco, Jr.	Independent Director	Member – Board Audit and Risk Committee

NAME	POSITION	COMMITTEE
		Member – Sustainability Committee
Nina D. Aguas	Non-Executive Director	Member – Related Party Transactions Committee
Luis C. la ‘O	Non-Executive Director	Chairman – Sustainability Committee Member – Related Party Transactions Committee Member – Board Audit and Risk Oversight Committee
Stuart Chaplin	Non-Executive Director	Member – Board Oversight and Risk Oversight Committee Member – Sustainability Committee
Reynaldo P. Abilo	Executive Director/ Treasurer/ VP- Finance/ Chief Risk Officer	
Randolph T. Del Valle	Executive Director/ VP-Mobility	

The Secretary stated that also present were Senior members of Management of Shell Pilipinas Corporation and the external auditors of the Corporation, SyCip Gorres Velayo & Co. (“SGV”), a member firm of Ernst & Young Global Limited.

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

The Chairman then inquired with the Secretary as to whether the stockholders had been duly notified of the Annual Meeting. The Secretary confirmed that in accordance with the By-laws of the Corporation and applicable rules and regulations, the written notice of the date, place, purpose and details as well as materials of the meeting were published through alternative modes of distribution through the website of the Corporation, the PSE, and through the newspapers of general circulation. The stockholders of record as of the record date on 12 April 2023 were entitled to the notice.

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

The Chairman thereafter inquired the Secretary if a quorum was present.

The Secretary certified to the presence of a quorum. He stated that in attendance, via remote communication, *in absentia*, and by proxy, were stockholders owning 1,272,506,281 shares representing 78.87% of the total issued and outstanding shares.

867. **Voting Procedure**

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

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

The Secretary stated that the total votes received as of 05 May 2023 are from shareholders owning 1,204,832,526 shares accounting for 74.67% of the outstanding shares, and were validated and counted by RCBC Stock and Transfer Agent.

The Secretary reported that the final counting of all votes cast was undertaken by RCBC Stock & Transfer Agent and that the final results will be posted in the Corporation's website.

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

The Chairman informed the stockholders that the next item in the agenda was the approval of the minutes of the previous meeting. He reported that copies of the Minutes of the Special Meeting of the Stockholders held on 26 September 2022 were distributed through alternative modes to the stockholders together with the Notices, and that an electronic copy was made available on the website of the Corporation. The Chairman then asked the Secretary to report the results of the voting for the approval of the said minutes.

The Secretary reported that as of 05 May 2023, stockholders owning 1,204,832,526 shares and representing 74.67% of the outstanding capital stock of the Corporation, voted in favor of approving the minutes:

“**RESOLVED**, that the Minutes of the Special Meeting of the Stockholders held on 26 September 2022 be, as it is hereby, approved.”

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

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

869. **Message from the Chairman of the Board of Directors**

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

“Amidst the pandemic and Russia-Ukraine war, Shell Pilipinas made impactful decisions to become even more resilient. The first key decision was to transform the Tabangao facility in Batangas from a refinery into a world-class import terminal. We also started building our fourth import terminal at Darong, Davao. This will be the third largest import facility in the Corporation’s network of terminals. This further strengthens our supply chain and paves the way for a more stable supply of energy in Southern Mindanao.

I am proud to share that we maintained our financial resilience and ended 2022 with a net income of Php4.1Bn -- which is an increase of 6% vs prior year and 193% vs 2020. This was achieved by streamlining our organization, rebalancing our portfolio, and improving both our fuel and non-fuel sales performance with comprehensive customer-centric offerings. Shell V-Power remains our most preferred premium fuel nationwide. We’ve achieved one of our priorities in resuming our dividend distribution after a two-year hiatus, and we look forward to continuing our positive trajectory in the coming years.

In our thrust to provide more and cleaner energy solutions, Shell Pilipinas increased the distribution of innovative low carbon products such as Shell Helix Ultra 0W and Shell Rimula R4L lubricants for vehicles, and Shell Bitumen FreshAir for roads. The recently inaugurated Cebu-Cordova link expressway, the longest bridge in the country, was paved using the pioneering Shell Bitumen FreshAir. By improving the carbon offset through our nature-based projects, we can provide our customers nationwide with the choice to drive carbon neutral.

We continue to transform our service stations into mobility destinations with elevated customer experience over time. Our convenience offers now cater to a wide and wider customer base such as bikers, pedestrians, and travelers. Furthermore, our service stations are designed to lower carbon emissions as they use more and eco-friendly equipment such as solar panels, LED lighting,

inverter air conditioners and other more sustainable materials. Based on 2016 data, we've reduced more than 90% of our carbon emissions from our operations by the end of 2022 with the closure of the refinery and other low carbon investments. We aim to further reduce our carbon emission through partnerships and sustainable business ventures. For instance, our integration with Shell Energy Philippines has powered the Tabangao Import Facility with 100% renewable energy.

Notably, we have also achieved another significant milestone by introducing Shell Recharge, the first-ever electric vehicle charging service, at our Mamplasan station.

Our innovative solutions also extend to non-fuel convenience retailing by tailoring store format according to the market including Shell Select, Deli2go, Select Express and Helix Oil Service Center.

Our digitalization initiatives cover accessible payment options for customers, targeted communications with investors and an enhanced Shell Go+ loyalty app which to date has over 2 million users.

Pilipinas Shell Foundation Inc. (PSFI), which celebrated its 40th anniversary in 2022, serves the community through programs on nutrition and food security, education, livelihood, health and safety, environment, and energy. The Movement Against Malaria, one of its most notable programs, supported 93% reduction of cases in the past two decades. At the same time, Shell Pilipinas seeks to improve lives and livelihoods by contributing to local communities, championing inclusion, and providing vital energy through our products and services.

In the latest Shell People Survey (SPS), it was heartwarming to see our high employee engagement as well as diversity and inclusion scores of 85 and 88 respectively -- stronger numbers compared to 2021.

We are determined to make a positive impact on the Philippine society. Shell Pilipinas is ready to play its role in a balanced energy transition, profitably and purposefully. As we strive to provide reliable, affordable, and sustainable energy, we remain grounded by our core values of honesty, integrity and respect for people.

I would like to take this opportunity to extend my sincere appreciation to our staff and employees, our partners, management and the board for their service and dedication. Together with our best-in-class assets, leading brand, and customer relationships as

well as diverse and high-performance talent, we will continue to power progress for the Filipinos.

Thank you very much.”

870. **President’s Report**

The Chairman invited the President and Chief Executive Officer, Ms. Lorelie Osial, to render her report.

Ms. Osial reported with visual aids for the better appreciation of the shareholders:

“Good afternoon, everyone. Thank you for being here. I am Lorelie Osial, the President and CEO of Shell Pilipinas Corporation.

Amidst an atmosphere of global and local macroeconomic uncertainties, the year 2022 saw the re-opening of the Philippine economy. The Philippine government lifting mobility restrictions in 2022 was very much welcomed to spur economic activities and demand recovery, however, economic optimism was muted by the surge in Omicron cases in Q1, the Russia-Ukraine war, record-high inflation, and peso depreciation.

For Shell Pilipinas, it was a year to focus on disciplined business delivery, reliable operations, and innovative opportunities in our continued commitment to create value for all our shareholders.

We were able to optimize our momentum of recovery quarter by quarter resulting in our delivered net income of PhP4.1 billion, which is 6% higher than 2021. Similarly, core earnings improved by 22% at the back of double-digit growth in marketing fuels volume and non-fuels retail operating profit.

You will hear more of our 2022 financial performance from our Chief Finance Officer later.

In 2022, we grew our network nationwide. We built 55 new mobility stations, bringing our count to more than 1,150 mobility sites nationwide for expanded offerings that go beyond fuels.

Shell V-Power remains to be the most preferred fuel brand in the country.

We also saw growth in sales across businesses such as lubricants, aviation, bitumen, fuels, and non-fuels offerings.

Our Shell Select and Deli2Go shops now feature unique products of local enterprises, and in certain towns, in partnership with the DTT's One Town, One Product and GoLokal! Initiative.

The customers' ever-changing needs always come first in our drive to innovate as we transform our stations into mobility destinations. And we have further enhanced the customer experience to our over two million users of the Shell Go Plus App who can avail of points, discounts, and free emergency roadside assistance.

We will contribute to a lower carbon world in our thrust to provide more and cleaner energy solutions, Shell Pilipinas increase the distribution of innovative low carbon products such as Shell Helix Ultra 0W and Shell Rimula R4L. These are lubricants for vehicles, and Shell Bitumen FreshAir for roads. The recently inaugurated Cebu Cordova Link Expressway, the longest bridge in the country, was paved using the pioneering Shell Bitumen FreshAir. And by improving the carbon offset to our nation-based projects, we can provide our customers nationwide with a choice to drive carbon neutral.

We continue to transform our service stations into mobility destinations with elevated customer experience. Our convenience offers now cater to a wider customer base such as bikers, pedestrians, and travelers. Furthermore, our service stations are designed to lower carbon emissions as they use more eco-friendly equipment such as solar panels, LED lighting, inverter air conditioners and other more sustainable materials such as eco-brick installations made from upcycled plastic, also, rainwater catchment systems to use in our washrooms. Based on 2016 data and comparing it with 2022, we've reduced more than 90% of our carbon emissions from our operations. With the closure of the refinery and other low carbon investment, and we aim to further reduce our carbon emissions through partnerships and sustainable business ventures. For instance, our integration and Shell Energy Philippines has powered the Tabangao Import Facility with 100% renewable energy.

In July last year, we also achieved another significant milestone by introducing Shell Recharge in the country, the country's first high performance electric vehicle or EV charging station, which can charge up to 80% of a car's battery in as little as 30 minutes. And what's more, our EV charging station runs on electricity from 100% renewable energy sources.

For our customers, I am proud to share that we are now offering our carbon offset services to both B2B and B2C

customers. To date, 600,000 kilograms of CO2 have been offset through this pioneering offer.

At Shell Pilipinas, we understand that sustainability is about People. A sustainable future is one that is diverse, equitable and inclusive – where everyone is enabled to prosper and progress to their full potential. This is what Powering Lives is hinged upon.

Pilipinas Shell Foundation Incorporated or PSFI, our social investment arm, is now on its 40th year in the Philippines and in those 40 years, it has uplifted than 50 million beneficiaries through our various programs covering Livelihood, Education, Health and Safety, Environment, Energy, Nutrition and Food Security.

In 2022, we started and ended the year supporting communities impacted by natural disasters. Shell has shown care to these communities for disaster relief programs. This includes providing food packs and hygiene kits to those affected by the typhoon, fire incidents and flooding. At the same time, Shell Pilipinas seeks to improve lives and livelihoods by contributing to local communities and championing inclusion and providing vital energy through our products and services.

Shell remains to be one of the strongest brands in the Philippines and the second biggest market player in the industry. I am honored that our commitment to excellence has been recognized in the areas of employment, environmental stewardship, and corporate governance.

LinkedIn, the Philippine Daily Inquirer, and Statista have put Shell in the select list of Top Companies to work for in the Philippines.

The National Association of Convenience Store awards Asian Awards on sustainability was conferred on our Eco-friendly site of the Future in Hacienda Silang in Cavite for a 0 emissions goal by 2050 initiative.

On corporate governance, the External Quality Assurance Reviewers or EQAR awarded Shell Pilipinas with the highest possible conformance rating.

From the Philippine government, the Department of Energy has conferred Seals of Excellence to Shell stations to recognize their consistent quality service to the motoring public.

We are now ‘Shell Pilipinas Corporation’.

Our change in name corporate name reflects our adaptive business strategy and progressive sustainability priorities, guided by our strong core values of honesty, integrity, and respect for people and our focus on safety. This transformation represents our broader and more future-forward approach in delivering services beyond petroleum. We are here to assure and ensure that we will be providing more and cleaner energy solutions to meet the ever-evolving needs of the Filipino today and in the future.

Shell has been in the Philippines for over a hundred years as a vital partner in nation-building and we will continue to be the leading energy provider committed to remain in the country for many more years to come.”

The Chairman thanked Ms. Osial.

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

The Chairman invited the Chief Financial Officer, Mr. Reynaldo P. Abilo, to render his report.

Mr. Abilo rendered his report:

“Thank you, Mr. Chairman.

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

Shell Pilipinas sustained its positive trajectory in 2022, delivering continued recovery and growth despite unprecedented local and global challenges. The Company generated net income of PHP4.1 billion, an increase of 6% versus prior year. Similarly, core earnings improved by 22% at the back of double-digit growth in marketing fuels volume and non-fuels retail operating profit.

During the year, the Philippine government lifted mobility restrictions spurring economic activities and demand recovery. However, economic optimism was partially muted by the Russia-Ukraine war, record-high inflation, and peso depreciation. Product prices peaked with the highest price reaching about USD120 per barrel in June before reverting close to 2021 prices at year-end. Economic headwinds eased in the last quarter; however, volatility remained prevalent throughout the year.

With our sharp focus on cash generation at competitive returns, disciplined capital and cost management, as well as good corporate governance, Shell Pilipinas will continue driving strong financial resilience as we deliver on the country’s energy needs of today while shaping and investing for the future.

Operating performance resulted in positive Cash Flow from Operations or CFFO before movement in working capital of PHP1.8 billion, including the impact of working capital movement, an improvement of more than 50% against prior year of PhP1.1 billion despite increased working capital requirement due to higher fuel prices, peso depreciation, and inflation.

Our marketing businesses continue to deliver superior value through our innovative and differentiated offers to our discerning customers. Despite elevated fuel prices, we sustained our high premium product penetration, that includes V-Power, Shell Helix, and Shell Advance. The Mobility and Commercial B2B teams have successfully executed our marketing programs, provided best in class customer experience and attracted new customers in our portfolio. Mobility was able to catch up from the impact of Omicron variant in the beginning of the year, propelling positive momentum in volume delivery especially in the last quarter with an 8% versus Q4 of 2021. Strong volume performance in Commercial B2B sector is sustained across focus sectors: Aviation growing by 51%, Bitumen growing by 25%, Commercial Fuels grew by 19%, and Lubricants grew by 9%.

Non-fuel retail plays a very important part in our strategy and has sustained double-digit growth in the last three years. Shell Go+, our loyalty program that was launched in 2021, reached its milestone of two million members helping us generate incremental value in both fuel and non-fuel offerings per store visit.

Our total operating expenses in 2022 went up by approximately 6.7% versus 2021, excluding one of items with the increase in sales volume, capital investments and also the inflation impact. However, managing our resources prudently and driving financial discipline in our operations remain a priority in the company.

We partner with various stakeholders to seize opportunities for cost takeout and working capital optimization. For example, our strong relationships with financial institutions have allowed us to refinance debt at longer terms and better rates driving savings in our borrowing costs.

Now, the company also continues to invest for the future to accelerate its growth and sustain its competitiveness. We allocate capital to projects that yield higher returns, future-proof our businesses and help achieve our sustainability agenda. In 2022, we invested PHP5.6 billion to expand and transform our retail stations into mobility destinations as well as to maintain and enhance our supply chain assets. We successfully completed 55 new mobility

stations nationwide, 30 of which are the bigger company owned sites in key cities with higher foot traffic.

We have also grown our NFR footprint, which allowed us to provide more options to our customers through offers such as Shell car wash and Shell advanced Motor Care Express. In total, we have approximately 217 Shell Selects, about 93 Deli2Gos, 223 Select Express and 479 Shell Helix Oil Service Centers nationwide. All of which have brought us operating profit growth of 24% in 2022 and 23% in 2021.

We also have an additional 145 mobility stations that are now equipped with solar panel fixtures, LED lights and in-store inverters, utilizing greenwalls, rainwater recycling systems, Ecobricks, and Bitumen FreshAir.

The construction of our fourth import facility in Darong, Southern Mindanao was launched early last year and is expected to be completed by 2024. This facility will complement the North Mindanao Import Facility to enable a more efficient and reliable supply chain.

The Company ended last year with a gearing level of 52%, which is higher compared to previous years but remains manageable. Our financial discipline has allowed us to take on more debt as a result of macro challenges, including higher product prices, elevated inflation, peso depreciation, and accelerated capital spending for our investments. Moving forward, we shall maintain our disciplined approach in capital allocation and drive delivery from our investments. We aim to lower down our gearing level and further enhance our Return on Average Capital Employed (ROACE), which remains to be industry-leading at 14%.

One of our main priorities, as highlighted in the prior year report, is to resume our dividend payout to shareholders. The approval of our equity restructuring by the SEC together with the continued recovery and growth of our businesses, enabled us to pay of PHP1 dividend/share in September 2022, delivering a 5.6% yield – one of the highest in the Philippine Stock Exchange. The management remains committed to providing attractive dividends to our shareholders as per Company's dividend policy, subject to SEC guidelines, particularly on the availability of unrestricted retained earnings on dividends. Unfortunately, the inventory holding losses in the second half of the year or last year, we ended 2022 with a deficit of PHP 1.8 billion.

Now, in order to recover the deficit and sustain our value delivery in line with our strategy, we will be more adaptive, agile, and flexible this year. In this volatile and rapidly shifting

environment, we are excited to continue exploring growth and innovation, delivering sustainable solutions and powering progress for the Filipinos.

Thank you.”

The Chairman thanked Mr. Abilo.

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

a. Appointment of External Auditor

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

The Secretary reported that the Board Audit and Risk Oversight Committee recommended to the Board of Directors the appointment of an external auditor who will examine the accounts of the Corporation for 2023. The Board of Directors, in its meeting held on 23 March 2023, approved the re-appointment of SGV as the external auditor of the Corporation for 2023.

As the incumbent audit partner has already served for seven (7) years, the new audit partner from SGV will be Ms. Editha Estacio. The Chairman requested the Secretary to report the voting results.

The Secretary reported that based on the final voting tabulation, stockholders owning 1,204,832,526 shares and representing 74.67% of the outstanding capital stock of the Corporation, approved the appointment of SGV as the external auditor of the Corporation for 2023:

“**RESOLVED**, that Sycip Gorres Velayo and Co., member of Ernst and Young International, be appointed as the External Auditors of the Corporation for the calendar period ending 31 December 2023, under such terms and conditions as the Board of Directors may consider reasonable.”

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

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

Mr. Abilo requested to express his appreciate to the previous audit partner of SGV, Mr. Jose Pepito E. Zabat, on behalf of the Board, Management and the Corporation.

The Chairman allowed Mr. Abilo to proceed.

Mr. Abilo expressed his gratitude:

“As reported by Atty. Gamo earlier, Mr. Zabat has completed 7 years as audit partner. The regulations mandate a rotation and thus Mr. Zabat will be moving on.

Mr. Zabat, and for that matter, SGV, first became our external auditors in 2016 when it issued the mid 2016 Audited Financial Statements in support of our Initial Public Offering.

Since then, we have journeyed with Mr. Zabat, who we have come to know as “Peps”. Through Peps, SGV has provided excellent independent professional services.

Peps, thank you very much for your excellent service, your advice, your expertise and of course bearing with us as we burnt the midnight oil to ensure the fairness of our audited financial statements.

On behalf of the Board, Management and the Corporation, I wish you all the best on your next engagements, and of course, we welcome Ms. Editha Estacio as our new audit partner.

We look forward to working with Edith and SGV team.”

b. Amendment of By-Laws: Change of Corporate Seal to “Shell Pilipinas Corporation”

The Chairman informed the stockholders that the next item in the agenda was the amendment of Article VII, Section 1 of the By-Laws in order to indicate the new corporate name “Shell Pilipinas Corporation.”

The Secretary reported that the Board of Directors, at its meeting held on 23 March 2023, approved the amendment of Article VII, Section 1 of the By-Laws of the Corporation in order to indicate its new corporate name “Shell Pilipinas Corporation.”

The following new corporate seal was flashed on the screen for the appreciation of the stockholders:



The Secretary reported that based on the final voting tabulation, stockholders owning 1,204,832,526 shares and representing 74.67% of the outstanding capital stock of the Corporation, voted for the resolution:

“**RESOLVED**, that Article VII, Section 1 of the By-Laws of the Corporation be as it is hereby, amended to read as follows:

‘Section 1. Seal: The corporate seal of the Company, unless otherwise ordered by the Board of Directors, shall be in circular in form and shall bear the words:

SHELL PILIPINAS CORPORATION

Incorporated 1959

Manila

Philippines

When affixed to any instrument the corporate seal of the Company shall be attested by the Secretary or Assistant Secretary.”

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

The Chairman declared that since the stockholders owning a majority of the total outstanding shares voted affirmatively for the amendment of Article VII, Section 1 of the By-Laws, the same is approved.

873. **Election of Directors**

The Chairman informed the stockholders that the next item on the agenda was the Election of Directors. He reported that the Nomination Committee came up with

the final list of candidates for Board Membership which included the nominees for independent directors.

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

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

The Secretary stated that the nominees were:

<u>Directors</u>	<u>Independent Directors</u>
Nina D. Aguas	Cesar A. Buenaventura
Stuart Chaplin	Lydia B. Echauz
Randolph T. Del Valle	Fernando M. Zobel de Ayala
Luis C. La 'O	Amando M. Tetangco, Jr.
Reynaldo P. Abilo	
Lorelie Q. Osial	
Min Yih Tan	

The Chairman asked the Secretary to report the voting results.

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

	YES	NO	ABSTAIN
Reynaldo P. Abilo	1,137,212,471	123,600	-
Nina D. Aguas	1,508,442,971	123,600	-
Stuart Chaplin	1,136,632,003	704,069	-
Randolph T. Del Valle	1,137,212,471	123,600	-
Luis C. La'O	1,507,862,501	704,069	-
Lorelie Q. Osial	1,136,984,562	351,510	-
Min Yih Tan	1,137,130,771	205,300	-
Fernando M. Zobel de Ayala (Independent Director)	1,137,277,772	58,300	-
Cesar A. Buenaventura (Independent Director)	1,130,234,853	7,101,219	-
Lydia B. Echauz (Independent Director)	1,137,277,772	58,300	-
Amando M. Tetangco, Jr. (Independent Director)	1,137,277,772	58,300	-

Based on the final voting tabulation, a total of 13,243,545,919 cumulative votes were affirmatively cast in favor of the eleven (11) nominees:

“RESOLVED, that the eleven (11) nominees be declared as the duly elected members of the Board of Directors of the Corporation upon the adjournment of this meeting, to serve as

such until their successors shall have been duly elected and qualified.”

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

The Secretary read the names of the newly elected directors:

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

874. **Question and Answer**

The Chairman opened the floor for questions from the stockholders. Ms. Castillo and Mr. Vincent Juan facilitated the question and answer portion based on the questions received.

First question: What is the latest on the Corporation’s shares? What is the company’s plan to increase the Corporation’s share price?

Mr. Abilo responded as follows:

“If you look at how our share price has been trending in the past years, for example, in 2021, our share price was averaging about PHP20.60. In 2022, it was about PHP18.30, and if you look at quarter one of this year, it's hovering around 18 pesos. So we have experienced strong headwinds in the past years, and 2022 was actually no exception.

Our share price has been moving similar to that of the PSEi, and we know that both are impacted by external factors such as interest rate hikes, we have high inflation, we have the peso depreciation and also the impact of the Russia Ukraine war on oil prices among others. And as such, we saw a quite a sizable amount of net foreign sale in the Philippine market last year. Having said that, the company will continue pursuing superior value and improved financial delivery as part of our

strategy. We believe in the management that strong financial delivery is primary in order to reward our shareholders with dividends and encourage share price appreciation.

Shell Pilipinas continues to have sound business fundamentals and that is supported by our highest trust rating, our brand preference, the pioneering technology, and innovation through our affiliation with the Shell Group, our leading position in good corporate governance and sustainability, and of course, our world class people and this will propel our growth for the year and moving forward. At the same time, we are also beefing up our engagements with the investment community, both institutional and retail, and we hope that this will help improve the stock liquidity in the market.

Thank you very much.”

Second question: You gave a PhP1 dividend for the 1st half of 2022, however, you did not give any dividends for the 2nd half. Gross sales increased by 6%, but the cost of sales also increased by 7%. What is your plan to manage cost of sales to deliver positive retained earnings to speed up cash dividend declaration?

Mr. Abilo responded as follows:

“I think firstly, let me clarify that the dividend declared last August and was paid in September pertains to 2021 net income of the company which was about PHP3.9 billion. That declaration was enabled by the equity restructuring and the net income that we generate, which were enough to cover or to recover the deficit in our retained earnings and provide an amount available for dividend distribution. Hence, we were able to deliver on our commitment by paying PHP1 per share dividend in August, while following SEC rules around dividend payment.

However, in the second-half of 2022, we experienced a significant amount of inventory holding loss, which was about PhP4.8 billion, which impacted our full year 2022 earnings delivery. This resulted in a deficit in our retained earnings available for dividend distribution. Unfortunately, as per SEC guidelines, this restricts us from paying dividends until such time that we have built positive retained earnings to cover for dividend. Now, given that the macro environment remains very volatile, it will be very hard for us to predict an exact timeline on when we can resume dividend payout. Rest assured that we will adhere to our dividend policy, and we will constantly look for ways to accelerate the resumption of our dividend payment.

Now on the question about the increase of our cost of sales moving faster or ahead against the increase in our net sales, it actually links to what I mentioned earlier, which relates to the volatility that we are experiencing in the market. We have seen significant amount of increases and decreases on a weekly basis and the key to manage this kind of movement would be in the way that we're able to timely and effectively pass on the movement in our cost of sales to the market, and that is something that we are looking at, particularly both on the mobility side or the consumer side and also in managing our B2B contracts which have a longer duration and are contractual in nature.”

Third question: What’s your current market share and what’s the Corporation’s plan around this area?

Ms. Osial responded as follows:

“Thank you, Mr. Chairman. A world class import terminal has the following characteristics: Our main reference for market share is DOE date. The last data released by DOE was FY 2022. Overall market share as of FY 2022 is 15.6%, up from FY 2021 market share of 15.0% which was driven by volume growth.

Shell is still at strong second in the industry and we are optimistic that our marketing and operational plans are robust to defend and grow our market share.

For motorcycle and oil (MCO) Lubricants, following move of Castrol to transition to Macro Distributorship in the Philippines, stabilization of our supply, brand refresh, and introduction of new Scooter grade, we are confident that, in this pace, we can take over market leadership position by the end of this year.

For passenger car motor oil lubricants, we are targeting 200 new branded auto independent workshops in 2023, plus launch of Helix SUV, and rationalization of SKU’s with Mobility, thus, we are expecting an increase of market share points by the end of year.

For heavy duty diesel engine oil, following brand refresh, price repositioning and Introduction of new SKU R4+, we are anticipating growth as well in this sector.

In the B2B sector, our fuels business is the market leader with 30% market share, and we continue to push strongly on

increasing market share this year, capitalizing on our strong Customer Value Proposition's in the market.”

Fourth question: How is our biggest contributor mobility growing against competition? What is Mobility's market share for 2022 vs 2021? Why launch a new product when the country has been experiencing high inflation?

Mr. Del Valle responded as follows:

“For the mobility business, our market share improved in the second-half of 2022 by 3.6% versus the first half of the same year. This is driven by our fuels growth of 8% in the second-half of 2022 versus the previous year.

We are actually foreseeing recovery and growth in the coming quarters, very similar to the growth that we have been seeing in third quarter last year then to the fourth quarter and the succeeding quarters. We're seeing this as we launch various marketing initiatives that are relevant to the markets that we're serving, especially that the market in the Philippines is really opening up. This growth actually shows how Filipinos continue to trust Shell fuels even during the difficult circumstances that we are actually facing in 2022.

It is therefore important that we continue to give and provide the best quality and value for money on quality fuels that we have. That's the reason why we launched the new and improved Shell V-Power this year because this product actually provide 100% efficiency that is considered to clean the critical engine parts and hence, restores the engine for our customers. This is important to the customers because it maintains and cleans their cars, and that this formulation encompasses the entire fuels portfolio that we have here in the Philippines.

With that, this will improve the performance for our consumers' vehicle. It gives fuel efficiency with unbeatable engine protection. The assurance of the quality of Shell fuels is very relevant on this time of difficulty. This has been tested and proven by the scientists globally, and thus really works. We continue to provide this product and give Filipinos access to the benefit of Shell Quality fuels. As we welcome our customer and go back to pre-pandemic, we now have something relevant for our Filipino community.”

Fifth question: The Court of Tax Appeals released its decision on your alkylate case in favor of the Corporation. What is the implication of the decision to the Corporation?

Ms. Osial responded as follows:

“As the Court of Tax Appeals held, alkylate is not subject to excise tax. This is aligned with our view that the alkylate we imported to produce finished products is not subject to excise taxes. As in everything we do in Shell Pilipinas Corporation, we undertake the necessary due diligence to ensure that it observes all laws, rules and regulations, including payment of the correct taxes.

I guess the question is - does this mean that there is a savings for the company because from the onset we had already had taken the position that this is not subject to excise tax and this is supported and therefore it is not considered savings.

As to amounts previously paid to the government under protest, we intend to recover them as soon as possible once the decision is final and executory. While we understand that our counterparties may avail of legal remedies to question the Decision, we are hopeful that the decision of the Court of Tax Appeals will be upheld. At this time, however, given the status of the alkylate case, we are unable to provide any definite timeline as to the possible recovery of amounts paid under protest in relation to the alkylate case, but we are pursuing it.”

Sixth question: What’s the next big thing for the Corporation this 2023? Any major investments, new projects? Product launch?

Mr. Abilo responded as follows:

“Shell Pilipinas Corporations remains committed to Powering progress in the country while providing lower carbon products as we go along. We will continue to innovate and push boundaries, leveraging on Shell group’s technology and expertise.

I think for one, Randy mentioned the new Shell V-Power, which we launched this February. It is a very exciting part of our marketing program this year.

We will also continue to invest CAPEX in sustainable and higher-yield projects as part of our strategy. If you look at our supply chain, we are on track to put up 5 medium-ranged import facilities in the country by 2025. If you look at mobility, we will continue to grow our network by 40-60 sites every year until 2025.

There are a lot of good things happening. At the same time, we will be making sure that we manage our resources prudently. Which is something that we can share more in detail

as we move along in the year. You can find out more of these new investments and launches through our press releases and announcements over the course of the year.”

Seventh question: We are in the verge of recovery, and we expect to have a more adoptive and flexible plan in the coming years. Can you share what can the investors expect from the Corporation from now and beyond?

Ms. Osial responded as follows:

“Firstly, we remain committed to generating value for our shareholders. We'll be focusing on prudent management of resources, financial discipline, and value delivery in the execution of our strategy.

When you look at our existing products and new products, we will continue to provide quality products and services across our various offerings with fuels, lubricants, bitumen, non-fuels retailing, and we'll look for opportunities to grow and innovate. To be able to do this we need to make sure that we continue to maintain a competitive and reliable supply chain.

We remain to have one of the strongest brands, and we will sustain that by including the trust that our customers have on the brand and our reputation, and we will continue to play a significant role in energy transition to power progress in the Philippines. There are a number of opportunities in that space such as lower carbon offers, alternatives as well. We will be leveraging non-fuels retailing. We are exploring opportunities and partnerships as well with the Department of Energy, Shell Energy Philippines through the electronic vehicle pilot studies that we are doing. But of course, progression on that is dependent on also macroeconomic factors and EV ecosystem and availability of clean energy sources.

There is quite a lot to expect.”

The Chairman added as follows:

“An important item in terms of the Shell PLC portfolio. The way we look at Philippines is it is not just an attractive market, it is an important market from a geographic standpoint, and also from a portfolio standpoint. Geographically, from a portfolio product portfolio standpoint, it is important and attractive and we intend to continue investing in this market for years to come.

So very exciting days. We have green shoots that we are going to capture and we will also seize the opportunities in the coming months to power progress together.”

875. **Adjournment**

Before adjournment, the Chairman requested Ms. Osial to make a few closing remarks.

Ms. Osial stated her the following closing remarks:

“Before we close, I would like to extend my heartfelt gratitude to the Corporation’s staff, employees, management team, and the Board of Directors for their commitment and dedication. I would also like thank our customers, partners, and shareholders for your feedback, encouragement, and loyalty.

We will be leveraging on a strong brand, leading technology and innovation, and highly engaged and motivated Filipino talent to focus on financial discipline and prudent use of resources on value delivery as we provide for the current and future energy needs for the Filipino, and continue to create value for the shareholders. Let us keep moving the Philippines forward.

Maraming Salamat.”

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

Prepared by:

MARK HADRIAN GAMO

Corporate Secretary

Attested By:

MIN YIH TAN

Chairman of the Board