



May 11, 2011

**PHILIPPINE STOCK EXCHANGE, INC. (PSE)**  
Disclosure Department  
3<sup>rd</sup> Floor, Philippine Stock Exchange Center  
Ayala Triangle, Ayala Avenue  
Makati City

Attention: **Ms. Janet A. Encarnacion**  
Head, Disclosure Department

Dear Ms. Encarnacion:

We are reporting to your good office that the Board of Directors during its Regular Board Meeting held today, approved the following items:

- A. Annual Stockholders Meeting scheduled on July 12, 2011, with record date of May 26, 2011 (agenda attached);
- B. Endorsement of the Nominees to the Board of Directors

- 1. Ramon S. Ang
- 2. Eric O. Recto
- 3. Eduardo M. Cojuangco, Jr.
- 4. Estelito P. Mendoza
- 5. Roberto V. Ongpin
- 6. Bernardino R. Abes
- 7. Ron W. Haddock
- 8. Aurora T. Calderon
- 9. Mirzan Mahathir
- 10. Romela M. Bengzon
- 11. Ferdinand K. Constantino
- 12. Virgilio S. Jacinto
- 13. Joseph N. Pineda
- 14. Reynaldo G. David - Independent Director
- 15. Artemio V. Panganiban - Independent Director

C. Amendment of By-Laws amending the following provisions, among others:

1. Change in the Date of Annual Stockholders' Meeting from any day in July to the third (3<sup>rd</sup>) Tuesday of May;
2. Removal of the supermajority vote found in the provisions below:
  - a. Article II, Section 6 - Quorum
  - b. Article III, Section 4 - Quorum and Voting Requirements
  - c. Article III, Section 11- Removal of Directors
  - d. Article III, Section 12- Vacancies
  - e. Article XI - Amendments
3. Executive Committee
4. Other Revisions

Item #	Provision	Subject	Proposal/Reason
<b>Article II - MEETING OF STOCKHOLDERS</b>			
1	Section 3	Special Meetings	<ul style="list-style-type: none"> <li>• Deletion of the Vice President from the list of officers who may call the special stockholders' meeting and changing the term "owning" to "representing".</li> </ul>
2	Section 4	Notice of Meetings	<ul style="list-style-type: none"> <li>• Sending of notice to stockholders at least two (2) weeks before date of meeting.</li> <li>• Shortening the period provided will ease the Company from pressure of distributing the materials to stockholders.</li> </ul>
3	Section 8	Organization	<ul style="list-style-type: none"> <li>• Renumbered to Section 7</li> </ul>
4	Section 9	Voting	<ul style="list-style-type: none"> <li>• Renumbered to Section 8</li> <li>• Deletion of phrase pertaining to the 3-year validity of the proxy and revised with a phrase indicating that said proxy shall be valid only for the meeting at which it has been presented, unless otherwise provided in the form.</li> <li>• Additional sentence added to include provision on the revocation of the proxy.</li> </ul>
5	Section 10	Inspection of Votes	<ul style="list-style-type: none"> <li>• Renumbered to Section 9</li> </ul>

<b>Article III - DIRECTORS</b>			
6	Section 2	Number, Qualification and Term of Office	<ul style="list-style-type: none"> <li>• Revision on the number of directors from fifteen (15) to just referring the number of directors as provided in the Articles of Incorporation.</li> <li>• The revision contemplates an event in which the number of directors may again be changed. In which case, the By-Laws need not be amended again.</li> </ul>
7	Section 3-A	Nomination and Election of Independent Directors	<ul style="list-style-type: none"> <li>• Additional clauses were added, particularly:  (1) The Corporation shall have at least two (2) independent directors or such other number as may be required by applicable laws and regulations;  (2) The independent directors shall have all the qualifications and none of the disqualifications set forth in Section 38 of the Securities Regulation Code and its Implementing Rules and Regulations, as the same may be amended from time to time.</li> </ul>
8	Section 5	Special Actions	<ul style="list-style-type: none"> <li>• Deletion of the entire provision</li> </ul>
9	Section 6	Place of Meeting	<ul style="list-style-type: none"> <li>• Renumbered to Section 5</li> </ul>
10	Section 7	Organizational Meeting	<ul style="list-style-type: none"> <li>• Renumbered to Section 6</li> </ul>
11	Section 8	Regular Meeting	<ul style="list-style-type: none"> <li>• Renumbered to Section 7</li> </ul>
12	Section 9	Special Meetings and Notice	<ul style="list-style-type: none"> <li>• Renumbered to Section 8</li> <li>• Release of the notice of meeting reduced to one (1) week.</li> </ul>
13	Section 10	Resignations	<ul style="list-style-type: none"> <li>• Renumbered to Section 9</li> </ul>
14	Section 13	Indemnification of Directors, Officers, and General Counsel	<ul style="list-style-type: none"> <li>• Insertion if the phrase “other than an action by the Corporation” after the word “proceeding” and before “to any such person maybe” in the first sentence.</li> </ul>
<b>Article IV - COMMITTEES</b>			
15	Section 1	Committees	<ul style="list-style-type: none"> <li>• Renumbered to Section 2</li> </ul>
<b>Article V - OFFICERS &amp; GENERAL COUNSEL</b>			
16	Article V	Officers & General Counsel	<ul style="list-style-type: none"> <li>• Deletion of heading (&amp; General Counsel), as the General Counsel will now be considered an officer of the Corporation. Please refer to next section.</li> </ul>
17	Section 1	Number	<ul style="list-style-type: none"> <li>• Deletion of the phrase “The Board shall appoint a General Counsel who will not be an officer of the Corporation”.</li> </ul>

			<ul style="list-style-type: none"> <li>• The position General Counsel shall be added in list of positions enumerated in the first paragraph.</li> </ul>
18	Section 2	Election, Term of the Office and Qualifications	<ul style="list-style-type: none"> <li>• Deletion of the phrase “and the General Counsel shall be appointed annually by the Board of Directors” and inclusion of the General Counsel in the list</li> </ul>
19	Section 8	Chief Executive Officer	<ul style="list-style-type: none"> <li>• Deletion of paragraph (b), as said provision is no longer relevant to Petron considering its present ownership structure.</li> </ul>
20	Section 9	Joint Approval of the Chairman of the Board and the President	<ul style="list-style-type: none"> <li>• Deletion of Section 9, as these are no longer relevant/applicable to Petron considering its present ownership structure.</li> </ul>
21	Section 10	Vice Presidents	<ul style="list-style-type: none"> <li>• Renumbered to Section 9</li> </ul>
22	Section 11	The Secretary	<ul style="list-style-type: none"> <li>• Renumbered to Section 10</li> </ul>
23	Section 12	The Treasurer	<ul style="list-style-type: none"> <li>• Renumbered to Section 11</li> </ul>
24	Section 13	Controller	<ul style="list-style-type: none"> <li>• Renumbered to Section 12</li> </ul>
25	Section 14	General Counsel	<ul style="list-style-type: none"> <li>• Renumbered to Section 13</li> </ul>
<b>Article VI - SHARES AND THEIR TRANSFER</b>			
26	Section 5	Closing of Transfer Books	<ul style="list-style-type: none"> <li>• Closing of stock transfer books amended from fifty (50) days to sixty (60) days.</li> </ul>

Approval of the delegation of authority of the Board to amend the By-Laws shall be presented for approval by the stockholders at the annual stockholders’ meeting on July 12, 2011;

- D. Cash dividend of ₱2.382/share for preferred shareholders with a record date of May 26, 2011 and payment date of June 6, 2011;
- E. Cash dividend of ₱0.10/share for common shareholders with a record date of May 26, 2011 and payment date of June 6, 2011, and;
- F. 1<sup>st</sup> Quarter 2011 Financial Performance Report posting a net income of ₱3.4 billion.

Thank you.

Very truly yours,



**JOEL ANGELO C. CRUZ**  
 AVP - General Counsel &  
 Corporate Secretary

**ANNUAL STOCKHOLDERS MEETING  
PETRON CORPORATION  
July 12, 2011, Tuesday, 2:00 pm  
Ballroom, Valle Verde Country Club  
Capt. Henry Javier St., Bo. Oranbo  
Mandaluyong City**

**A G E N D A**

- I. Call to Order
- II. Report on Attendance and Quorum
- III. Review and Approval of Minutes of Previous Annual Stockholders' Meeting
- IV. Management Report and Submission of Financial Statements to Stockholders for the Year 2010
- V. Ratification of all acts of the Board of Directors and Management during the year 2010
- VI. Approval by the Stockholders of the Amendment of By-Laws
- VII. Retention of Independent External Auditor
- VIII. Election of the Board of Directors for the ensuing term
- IX. Such other business as may properly come before it



**JOEL ANGELO C. CRUZ**  
AVP - General Counsel &  
Corporate Secretary