

**MINUTES OF THE ANNUAL MEETING  
OF THE STOCKHOLDERS OF PETRON CORPORATION  
(June 2, 2020)**

**Time and Place**

The Annual Meeting of the Stockholders of **PETRON CORPORATION** (the “Company” or “Petron”) was held on June 2, 2020 via livestreaming at <https://www.petron.com/2020asm>. The meeting commenced at about 2:00 p.m.

**Quorum Report**

The Corporate Secretary of the Company, Atty. Joel Angelo C. Cruz, reported that the notice of the meeting was duly disclosed to the stockholders as of the April 16, 2020 record date in compliance with the by-laws of the Company and the requirements of the Securities and Exchange Commission. Based on the stock transfer agent’s certification on the attendance of the meeting – covering attendance in person, by attendance advice emailed to the Company by May 26, 2020, and by proxy - there was about 78.40% of the total outstanding shares represented. Thus, a quorum was announced.

Atty. Cruz noted that the Chairman of the Board of Directors held proxies for 78.40% of the outstanding common shares of the Company and was voting in accordance with the instructions in the proxies.

Atty. Cruz proceeded to acknowledge the attendance of all the directors of the Company via Zoom:

1. Eduardo M. Cojuangco, Jr. (Chairman)
2. Ramon S. Ang (President and Chief Executive Officer)
3. Lubin B. Nepomuceno (General Manager)
4. Estelito P. Mendoza
5. Jose P. De Jesus
6. Ron W. Haddock
7. Mirzan Mahathir
8. Aurora T. Calderon
9. Virgilio S. Jacinto
10. Nelly Favis-Villafuerte
11. Horacio C. Ramos
12. Reynaldo G. David (Lead Independent Director)
13. Artemio V. Panganiban (Independent Director)
14. Margarito B. Teves (Independent Director)
15. Carlos Jericho L. Petilla (Independent Director)

Atty. Cruz also acknowledged the attendance of the Company's executive officers. Mr. Emmanuel E. Eraña, Senior Vice President and Chief Finance Officer, was in the Petron Board Room at the SMC Head Office Complex at 40 San Miguel Avenue, Mandaluyong City, together with Mr. Nepomuceno and Atty. Cruz. The following executive officers attended the meeting in the SMC Head Office Complex or via livestream:

1. Ms. Susan Y. Yu, Vice President ("VP") - Procurement
2. Maria Rowena O. Cortez, VP - Supply
3. Mr. Archie B. Gupalor, VP - Retail Sales
4. Mr. Albertito S. Sarte, VP and Treasurer
5. Mr. Jaime O. Lu, VP and Executive Assistant to the President on Petron Malaysia Operations and Refinery Special Projects
6. Mr. Rolando B. Salonga, VP - Operations and Corporate Technical Services Group
7. Mr. Fernando S. Magnayon, VP - Commercial Sales

8. Ms. Maria Rosario D. Vergel de Dios, VP - Human Resources Management
9. Ms. Myrna C. Geronimo, VP and Controller
10. Ms. Magnolia Cecilia D. Uy, VP – Management Services
11. Mr. Allister J. Go, VP – Refinery Division

Also in attendance were the following:

Mr. Ronald T. Ferrer, Assistant Vice Present – Internal Audit  
Mr. Erich Y. Pe Lim, Investor Relations Manager  
Mr. Darwin P. Virocel, R.G. Manabat & Co./KPMG

Atty. Cruz proceeded to explain that, after the Management’s Report, some of the questions and comments emailed to the Company’s dedicated email address for the meeting [petronasm2020@petron.com](mailto:petronasm2020@petron.com) would be read and addressed and that questions not answered during the meeting would be replied to by the Office of the Corporate Secretary.

### **Call to Order**

There being a quorum, the Chairman, Mr. Eduardo M. Cojuangco, Jr., called the annual meeting of the stockholders to order and presided over the same. Atty. Cruz recorded the minutes of the proceedings.

**Reading of the Agenda  
and Explanation of Voting Procedure**

The rest of the agenda of the meeting as follows was presented on the screen for ease of reference of the stockholders:

- (1) Review and approval of the minutes of the previous annual stockholders' meeting;
- (2) Management Report and submission to the stockholders of the financial statements for the year 2019;
- (3) Ratification of all acts of the Board of Directors and Management since the last stockholders' meeting in the year 2019;
- (4) Appointment of an external auditor for 2020 and ratification of its fees for the review of the 2019 audited financial statements of the Company and its subsidiaries;
- (5) Election of the Board of Directors for the ensuing term; and
- (6) Such other business as may come before the stockholders.

Atty. Cruz reminded the stockholders that the rationale and brief explanation of each agenda item were provided in the Notice and Agenda and the Information Statement.

He then explained the voting procedure where each common share is entitled to one vote. He then explained that a simple majority vote of the stockholders holding common shares was needed for the approval of the minutes of the previous stockholders' meeting, the ratification of all acts of the Board of Directors and Management since the last annual stockholder's meeting in 2018, the appointment of the external auditor of the Company for 2019 and the ratification of external auditor's fees. In the election of directors, the 15 nominees who would get the highest votes shall be deemed duly elected as directors. Under the express provisions of the Company's By-Laws, cumulative

voting is allowed in the election of directors. A stockholder could distribute his/her votes per share to as many persons as there were directors to be elected, or he/she could cumulate his shares and give one candidate as many votes as the number of directors to be elected multiplied by the number of shares he/she has, or he/she could distribute them on the same principle among as many candidates as he/she should see fit; provided, that the total number of votes cast by him/her should not exceed the number of shares owned by him/her as shown in the books of the Company multiplied by the whole number of directors to be elected.

**Review and Approval of Minutes of Previous Meeting**

The Chairman announced that the first item in the rest of the agenda was the approval of the minutes of the May 21, 2019 Annual Stockholders' Meeting, a copy of which has been posted in the company website. On motion duly made and seconded, and there being no objection, the minutes of the Annual Stockholders' Meeting held on May 21, 2019 were approved.

Based on the vote canvassing results provided by the SMC Stock Transfer Corporation, the stock transfer agent of the Company, (the "Voting Canvassing Results") this agenda item had the following voting results:

For	7,350,382,567 - 78.403%
Against	0 - 0.000%
Abstain	0 - 0.000%

**Annual Report and Other Reports of Management**

***Management Report***

The Senior Vice President and Chief Finance Officer of the Company, Mr. Emmanuel E. Eraña, delivered the management report covering operations for 2019 and the first quarter of 2020.

Mr. Eraña started by explaining that the benchmark Dubai crude oil prices dropped from a 2018 high of US\$79.39 to a 2019 low of US\$59.08 per barrel. A consistently volatile market due to global economic uncertainties and political tensions in some Organization of the Petroleum Exporting Countries challenged the already-strained industry situation.

He reported that Petron reported a consolidated net income of P2.3 billion in 2019, down 67% from 2018's P7.1 billion. The Company's consolidated revenues of P514.4 billion for 2019 was slightly lower by 8% compared to the previous year.

In the Philippines, the Company battled the threats of intense competition, rampant smuggling, and higher fuel excise taxes brought about by the second tranche of the TRAIN Law. Their effect on the Company's business was compounded by the unplanned three-month shutdown of the Petron Bataan Refinery due to the earthquake in April 2019 and more start-up and stabilization activities from August to September 2019, resulting in losses. The year was also marred by a period of weak refining margin which averaged the lowest in December at \$3.66/bbl.

Amidst these challenges, Mr. Eraña continued to explain that Petron maintained its status as the industry leader, serving about a third of local demand. With consumer trust and preference, Petron remained to be the market leaders in retail, industrial, and LPG trades. Petron has the highest market share

in major airports, with 51% in Clark, 69% in NAIA, 60% in Cebu, and 72% in Davao.

The transition to 2020 was less than ideal. Mr. Eraña explained that the combined impact of the collapse of global oil prices due to oversupply and plummeting demand due to the COVID-19 pandemic made the business climate even more difficult for refiners such as Petron. The pandemic drastically affected fuel demand globally with jet fuel consumption plunging about 70% worldwide and local demand for fuel dropping by as much as 60%, and the Company does not see a definite resumption in economic and social activity any time soon. Petron's sales volume fell 6% to 24.7 million barrels. As a result, its consolidated revenues for the first quarter stood at P104.6 billion, 16% lower than last year's P124.6 billion. Dubai crude dropped to US\$23.40 per barrel from the US\$64.89 average in December 2019. Consequently, the Company sustained a net loss of Php 4.9 billion for the quarter, a dramatic shift from last year's first quarter income of Php1.3 billion.

Mr. Eraña informed the stockholders that even as Petron operated within a challenging business environment, the Company was still able to come out strong and focused on delivering long-term value through strategic organizational changes and focused network streamlining and expansion. Petron still holds the largest distribution network in the industry. Locally, it has over 2,400 service stations - of which 124 are new builds – thereby expanding the Company's reach and allowing the Company to bring its products and services to more people nationwide. Petron opened 9 new Car Care Centers, bringing the total to 39. With this steady expansion, more opportunities are given motorists to have highly capable mechanics address their car repair needs. Petron also had 2,000 lubes outlets opened in 2019 alone, adding up to almost 20,000 in total nationwide. Petron Gasul products serve the daily needs of more households around the country with 6,000 LPG branch stores in the Philippines.

Petron customers could now purchase the new 2.7kg Fiesta Gas variant, created as a safer and more affordable alternative to butane canisters.

The Company also continues to find ways to optimize its production strategies and increase capacity and efficiency at its facilities. In 2019, Petron opened its new lube oil blending plant in Manila. With 180 million liters per year filling capacity, it allows the Company to produce more of its world-class lubes and greases. The Company's SL PHIVIDEC import terminal in Tagoloan, Mismis Oriental also began operations to enhance the product distribution capability of the Company in Mindanao. In addition, Petron made vital improvements to its other facilities nationwide. Its LPG refilling plant in San Pablo, Laguna was expanded. Petron has additional loading bays, trucks, and refilling equipment in other LPG facilities, and even a new LPG import facility in Tagoloan. In 2019, Petron secured the biggest share in all of the country's major airports. It upgraded its Jet-A1 facilities in Cebu, Manila, and Iloilo, in support of its leadership in the aviation sector.

Mr. Eraña then reported that, every year, Petron complies with international standards to ensure that its facilities are safe for its employees and are optimal for efficient production. One hundred percent of its terminals remained Integrated Management System ("IMS")-certified in 2019. The Petron Bataan Refinery also received its IMS re-certifications. And these practices translate to great results. In 2019, Terminals Operations accumulated more than 92 million man-hours without lost time incident, with nine (9) terminals attaining safety milestones, while the Petron Bataan Refinery recorded more than 10 million man-hours.

Petron values how its products are delivered to its customers. Through the Petron Bataan Refinery, polypropylene plant, and new lube oil blending plant, Petron continues to provide its customers with world-class products that reach them through an efficient distribution system with a 98% nationwide delivery performance.



Petron has always worked with the government to promote development. In 2019, the fuel marking program of the government was implemented to help curb smuggling using an official marker on petroleum products in the country. Even before the implementation of the program, the Company had been very active in its development, recognizing smuggling as a constant deterrent to economic growth. Now, 100% of the Company's facilities are following fuel marking protocols. This was the result of close coordination with government agencies such as the Department of Finance, the Bureau of Internal Revenue, and the Bureau of Customs. The Company's participation underscores its commitment to become a catalyst for nation-building, as it helps the government pursue further economic growth while protecting its consumers by ensuring that they receive only products of the highest quality.

Mr. Eraña informed the stockholders that Petron maintains a promising trajectory in Malaysia. With a total of around 700 stations, Petron was able to offer its products and services to more communities in the country. To add to its network expansion, the Company undertakes projects that improve its products, services, and facilities. All the Blaze fuels of the Company in Malaysia are now Euro 4M compliant. The LPG network expansion of the Company made Petron Gasul products part of more households in the country. Ongoing projects at the Port Dickson Refinery aim to increase its operational efficiency. Petron was also able to build the first ever station in Malaysia using the more effective modular construction system. The Company is also fully committed to fueling hope in the country through Petron Malaysia's diverse lineup of corporate social responsibility programs focused on safety, youth leadership, arts and culture, education, and environment.

At the very core, Petron is a company fueled by its people – its customers, employees, fence line communities, and its other stakeholders. Petron wants its people to become a significant part of its successes. Petron gives significant value to providing customers with the best experience. Petron partnered with

the Department of Tourism (“DOT”) for the BEST Project, providing customers with the signature Petron Best Day experience by guaranteeing DOT-approved restrooms. As of today, Petron has 34 DOT-accredited stations nationwide. Petron also launched the Fuel Wise campaign to advocate for better road safety and motoring practices for Filipino drivers. Petron aims to raise the standards of its consumers when it comes to choosing their fuel and making safe, wise choices on the road. *Kasabay sa Lakbay* was launched not long after to mark 86 years of service to the Filipino people. Petron’s history as a company was built on fueling the Filipino journey. Through this campaign, Petron pledges to stand with the Filipinos through each milestone and obstacle, just as it did for the generations that came before. And to bring the best customer experience, Petron enhanced its loyalty programs by providing exciting promos and discounts to around 1.6 million cardholders nationwide.

At Petron, corporate social responsibility is more than just a business practice. It is the heart of the Company and one of its most cherished accomplishments. In 2019, Petron fueled hope in almost 3,200 *Tulong Aral* scholars. Forty-five more scholars graduated through its Bataan College Scholarship Program. Some have already passed the engineering board exams and are working at the Petron Bataan Refinery. And in its bid to decrease its carbon footprint and help build greener communities, the Company adopted 85 hectares of reforestation sites, which has yielded over 1,100 tons of sequestered carbon. The Company’s clinics in Manila, Cavite, and Bataan served close to 7,000 patients last year, where they were provided with free consultations, medicine, and laboratory services. And in times of crisis, Petron takes immediate action to help its fellow countrymen. The Company accomplishes this through its extensive network of dealers and employee volunteers and partnerships with the government.

Petron stands with the country in its efforts to overcome the COVID-19 pandemic. Mr. Eraña reported that the Company distributed pre-loaded Petron Value Cards to medical personnel in hospitals around Metro Manila, offered special fuel discounts to its front liners, and set up a donation drive for Petron Value Card and PMiles cardholders for the benefit of its front liners in select hospitals. Its fence line communities and *Tulong Aral* scholars likewise received financial assistance and food packs to help them secure their basic needs in this trying time. And to assist its own service station personnel amidst the pandemic, the Company distributed facemasks and rubbing alcohol to help keep them safe.

Apart from these more recent efforts, Petron took action to provide aid to communities struck by calamities. The Tabang Mindanao campaign was established by its Petron Dealers' Association, providing financial assistance to service station personnel and relief packs to families displaced by the 2019 Mindanao earthquakes. Petron also quickly mobilized as well to distribute relief packs and Petron Gasul cylinders to those displaced by the Taal Volcano eruption.

Mr. Eraña ended his report by saying that Petron continues to learn and grow and that, with its history woven into the narrative of the Filipino people, Petron would remain committed to excellence and enrich its heart for service for its loyal customers, partners, and communities.

### ***Open Forum***

The Chairman then announced an open forum during which stockholders' queries or concerns or their proposals would be answered. As explained at the beginning of the meeting by Atty. Cruz, the Corporate Secretary, questions emailed in advance would be prioritized and questions not answered during the meeting would be replied to by the Office of the Corporate Secretary.

The questions raised and matters discussed are set out below.

1. The first questions came from Ms. Andal who asked about the major challenges in 2019 that led to the significant drop in the Company's earnings and the reason for the Company's net loss in the first quarter of 2020.

Mr. Ramon S. Ang, the President and Chief Executive Officer of the Company explained that, in 2019, the oil industry suffered from very low refining margins brought about by the protracted trade war between the US and China. In the local scene, the Company's volumes were affected by the increase in excise tax and the stiff price war instigated by small players/white stations.

As to the first quarter of 2020 performance, Mr. Ang explained that, as reported earlier, there were two major factors that affected the performance of the Company in the first quarter of 2020 and resulted in its significant inventory losses during the period – the collapse of talks between OPEC and Russia that led to speculation of a price war and the demand destruction brought about by the Covid-19 pandemic.

2. The next question came from Ms. Pagaliluan. She asked about the Company's efforts to help during the COVID-19 pandemic.

Mr. Ang informed the stockholders that Petron continues to assist front liners. Petron gave away pre-loaded Petron Value Cards. Petron also launched a donation drive where Petron Value Card holders could donate their points to help procure medical supplies and relief packs for health workers. For a certain period, Petron matched donations to generate more funds. Petron also provided relief packs to its fence line communities and *Tulong Aral* scholars. Petron stations are also now serving as sites for rolling stores of the San Miguel

Group to provide consumers with a safe and convenient way to shop for food items during the quarantine.

Mr. Ang also explained that Petron's parent company, San Miguel Corporation, has allocated about P13 billion assistance to various stakeholders in the form of personal protective equipment, food items, alcohol, and even testing facilities.

3. The Company also received several queries related to the status of shares and dividends, including the emails from Mr. S. Mararac (of Imus, Cavite), Mr. E. Perez (of Calamba, Laguna), Ms. Ansit (from the Mountain Province), Mr. E. Calairo, Ms. V. Cruz, and Mr. W Cruz. These queries were forwarded to SMC Stock Transfer Services for their appropriate action.

The open forum was closed and, on motion duly made and seconded, the management report, together with the other written reports mailed to the stockholders, were accepted and filed as part of the minutes of the meeting.

The following resolution was accordingly passed by the stockholders:

**Resolution No. 1, Series of 2020**

**RESOLVED, That the 2019 Annual Report of Management, the Management Report, including the 2019 financial statements, as well as the other reports of Management distributed and mailed to the stockholders of Petron Corporation or made available on the company website, be, and hereby are, ACCEPTED and FILED as part of the minutes of the present meeting.**

Based on the Vote Canvassing Results, this agenda item had the following voting results:

For	7,339,331,595	- 78.285%
Against	0	- 0.000%
Abstain	11,050,972	- 0.118%

**Ratification of all Acts of the Board of Directors and Management**

The Chairman then noted that the next item in the agenda was the ratification of all acts of the Board of Directors, the Executive Committee and the Management since the last annual stockholders' meeting held in 2019.

Atty. Cruz explained that the material items approved by the Board of Directors and/or the Executive Committee since the 2019 annual stockholders' meeting include those in the list attached as Annex B to the Definitive Information Statement earlier made available by the Company. He also informed the stockholders that copies of the list were posted at the registration area.

Upon motion made and seconded, the following resolution was accordingly passed:

**Resolution No. 2, Series of 2020**

**RESOLVED, That all acts, resolutions and proceedings of the Board of Directors and the corporate officers of Petron Corporation (the "Company") since the Annual Meeting of the Stockholders of the Company on May 21, 2019, as set forth in the minutes of the meetings of the Board of Directors and its board committees be, and hereby are, APPROVED, CONFIRMED and RATIFIED.**

Based on the Vote Canvassing Results, this agenda item had the following voting results:

For	7,337,466,595 - 78.265%
Against	0 - 0.000%
Abstain	12,915,972 - 0.138%

**Appointment of External Auditor and Ratification of External Auditor Fees**

The Chairman then announced that the next item in the agenda was the appointment of the accounting firm R.G. Manabat & Co., CPAs/KPMG as external auditor of the Company for 2020 and the ratification of the external auditor fees for the review and preparation of the 2019 audited financial statements of the Company and its subsidiaries.

On motion made and duly seconded, the stockholders approved the following resolution:

**Resolution No. 3, Series of 2020**

**RESOLVED, That the appointment of the accounting firm R.G. Manabat & Co., CPAs/KPMG as the external auditor of Petron Corporation (the “Company”) for 2020 be, and hereby is, APPROVED.**

**RESOLVED, FURTHER That the fees of R.G. Manabat & Co., CPAs/KPMG for the review and preparation of the 2019 Audited Financial Statements of the Company and its subsidiaries in the amount of P7,197,000 as approved by the Board of Directors on May 26, 2020 be, and hereby are, RATIFIED.**

Based on the Vote Canvassing Results, this agenda item had the following voting results:

For	7,350,382,567	-	78.403%
Against	0	-	0.000%
Abstain	0	-	0.000%

**Election of Directors**

As explained in the Information Statement and by the Corporate Secretary at the start of the meeting, cumulative voting is allowed in the election of directors.

The Corporate Secretary proceeded to announce the nomination of the following as directors of the Company:

Mr. Eduardo M. Cojuangco, Jr.  
Mr. Ramon S. Ang  
Mr. Lubin B. Nepomuceno  
Atty. Estelito P. Mendoza  
Mr. Jose P. de Jesus  
Mr. Ron W. Haddock  
Ms. Aurora T. Calderon  
Mr. Mirzan Mahathir  
Atty. Virgilio S. Jacinto  
Atty. Nelly Favis-Villafuerte  
Mr. Horacio C. Ramos  
Ret. Chief Justice Artemio V. Panganiban (independent)  
Mr. Reynaldo G. David (independent)  
Mr. Margarito B. Teves (independent)  
Mr. Carlos Jericho L. Petilla (independent)



The following motions were made and duly seconded: (i) motion to dispense with balloting; (ii) motion to authorize the Chairman to instruct the Corporate Secretary to cast all votes of shareholders properly represented at the meeting in favor of the 15 nominees (except as otherwise expressly instructed in any written proxy given the Chairman); and (iii) motion to declare the 15 nominees as duly elected directors. These motions were all approved.

As instructed, the Corporate Secretary cast all shares duly represented at the meeting, except as otherwise expressly instructed in a written proxy given the Chairman, in favor of the 15 nominees. With the required votes being obtained by the nominees, the Chairman declared the following persons as duly elected directors of the Company, with the voting results based on the Vote Canvassing Results:

No.	Nominee	IN FAVOR	AGAINST	ABSTAIN	TOTAL
1	EDUARDO M. COJUANGCO, JR.	7,222,677,162	18,395,347	109,310,058	7,350,382,567
2	RAMON S. ANG	7,329,649,020	18,301,147	2,432,400	7,350,382,567
3	LUBIN B. NEPOMUCENO	7,186,409,762	5,902,447	158,070,358	7,350,382,567
4	ESTELITO P. MENDOZA	7,171,961,962	18,301,147	160,119,458	7,350,382,567
5	JOSE P. DE JESUS	7,186,409,762	5,902,447	158,070,358	7,350,382,567
6	RON W. HADDOCK	7,186,409,762	5,902,447	158,070,358	7,350,382,567
7	AURORA T. CALDERON	7,172,375,662	18,395,347	159,611,558	7,350,382,567
8	MIRZAN MAHATHIR	7,186,409,762	5,902,447	158,070,358	7,350,382,567
9	VIRGILIO S. JACINTO	7,173,408,962	18,395,347	158,578,258	7,350,382,567
10	NELLY FERVIS-VILLAFUERTE	7,186,409,762	5,902,447	158,070,358	7,350,382,567
11	HORACIO C. RAMOS	7,186,409,762	5,902,447	158,070,358	7,350,382,567
12	REYNALDO G. DAVID	7,330,446,020	18,395,347	1,541,200	7,350,382,567
13	ARTEMIO V. PANGANIBAN	7,279,820,720	18,395,347	52,166,500	7,350,382,567
14	MARGARITO B. TEVES	7,331,987,220	18,395,347	0	7,350,382,567
15	CARLOS JERICHO L. PETILLA	7,348,681,567	1,701,000	0	7,350,382,567
TOTAL		108,479,466,867	184,090,058	1,592,181,580	110,255,738,505

Pursuant to the foregoing, the following resolution was approved:

**Resolution No. 4, Series of 2020**

**RESOLVED, That the following persons are hereby declared as the duly elected directors of the Corporation, to serve for a term of one year or until their successors shall have been duly elected and qualified in accordance with the by-laws of the Company:**

**Mr. Eduardo M. Cojuangco, Jr.  
Mr. Ramon S. Ang  
Mr. Lubin B. Nepomuceno  
Atty. Estelito P. Mendoza  
Mr. Jose P. de Jesus  
Mr. Ron W. Haddock  
Ms. Aurora T. Calderon  
Mr. Mirzan Mahathir  
Atty. Virgilio S. Jacinto  
Atty. Nelly Favis-Villafuerte  
Mr. Horacio C. Ramos  
Ret. Chief Justice Artemio V. Panganiban (independent)  
Mr. Reynaldo G. David (independent)  
Mr. Margarito B. Teves (independent)  
Mr. Carlos Jericho L. Petilla (independent)**

**Adjournment**

There being no further matters raised, and on motion made and seconded, the Chairman adjourned the meeting at about 2:40 p.m. and thanked the stockholders for their attendance and support.

**DRAFT**

Respectfully submitted:

**JOEL ANGELO C. CRUZ**  
Corporate Secretary

Approved by:

**EDUARDO M. COJUANGCO, JR.**  
Chairman