

**MINUTES OF THE ANNUAL MEETING  
OF THE STOCKHOLDERS OF PETRON CORPORATION  
(May 18, 2021)**

**Time and Place**

The Annual Meeting of the Stockholders of **PETRON CORPORATION** (the “Company” or “Petron”) was held on May 18, 2021 via livestreaming at <https://www.petron.com/2021asm>. 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 March 23, 2021 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 and by proxy - there was about 77.894%. % of the total outstanding shares represented. Thus, a quorum was announced.

Atty. Cruz noted that the Chairman of the meeting held proxies for 78.078% 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. Ramon S. Ang (Acting Chairman and Chief Executive Officer)
2. Lubin B. Nepomuceno (General Manager)
3. Estelito P. Mendoza
4. Jose P. De Jesus
5. Ron W. Haddock
6. Mirzan Mahathir
7. Aurora T. Calderon
8. Francis H. Jardeleza
9. Virgilio S. Jacinto
10. Nelly Favis-Villafuerte
11. Horacio C. Ramos
12. John Paul L. Ang
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. Lubin B. Nepomuceno, General Manager and Director, and Atty. Cruz. The following executive officers attended the meeting (awaiting confirmation from executive assistants) via livestream:

1. Ms. Susan Y. Yu, Vice President ("VP") - Procurement
2. Maria Rowena O. Cortez, VP - Supply
3. Mr. Archie B. Gupalor, VP – National Sales
4. Mr. Albertito S. Sarte, Deputy Chief Finance Officer 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 and Advisor to the VP for National 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, questions and comments emailed in advance to the Company’s dedicated email address for the meeting at [2021asmpetron@petron.com](mailto:2021asmpetron@petron.com) would be given priority.

**Call to Order**

There being a quorum, the Chairman of the meeting, Mr. Ramon S. Ang, 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**

For ease of reference of the stockholders, the rest of the agenda of the meeting was presented on the screen as follows:

- (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 2020;
- (3) Ratification of all acts of the Board of Directors and Management since the last stockholders' meeting in the year 2020 ;
- (4) Appointment of an external auditor for 2021 and ratification of its fees for the review of the audited financial statements of the Company and its subsidiaries;
- (5) Election of the Board of Directors for the ensuing term;
- (6) Ratification of directors' fees for 2021; and
- (7) 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 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 2020, the appointment of the external auditor of the Company for 2021 and the ratification of external auditor's fees, and the ratification of directors' fees for 2021. 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/her 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 June 2, 2020 Annual Stockholders' Meeting, a copy of which had 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 June 2, 2020 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	7,319,926,789 - 78.078%
Against	0 - 0.000%
Abstain	0 - 0.000%

**Annual Report and Other Reports of Management**

The Senior Vice President and Chief Finance Officer of the Company, Mr. Emmanuel E. Eraña, delivered the management report covering operations for 2020 and the first quarter of 2021, with highlights as follows:

1. The year 2020 was a very challenging year. Due to the COVID-19 pandemic, global demand for crude oil fell by 9.12% from 99.7 to 91 million barrels per day due to the series of lockdowns and movement restrictions across the globe. The benchmark Dubai crude averaged lower throughout 2020 compared to 2019, marking its lowest point in April at only US\$20.39 per barrel.

2. Despite the numerous challenges, the Company pursued cost saving measures and did its best to rise above this unprecedented obstacle, thereby bringing back its profitability by the second half of 2020. The Company's net income from July to December 2020 stood at P2.8 billion, a modest recovery from the huge losses in the first half of 2020. The Company's full year performance, however, still bore the economic impact of the pandemic. The Company ended the year with consolidated revenues of P286 billion, 44% lower than 2019's P514.4 billion. Combined sales volumes from both Philippine and Malaysian operations went down 27% to 78.6 million barrels, from 107 million barrels in the previous year. The Company's full year net loss amounted to P11.4 billion for 2020 from its 2019 net income of P2.3 billion.

3. The Company continued to show positive results from the last two quarters by reporting a consolidated net income of P1.73 billion for the first quarter of 2021, a significant jump from a P4.9 billion net loss for the same period last year, despite the 21% gap in our sales volume and the lower consolidated revenues at P83.3 billion from last year's P104.62 billion. The Company has yet to completely overcome the effects of the pandemic as restrictions continue to be

implemented worldwide but is hopeful of gradual recovery evident in the upward trajectory of its volume and income performance.

4. The Company focused on growth and expansion by continuing to increase the number of its service stations in strategic areas and improving existing stations to better serve its customers. More *Gasul* and *Fiesta* branch stores were opened and its Lubes distribution network was expanded. The Company also strengthened its presence in popular e-commerce websites and apps for added convenience. Its Car Care Center outlets likewise continued to provide top-quality automotive services with a total of 46 outlets nationwide, four (4) of which were opened in 2020.

5. While there were challenges in refinery operation and its viability, the Petron Bataan Refinery served as the Company's main import facility which ensured stable and reliable supply of petroleum products during the pandemic. The Company continued to extensively pursue various efficiency and margin enhancement programs to optimize its refinery assets and plans to resume refinery operation by the second half of 2021. In December 2020, the Petron Bataan Refinery was granted approval as a registered enterprise by the Authority of the Freeport Area of Bataan ("AFAB") and the Company would benefit from this through better timing of payment and accurate tax base for value added tax.

6. The Company took the necessary measures to ensure the safety of all its stakeholders. Most of its terminals were recognized by their local government units and national government agencies for their commitment to health, safety, environmental consciousness, as well as their positive impact to local communities. Petron service stations remained a safe place for customers and personnel with the strict adherence to health protocols and supply of necessary protective personal equipment such as face masks and face shields. Petron's terminal facilities and offices employ a QR-based health monitoring system. At the same time, the minimum health and safety guidelines are strictly enforced. Prioritizing the safety and well-being of its people, the Company implemented

flexible work arrangements, shuttle services, and sanitizing materials at work, and regular testing through the RT- PCR method.

7. Petron Malaysia remained on the path of growth with new stations, facility expansions, partnerships, and innovation. In 2020, it expanded its retail network with 25 new service stations. It collaborated with FoodPanda to enable its customers to purchase items from its Treats store online. Petron also became the first oil company in Malaysia to accept *MyDebit* card at fuel pumps. Petron Malaysia is likewise on track to complete the construction and commissioning of its diesel hydrotreater unit and marine import facility 2 by the second quarter of 2021. Safety in all facilities was ensured through the implementation of a company-wide Business Continuity Plan. Petron Malaysia, together with its employee volunteers and other partners, mobilized to help frontliners and communities during the pandemic.

8. Amidst the pandemic, Petron has been helping multiple sectors in surviving the crisis. It continued to support 3,200 *Tulong Aral ng Petron* (“TAP”) scholars nationwide. It provided medical frontline workers, with e-fuel cards, personal protective equipment, and other donations. Within its own communities, Petron was able to provide financial support for over 1,300 TAP scholars nationwide, as well as relief assistance to its extended workforce and host communities. Through its vast network, the Company created access to quality food items through San Miguel food trucks, *Kadiwa* rolling stores, and the Treats stores - especially at the height of the pandemic last year. Petron service station dealers and lubes and LPG distributors also undertook their respective corporate social responsibility efforts by extending assistance to station personnel, frontliners and communities.

Mr. Eraña ended his report by thanking all stakeholders and by stating that, while 2020 was unique and unpredictable, Petron strived to remain true to its mission of service and excellence.



***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.

The questions raised and matters discussed are set out below.

1. Questions related to dividends and stockholder benefits from Mr. A. Mondragon of Bacoor, Cavite and Mr. J. Oca of Parañaque were forwarded to SMC Stock Transfer Services for its appropriate action.
2. A stockholder noted that Petron already posted a positive income in the fourth quarter of 2020 and the first quarter of 2021 and asked if the Company was projecting that this trend would continue for the rest of the year.

Mr. Ang confirmed that he believed that Petron would continue to deliver a good performance unless there were government-mandated COVID-19 strict lockdowns again.

3. Another stockholder asked if Petron was considering permanently shutting down its refinery similar to what Shell did last year.

Mr. Ang explained that the Petron Bataan Refinery is a modern and very competitive refinery which was upgraded only a few years back. There was no reason to shut it down and the Company is planning to re-start it. Unless there would be government-mandated COVID-19 strict lockdowns again that would have significant adversely effects on the volumes of the products, the Petron Bataan Refinery is a very viable business.

4. Another stockholder asked about the impact of the Covid-19 pandemic on the overall performance of Petron in 2020.

Mr. Ang informed that stockholders that, while the pandemic resulted in a drop in consolidated revenues by 44% and sales volume by 27%, the Company is working hard to ensure that it would overcome the effects of the pandemic.

5. Another stockholder inquired about company initiatives for affected employees and other stakeholders.

Mr. Ang informed the stockholders that Petron employees are given free periodic Covid-19 testing through RT-PCR testing, allowed flexible work-from-home arrangement, and given full salary and benefits.

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 2021**

**RESOLVED, That the 2020 Annual Report of Management, the Management Report, including the 2020 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	7,316,827,689	- 78.045%
Against	0	- 0.000%
Abstain	3,099,100	- 0.033%

**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 2020.

Atty. Cruz explained that the material items approved by the Board of Directors and/or the Executive Committee since the 2020 annual stockholders' meeting include those in the list attached as Annex B to the Definitive Information Statement earlier made available by the Company.

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

**Resolution No. 2, Series of 2021**

**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 June 2, 2020, 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	7,314,962,689	- 78.025%
Against	0	- 0.000%
Abstain	4,964,100	- 0.053%%

**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 2020 audited financial statements of the Company and its subsidiaries.

Upon confirmation by Mr. Margarito B. Teves, an Independent Director and member of the Board Audit Committee, and on motion made and duly seconded, the stockholders approved the following resolution:

**Resolution No. 3, Series of 2021**

**RESOLVED, That the appointment of the accounting firm R.G. Manabat & Co., CPAs/KPMG as the external auditor of Petron Corporation (the “Company”) for 2021 be, and hereby is, APPROVED.**

**RESOLVED, FURTHER That the fees of R.G. Manabat & Co., CPAs/KPMG for the review and preparation of the 2021 Audited Financial Statements of the Company and its subsidiaries in the amount of P6,744,200 as approved by the Board of Directors on May 4, 2021 be, and hereby are, RATIFIED.**

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

For	7,319,926,789	- 78.078%
Against	0	- 0.000%
Abstain	0	- 0.000%

**Election of Directors**

The Chairman announced that the next item on the agenda is the election of directors.

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

- 1) Mr. Ramon S. Ang
- 2) Mr. Lubin B. Nepomuceno
- 3) Atty. Estelito P. Mendoza
- 4) Mr. Jose P. de Jesus
- 5) Mr. Ron W. Haddock
- 6) Ms. Aurora T. Calderon
- 7) Ret. Justice Francis H. Jardeleza
- 8) Mr. Mirzan Mahathir
- 9) Atty. Virgilio S. Jacinto
- 10) Atty. Nelly Favis-Villafuerte
- 11) Mr. Horacio C. Ramos
- 12) Mr. John Paul L. Ang
- 13) Ret. Chief Justice Artemio V. Panganiban (independent)
- 14) Mr. Margarito B. Teves (independent)
- 15) Mr. Carlos Jericho L. Petilla (independent)

Atty. Cruz explained that, as discussed in the Definitive Information Statement distributed for the meeting, Independent Director Ret. Chief Justice Artemio V. Panganiban has been serving the Company as an independent director for more than nine (9) years, beyond the term limits of independent

directors. In accordance with the Manual on Corporate Governance of the Company and upon endorsement of the Corporate Governance Committee of the Company, the Board of Directors found that the independence of Director Panganiban has not been diminished or impaired by his long service as a member of the Board of Directors and it has full confidence that Director Panganiban would continue acting as an independent director with the same zeal, diligence and vigor as when first elected. Therefore, the Board of Directors had approved and endorsed for the vote of the stockholders of the Company the election of the 15 nominees, including Director Panganiban as an independent director pursuant to Corporate Governance Manual of the Company.

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.

Upon confirmation by Mr. Teves, the Chairperson of the Board Corporate Governance Committee, 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	RAMON S. ANG	7,313,184,889	4,061,600	2,680,300	7,319,926,789
2	LUBIN B. NEPOMUCENO	7,238,118,603	1,014,200	80,793,986	7,319,926,789
3	ESTELITO P. MENDOZA	7,175,148,203	4,451,800	140,326,786	7,319,926,789
4	JOSE P. DE JESUS	7,237,548,003	1,014,200	81,364,586	7,319,926,789
5	RON W. HADDOCK	7,237,548,003	1,014,200	81,364,586	7,319,926,789
6	AURORA T. CALDERON	7,175,656,103	4,451,800	139,818,886	7,319,926,789
7	FRANCIS H. JARDELEZA	7,237,548,003	1,014,200	81,364,586	7,319,926,789
8	MIRZAN MAHATHIR	7,234,110,403	4,451,800	81,364,586	7,319,926,789
9	VIRGILIO S. JACINTO	7,175,912,103	3,687,900	140,326,786	7,319,926,789
10	NELLY FEVERIS-VILLAFUERTE	7,237,548,003	1,014,200	81,364,586	7,319,926,789
11	HORACIO C. RAMOS	7,237,548,003	1,014,200	81,364,586	7,319,926,789
12	JOHN PAUL L. ANG	7,234,110,403	4,451,800	81,364,586	7,319,926,789
13	ARTEMIO V. PANGANIBAN	7,252,453,989	4,451,800	63,021,000	7,319,926,789
14	MARGARITO B. TEVES	7,253,912,089	4,451,800	61,562,900	7,319,926,789
15	CARLOS JERICHO L. PETILLA	7,319,926,789	0	0	7,319,926,789
TOTAL		108,560,273,589	40,545,500	1,198,082,746	109,798,901,835

Pursuant to the foregoing, the following resolution was approved:

**Resolution No. 4, Series of 2021**

**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. Ramon S. Ang**  
**Mr. Lubin B. Nepomuceno**  
**Atty. Estelito P. Mendoza**  
**Mr. Jose P. de Jesus**  
**Mr. Ron W. Haddock**  
**Mr. Mirzan Mahathir**  
**Ms. Aurora T. Calderon**  
**Ret. Justice Francis H. Jardeleza**  
**Atty. Virgilio S. Jacinto**  
**Atty. Nelly Favis-Villafuerte**  
**Mr. Horacio C. Ramos**  
**Mr. John Paul L. Ang**  
**Ret. Chief Justice Artemio V. Panganiban (independent)**  
**Mr. Margarito B. Teves (independent)**  
**Mr. Carlos Jericho L. Petilla (independent)**

**Ratification of Directors' Fees**

The Chairman then announced that the next item in the agenda was the ratification of the directors' fees for 2021.

Atty. Cruz advised that, after evaluation, and based on the recommendation of Management and in accordance with the Corporate Governance Manual of the Company, the Corporate Governance Committee recommended the payment of the directors' fees for 2021 in the amount of P16.455 million and the Board of Directors approved the same.

Upon confirmation by Mr. Teves, the Chairperson of the Board Corporate Governance Committee, and on motion made and duly seconded, the stockholders approved the following resolution:

**Resolution No. 5, Series of 2021**

**RESOLVED, That the fees of the directors in the amount of P16.455 million (inclusive of per diems for scheduled board and committee meetings) as approved by the Board of Directors on May 4, 2021 be, and hereby are, RATIFIED.**

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

For	7,319,926,789 - 78.078%
Against	0 - 0.000%
Abstain	0 - 0.000%



**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.

Respectfully submitted:

**JOEL ANGELO C. CRUZ**  
Corporate Secretary

Approved by:

**RAMON S. ANG**  
Chairman of the Meeting