

**MINUTES OF THE ANNUAL MEETING  
OF THE STOCKHOLDERS OF**

**P-H-O-E-N-I-X PETROLEUM PHILIPPINES, INC.**

Ballroom 1, Marco Polo Hotel  
C.M. Recto Street, Davao City  
July 15, 2010 1:00 PM

**Number of Shares Represented: 231,567,238**  
**Number of Shares Outstanding: 269,160,674**

Directors Present:

1. Domingo T. Uy (Chairman)
2. Dennis A. Uy (President)
3. Jose Manuel R. Quimson (Director)
4. Socorro T. Ermac-Cabreros (Corporate Secretary)
5. Ricardo S. Pascua (Independent Director)

**PROCEEDINGS OF THE MEETING**

**I. Call to Order**

The Chairman, Mr. Domingo T. Uy, called the meeting to order and presided over the proceedings. The Corporate Secretary, Atty. Socorro T. Ermac-Cabreros, recorded the minutes of the meeting.

**II. Proof of Notice and Determination of Existence of Quorum**

The Corporate Secretary certified that: (i) notice of the meeting, stating the time, date, venue and purpose thereof, together with the agenda and the Definitive Information Statement of the Corporation were duly sent beginning June 24, 2010 to all stockholders of record as of June 23, 2010 by courier with postage pre-paid, (ii) based on the record of attendance, present in the meeting, in person or by proxy, were stockholders holding Two Hundred Thirty One Million, Five Hundred Four Thousand, Two Hundred Thirty Eight (231,504,238) shares equivalent to 86.01 % of the outstanding capital stock of the Corporation, and (iii) there was, therefore, a quorum to transact business.

The Chairman therefore declared the existence of a quorum and the meeting duly constituted for the transaction of business. The Chairman also acknowledged the presence in the meeting of the other incumbent directors: (1) Mr. Jose Manuel R. Quimson (2) Mr. Romeo de Guzman (3) and Mr. Ricardo S. Pascua.

**III. Approval of the Minutes of the Previous Annual Stockholders' Meeting Held on 29 May 2009**

The next order of business was the approval of the minutes of the previous annual stockholders' meeting held on May 29, 2009, copies of which were sent and enclosed with the Definitive Information Statement as of June 23, 2010 to all the stockholders of record as June 24, 2010. Copies of the said minutes were likewise given to the stockholders together with the Corporation's Annual Report upon registration.

Upon the motion of Atty. Ramon Edison Batacan, and duly seconded by Ms. Jona Sibog, without any objections, the stockholders approved the minutes of the previous annual stockholders' meeting held on May 29, 2009, as recorded.

**IV. Annual Report of the President and Chief Executive Officer**

The Chairman then asked the President of the Corporation, Mr. Dennis A. Uy, for his annual report on the operations of the Corporation

The President reported on the significant business transactions undertaken by Management and the financial targets and achievements for the fiscal year 2009, as well as the prospects for the ensuing year, essentially reflected in the 2009 Annual Report and the Audited Financial Statements of the Corporation for the period ended December 31, 2009 earlier distributed to the stockholders, the highlights of which are quoted as follows:

"The overall business climate in 2009 began with much apprehension and a challenging outlook, yet the year unfolded under a climate of recovery. Despite the global economic crisis that caught up with the country, the Philippines managed to grow its GDP by 0.9% amid the general regional decline in national incomes.

World oil prices fell at the end of 2008 but began to rise mid-last year amid hopes of economic recovery. At the close of 2009, crude oil prices rallied to almost \$80 a barrel.

Car sales exceeded industry expectations, growing from 5.6% in 2008 to 6.4% last year, or a total of 132,444 units.

Demand for petroleum products rose by 6% in 2009 compared to a 3.4% decline in 2008. Independent oil players grew their overall market share to 21.2 percent, shrinking by 3% the share of the Big 3. Competition continues to grow and your Company is rising in prominence in this arena.



It is in this eventful environment that Phoenix Petroleum Philippines had another outstanding year in 2009.

Our core net income rose to a high of P178.1 million, or 18.5% more than the P150.3 million earnings in 2008. Including non-recurring income from the acquisition of Bacnotan Industrial Park Corporation, our net income increased to P751 million.

Consolidated revenues increased 27.3% to P5.87 billion, driven primarily by an 81% increase in fuel sales volume. This is attributable largely to the Company's expansion of the retail station network and the sizable growth in sales to commercial accounts.

From zero market share in 2005, our company in 2009 obtained approximately 1.21% share of the total fuels market based on volume from an estimated 0.67% in 2008.

Phoenix Petroleum grew our network market share to 18% in Davao Region and 13% in Mindanao in terms of retail stations. This makes us a clear fourth major player and the largest among the independents here.

From 86 stations in 2008, we grew our network to 120 stations by end-2009, or an average of 3 stations per month. Of this number, 99 stations are in Mindanao, 1 in Visayas, and 20 in Luzon.

Other highlights of the year include:

- Our acquisition of Bacnotan Industrial Park Corporation, owner and operator of Batangas Union Industrial Park in Calaca, Batangas, in March 2009. The 60-hectare industrial park is now called the Phoenix Petroterminal and Industrial Park and serves as our logistics hub in Luzon. The depot has a capacity of 50 million liters.

- The investment of Social Security System in our company. SSS in November 2009 subscribed from the Company an initial stake of 2.83% or 7.5 million common shares for P42 million. As of March this year, SSS' ownership share has grown to 9.68% from open market purchases of our stock.

At the close of 2009, Phoenix Petroleum registered a 147% increase in market capitalization. Our stock price traded at a high of P7.10, closing at P7.00. It is significant to note that we have been trading well beyond our IPO price which was P5.40 on an adjusted basis.

### ***2010 performance, targets***

The year 2010 is shaping up to be another year of robust growth for Phoenix Petroleum. We are confident of exceeding our 18% net earnings growth last year.

We believe we are on track. For the first quarter of the year, our consolidated core net earnings grew by 167% to P70 million from the same period in 2009.

As of June 30 this year, year-to-date consolidated revenues increased 177% from P2.218 billion to P6.138 billion, reflecting the surge in our fuels sales which rose 126% year-on-year from 2009

Given our significant jump in market penetration we believe that our share of the total fuels market can be grown from 1.2% last year to at least 2% in 2010.

Service revenues in the first quarter grew by 76% from fuel storage and transport activities, as well as from increased port operations under our subsidiary Bacnotan Industrial Park Corporation.

We continue to expand our storage infrastructure. In April we opened our depot in Zamboanga City. Construction of an additional 11-million liter tank in our Davao depot has recently started.

Our Calaca Terminal has been granted registration by the Board of Investments and will receive incentives for five years as a New Industry Participant.

Just recently, the Phoenix Calaca Terminal received its ISO 9001:2008 certification for receiving, storage, and distribution of petroleum fuels.

We have also filed an application with the BOI for the registration of two new storage tanks in Davao City with a total capacity of 7.4 million liters.

As of today, we now have **133** stations across the country. 101 are dealer-owned, dealer-operated, while 32 are company-owned, dealer-operated. We aim to finish the year with at least 150 operational Phoenix stations.



**Looking ahead**, we are optimistic that the new administration, with its fundamental goal of ensuring good governance, will foster a climate that is encouraging to business. We also look forward to concrete initiatives that will jumpstart a number of programs pursuant to the Philippine Energy Plan of 2009-2030 that will commit to ensuring a competitive oil industry market, among other goals.

The demand for cars continues to grow. Vehicle sales in June increased 37% from the earlier year's first half to 82,147 units. The industry sees continued strong growth for the coming months, upgrading its 2010 sales growth target to 11% from 4%. This, of course, will be a boon for petroleum companies.

Meanwhile, the oil industry continues to be seen as a growth and investment area. We will ensure that Phoenix Petroleum is in a position to take advantage of these opportunities.

All our efforts are in line with our new vision:

As the first home-grown publicly listed independent company in the Philippine petroleum industry, we will be the market leader in the retail business among independent oil players by the end of 2012.

Our business strategy will focus on retail network expansion, strategic terminal locations, jet fuel supply, service expansion, and petroleum supply reliability through importation.

These will be supported by an expanding product line, stronger brand equity, and enhanced financial capacity in support of growth.

Finally, upon authority by the Board of Directors, our company declared a cash dividend of 5 centavos per share (P0.05/share), with record date of July 15 and ex-date July 12. We also declared a 40% stock dividend, subject to ratification by our shareholders.

To our shareholders, we are deeply grateful for your trust and confidence in our company and the team that leads it.

To the Board of Directors, thank you for your guidance and valuable insights shared with the team.

To the Phoenix management team and staff, thank you for your hard work, dedication, and *malasakit* shown to the company.

And thank you to our stakeholders – business partners, dealers, suppliers, and customers, for your support that has enabled Phoenix Petroleum to continue soaring higher.”

After Mr. Dennis Uy’s report on the operations of the Corporation, the Corporate Secretary requested the shareholders to direct their attention on the screen for the Corporate AVP.

Thereafter, the Chairman announced that the floor was opened for questions or comments from the shareholders relating to Annual Report of the Corporation.

Stockholder Mr. Maceste Uy referred to the Management Annual Report, in particular, the portion on the sales volume in fuel which increased by 81% in 2009. He noted, however, that the Company’s income for 2009 only grew for 27%, not counting the one-time gain recorded as a result of the Company’s acquisition of the Bacnotan Industrial Park Corp. He then asked for an explanation as to why this 81% increase in volume in 2009 did not yield a higher net income growth for the Company.

The Chairman referred the question to the President and CEO of the Company, Mr. Dennis A. Uy.

Mr. Dennis A. Uy clarified that an 81% increase in the sales volume in fuel did not necessarily mean that the increase in the Corporation’s net income for the year should be by 80% as well. He cited the following factors for this: (1) competition, especially in the Luzon trade areas, which was a delimiting factor in the Corporation’s ability to raise margins any further (2) the volume growth was mainly driven by the expanded retail network. Despite the better gross margin in 2009, the expense ratio went up to nearly 2% of gross revenues from 1% in 2008 because of the increase in manpower to sustain the Corporation’s organizational growth in preparation for a further scaling-up of the business; (3) more investment in Brand Equity to widen consumer awareness of Phoenix; (4) increased sales volume turnover meant the Corporation had to incur higher financing costs as our working capital needs went up.

Mr. Dennis Uy, however, emphasized that the Company actually showed substantial improvement in the gross profit margin level from 9.1% to 11.8%.

On the other hand, stockholder Atty. Kenneth Dabi asked for the reason behind the general increase of Debt Equity Ratio from 2007 to 2009.

The chairman referred the question to the Comptroller of the Company Mr. Chryss Alfonsus Damuy.

Mr. Damuy explained that the Corporation had been financing its growth essentially through debt even as our equity has been rising through earnings. However,



the Corporation was already addressing its gearing position by its present equity-raising program through the private placement of preferred shares and looking for a strategic investor to infuse capital.

Stockholder Atty. Petite Principe also inquired on how well the Corporation fared in 2009 compared with the other independent players and oil majors?

The Chairman referred the question to the Chief Operating Officer of the Corporation, Mr. Romeo de Guzman.

Mr. De Guzman clarified that the Company's aim to be the No.1 independent player by 2012 pertained to the petroleum retail business. He informed the group that as of said meeting, based on their estimates, the Corporation already obtained a 1.2% market share last year - but this includes both commercial and retail. Mr. De Guzman expressed his confidence that the Corporation had made significant progress in its strategic objective since its earlier investments in network expansion would have already contributed to its market share growth. He also emphasized that the Corporation's commercial fuels business was likewise growing in tandem with its retail efforts.

The Chairman then asked for any further questions from the floor. Considering that there was none, the Chairman proceeded with the next agenda of the meeting which is the approval of the Report of the President and the Audited Financial Statements of the Company for year 2009.

Stockholder Atty. Faye Risonar moved to approve the President's Report and the Audited Financial Statements for the year 2009 and this motion was seconded by Stockholder Atty. Maceste Uy.

There being no dissenting votes to the motion, the Report of the President and the Audited Financial Statements of the Corporation for the year 2009 were noted and approved and the following resolution was passed:

**"RESOLVED**, that the Report of the President and the Audited Financial Statements of P-H-O-E-N-I-X Petroleum Philippines, Inc. for the year 2009 be, as it is hereby, approved."

**V. Approval of Corporate Actions**

The next agenda was the approval of the proposed Corporate Actions.

**a) Employees Stock Option Plan**  
**(ESOP)**

The first item for approval by the stockholders is the resolution of the Board of Directors approving the Employees' Stock Option Plan.

On this item, the Chairman called the Chief Financial Officer, Francis Caluag to elaborate and explain.

Mr. Caluag explained that considering that Phoenix is a growing company, it would make sense in terms of employee branding to provide an incentive program for the employees in order to stay with and grow with the Company and to contribute more to the company's growth program.

However, Atty. Bibs Bustamante inquired on the effect or impact of the implementation of this program on the shareholdings of the existing stockholders of the Company.

The Chairman referred the question to the Chief Finance Officer, Francis A. Caluag.

Mr. Caluag elucidated that the maximum dilution to regular shareholders would only be 5%, assuming the entire ESOP is awarded one-time. However, he clarified that this dilution would only happen over an extended time period since the options were designed to be exercised in tranches over the ten-year life of each ESOP series.

There being no more questions from the floor, a motion was made by Atty. Gigi Talion for the ratification and approval of the resolution of the Board of Directors approving the Employees Stock Option Plan and for the delegation to the Board of Directors of the authority to approve the policies and guidelines that would be set and recommended by the ESOP committee. This motion was seconded by Ms. Lani Diaz.

The Chairman then asked for any objections. There being none, the shareholders voted on the motion.

The Chairman explained the procedure for the voting: Identification Numbers with control numbers were issued to stockholders/proxies upon their registration. The control number per I.D has a corresponding entry in the database containing the following information: the name of the stockholder (and proxy, as the case maybe) and the number of shares being held by such stockholder. Hence, for purposes of determining the number of votes for the proposed action, the Chairman explained that they would be asking the stockholders/proxies to raise their IDs instead of their hands.

After explaining the procedure, the Chairman asked those who were in favor of the proposed motion to raise their I.D. cards. Thereafter, the representatives of the Corporation's External Auditor, Punongbayan & Associates were requested to



determine and take note of the control numbers of those who are in favor of the proposed motion.

Next, those who were not in favor of the proposed motion were asked to raise their I.D. cards. He called on the representative of Punongbayan & Associates to take note of this as well as the other objections of the other stockholders to the proposed motion.

Lastly, those who chose to abstain from the voting were asked to raise their I.D. cards and the representatives of Punongbayan & Associates were asked to take note of their control numbers.

Thereafter, the Chairman asked from the Punongbayan & Associates the results of the voting.

The representative of Punongbayan & Associates handed to the Corporation's Corporate Secretary the results.

The representative of Punongbayan & Associates handed to the Corporation's Corporate Secretary the results: **231,567,238 shares voted YES; zero shares voted NO; and nobody abstained.**

The Chairman declared that Yes had it and the Motion was approved:

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**"RESOLVED**, that the resolution of the Board of Directors approving the Employees Stock Option Plan, is hereby approved;

**RESOLVED, FURTHER**, that the motion that the Board of Directors be delegated and authorized to approve the policies and guidelines that would be set and recommended by the ESOP committee, is hereby approved."

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***b) i. Proposed Amendment of  
Article II relating to  
Secondary Purpose in the  
Company's Article of  
Incorporation:***

The next item for approval was the resolution of the Board of Directors approving the amendment of Article II of the Company's Article of Incorporation.

The Chairman asked the Corporate Secretary to present the amendments.

The Corporate Secretary explained the proposed amendments.

## Articles of Incorporation

**SECOND:** That the purposes for which the corporation is formed are as follows:

X	X	X	X	X	X	X	X	X	X	X
X	X	X	X	X	X	X	X	X		

From:

### Secondary Purpose

1. To engage in the business of operating oil depots, storage facilities and allied services;

xxx

To:

### Secondary Purpose

1. To engage in the business of operating oil depots, storage facilities and allied services; to invest in related businesses such as, but not limited to, renewable energy, alternative energy, upstream oil and gas business and power generation or transmission'

xxx"

The Chairman then opened the floor for questions or comments from the stockholders relating to the proposed amendment of the Articles of Incorporation.

Atty. Merceditas Talaver asked for the reason behind the amendment of the secondary purpose since the existing secondary purpose already reflected the actual purpose of the Company.

The Chairman referred the question to the Corporate Secretary.

The Corporate Secretary explained that the additional secondary purpose was provided to allow the Company to take advantage of any energy-related or strategic business opportunity, whether as promoter or participant, that may be presented especially if the same would benefit the Company. This, however, did not mean that the



Company would engage in the said business immediately but rather it would merely provide enough elbow room to allow the Company to expand its business in the future. Atty. Cabreros assured the stockholders that any business venture pertaining to this nature would still require the proper disclosure and stockholders' approval.

The Chairman then asked if there were still any questions or objection.

Considering that there were no other questions from the floor, a motion was made by Atty. Coco Cabreros to approve the resolution of the Board of Directors approving the amendment to Article II relating to the Secondary Purpose of the Corporation's Articles of Incorporation, which was duly seconded by Ms. Sibog.

Considering that there were no objections on the motion, the shareholders voted on the motion.

With **231,567,238** shares voted **YES**; **zero** shares voted **NO**; and **nobody abstained**, the chairman then declared that Yes had it and the Motion was approved:

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**"RESOLVED**, as it is hereby resolved, that the resolution of the Board of Directors approving the amendment of Article II of the Corporation's Articles of Incorporation providing and amending the Secondary Purpose, is hereby approved."

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***b) ii. Proposed Amendment of Article  
VII increasing the Authorized  
Capital stock from  
Php400,000,000.00 to  
Php800,000,000.00***

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The next item in the agenda was the resolution of the Board of Directors approving the amendment of Article VII of the Company's Article of Incorporation increasing the Authorized Capital Stock from Php400,000,000.00 to Php800,000,000.00. The Chairman called on the Corporate Secretary to explain the proposal.

The Corporate Secretary explained that the Company had 400 million Pesos at par value of 1 peso and this is divided into 350 million common shares and 50 million preferred shares, both of which are valued at 1 peso per par value and that there was a need to increase to 800 million Pesos – with only 750 million common shares and 50 million preferred shares at 1 peso per par value.

Atty. Dabi asked what was the reason behind the increase in the authorized capital stock.

The Chairman referred the question to Mr. Damuy.

Mr. Damuy explained that there was an immediate need to increase the Authorized Capital Stock considering that it already issued and consumed more than ½ of the Authorized Capital Stock and if the stockholders approved the 40% stock dividend (which of course is beneficial to the stockholders) then the unissued shares left would only be approximately 23,775,052 shares. The Company would not have enough stocks for next year or for future investors.

Ms. Talaver further stated that an increase in the authorized capital stock would need at least paid up capital. She then asked if there would be new investors or subscribers to provide for the paid up capital?

Mr. Damuy explained that if the 40% stock dividends would be approved, then the Company would be using this dividend declaration to subscribe to the increase. Mr. Damuy added that this was an allowed transaction by the SEC.

Considering that there were no other questions from the floor, a motion was made by Atty. Risonar to approve the resolution of the Board of Directors approving the amendment to Article VII increasing the Authorized Capital Stock of the Company from Php400,000,000.00 to Php800,000,000.00, which was duly seconded by Atty. Talaver.

Considering that there were no objections on the motion, the shareholders voted on the motion.

With **231,567,238 shares** voted **YES**; **zero shares** voted **NO**; and **nobody abstained**, the chairman then declared that Yes had it and the Motion was approved:

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**"RESOLVED**, as it is hereby resolved, that the resolution of the Board of Directors approving the amendment of Article VII of the Articles of Incorporation increasing the Authorized Capital Stock of the Company from Php400,000,000.00 to Php800,000,000.00, is hereby approved."

***b) iii. Proposed Amendment of  
Article III Section 1(a) of the By-  
Laws increasing the composition  
of the Board of Directors of 7 to  
9***

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The next item was the approval of the resolution of the Board of Directors amending Article III Section 1(a) of the Company's By-laws increasing the composition of the Board of Directors from 7 to 9.

The Corporate Secretary explained that the Company wanted to increase the composition of the Board of Directors and that the current provision for Article section 1-A of the by-laws of the company is 7, a minimum requirement for a listed company.

The Chairman asked if there is any question.

Stockholder Lan Lansangan asked why there was a need to increase the composition of the Board?

The Chairman referred the question to the Corporate Secretary.

The Corporate Secretary explained that the increase in the composition of the Board of Directors was to ensure that there would be proper representation in the Board especially now that the Company would be increasing its capital stock.

Considering that there were no other questions from the floor, the Chairman asked for the motion its approval.

Atty. Antoinette Principe moved for the approval of the resolution of the Board of Directors approving the amendment of Article III Section 1(a) of the By-laws increasing the composition of the Board from 7 to 9 members. Atty. Talaver seconded the motion.

Considering that there were no objections on the motion, the shareholders voted on the motion.

With **231,567,238 shares** voted **YES**; **zero shares** voted **NO**; and **nobody abstained**, the chairman then declared that Yes had it and the Motion was approved:

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**"RESOLVED**, as it is hereby resolved, that the resolution of the Board of Directors approving the amendment of Article III Section 1(a) of the By-laws of the Corporation increasing the composition of the Board from 7 to 9 members, is hereby approved."

***b) iii Approval of the 40% stock dividends***

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The next item for approval is the 40% stock dividend declaration. The Chairman called on the Corporate Secretary to explain the item.

The Corporate Secretary explained that last year, the Board of Directors approved the 40% stock dividends, however, This year, the Board would announce 2 good news to the stockholders. The Corporate Secretary announced that the Board of Directors approved that all stockholders as of July 15, 2010 would be entitled to a cash dividend of Php0.05 per share and that Payment date would be on August 10, 2010.

In addition to the cash dividend, she announced that a 40% stock dividends of the total and outstanding shares of the Company or a total of approximately 107,064,269 shares which should be subscribed and paid out of the surplus profit of the Company as of December 31, 2009. She added that the stock dividend declaration should increase the paid up capital of the Company from Php269,160,674.00 to Php376,224,943.00

The Corporate Secretary noted the minimal possibility of fractional shares resulting from the issuance of the stock dividends and that to eliminate the fractional shares the Corporation shall pay the value of the fractional shares in cash at par.

A motion was made by Atty. Batacan to approve the resolution of the Board of Directors approving and endorsing for stockholders' approval the declaration of forty percent (40 %) stock dividends and that the Corporation delegate to the Board the fixing of the record and the date of issuance of the stock dividends, which motion was duly seconded by Ms. Talaver. Upon affirmative vote of the stockholders of the Corporation representing at least two thirds (2/3) of the outstanding capital stock of the Corporation, the following resolutions of the Board of Directors of the Corporation were adopted by the stockholders:

**"RESOLVED**, that the P-H-O-E-N-I-X Petroleum Philippines, Inc. (the "Corporation") hereby approve the declaration of stock dividends aggregating forty percent (40%) of the total issued and outstanding shares of the Corporation or a total of or a total of 107,064,269 shares, to be subscribed and paid out of the surplus profit of the Corporation as of December 31, 2009;

**RESOLVED, FURTHER**, that the Corporation shall eliminate fractional shares resulting from the issuance of the stock dividends by paying the value of the fractional shares in cash at par.



**RESOLVED, FINALLY**, that the stockholders of the Corporation delegate to the Board of Directors the authority to fix the record date and the date of issuance of said stock dividends."

**VI. Approval, Confirmation and Ratification of All Acts and Resolutions of the Board of Directors, Management and Executive Committees during their term of office**

The stockholders then proceeded to the next item in the agenda which was the ratification, confirmation and approval of all acts and resolutions of the Board of Directors, Management and Executive Committees. The Chairman requested the Corporate Secretary to explain this item.

The Corporate Secretary explained that the acts and resolutions of the Board of Directors, Management and Executive Committee sought to be approved, confirmed and ratified today cover the period commencing from June 01, 2009 to May 31, 2010. The acts and resolutions consisted of authorizations of the Company's representative to enter into Contracts such as but not limited to Lease, Dealership Agreements, Sale and Purchase of Service Vehicles and other real and personal properties, opening of bank accounts as well as bank credit facilities, acquisitions and investments and such other acts incidental and necessary to the purpose of the Company as well as advancement and protections of its interests. These acts and resolutions were duly identified, enumerated and attached as Annex A of the Definitive Information Statement sent on June 24, 2010 to all stockholders of record as of June 23, 2010.

Atty. Talaver then moved that all the acts and resolution of the Board of Directors, Management Team and Executive Committee adapted from June 1, 2009 to May 31, 2010 be approved and ratified.

Atty. Faye Risonar seconded the motion.

On motion made and duly seconded, without any objections, all the acts and resolutions of the Board of Directors, Management and Executive Committee from the period commencing from June 1, 2009 to May 31, 2010 were confirmed, approved and ratified.

**"RESOLVED**, as it is hereby resolved, that all acts and resolution passed and approved by the Board of Directors, Management and Executive Committee covering the period from June 1, 2009 to May 31, 2010, is hereby approved, confirmed and ratified."



## VII. Election of Directors

The body then proceeded to the election of the members of the Board of Directors of the Corporation for the ensuing year.

The head of the Human Resources Atty. Raymond Zorrilla reported that there were only seven (7) persons nominated to, and who upon his Committee's evaluation, qualified for, the seven (7) seats in the Board. He then announced the qualified nominees for directors of the Corporation for the ensuing year:

1. Domingo T. Uy
2. Dennis A. Uy
3. Romeo B. de Guzman
4. J. V. Emmanuel A. de Dios
5. Com. Fe Tibayan Palileo
6. Ricardo S. Pascua (Independent Director)
7. Monico V. Jacob (Independent Director)

A motion was made by Coco Cabrereros, and duly seconded by Ms. Tallion, to cast all votes of the shareholders present and represented *equally* among the seven nominees and to declare them elected directors of the Corporation for the following term. Considering there were only seven (7) persons nominated to and qualified for the seven (7) seats in the Board, the Corporate Secretary was instructed to cast, as she did cast, all the votes in favor of the seven (7) nominees who were thereupon declared directors to serve for a term of one (1) year and until their successors shall have been elected and qualified.

Atty. Maceste Uy made a comment that the recent approval of Article III Section 1(a) which increased the composition of the Board of Directors from 7 to 9 would definitely create a deficiency of two (2) more members. However, he said that the stockholders could not elect the 2 additional members considering that the Articles of Incorporation would have to first be amended and approved by the SEC.

Atty. Maceste Uy thus further moved that the elected Board of Directors be delegated to appoint the two (2) additional members as soon as the By-laws are approved by the SEC and duly amended. He added that this would also save on costs and time considering that there were still costs involved in convening the stockholders of the Company.

Atty. Talaver seconded the motion.

The Chairman asked for any objection. There being none, all votes are cast in favor of those nominated who are thus declared to compose the Company's Board of



Directors for 2010-2011. Considering there were only seven (7) persons nominated to and qualified for the seven (7) seats in the Board, the Corporate Secretary was instructed to cast, as she did cast, all the votes in favor of the seven (7) nominees who were thereupon declared directors to serve for a term of one (1) year and until their successors shall have been elected and qualified. And upon motion, which was duly seconded, the newly elected Board of Directors is hereby delegated and authorized to appoint the two (2) additional members as soon as the amendment of the By-laws is approved by the SEC increasing the composition from 7 to 9 members.

#### **VIII. Appointment of External Auditor**

The Chairman then announced that the next item on the agenda is the appointment of the external auditor for the year 2009.

Mr. Jose Manuel Quimson explained that for the past two (2) fiscal years, the financial statements of the Corporation were audited by Punongbayan & Araullo. He thereafter recommended the re-appointment or re-election of Punongbayan & Araullo to be the External Auditor of the Corporation for 2010.

Upon motion made by Mr. Dabi and duly seconded by Ms. Sibog, the shareholders adopted the following resolution:

**"RESOLVED**, that the stockholders approve, as they hereby approve, the appointment of Punongbayan & Araullo as the external auditor of P-H-O-E-N-I-X Petroleum Philippines, Inc. for the year 2010 under such terms and conditions as may be approved by the Board of Directors."

#### **IX. Other Matters**

The Chairman then asked the body whether there are any other matters which may be properly taken up by the stockholders.

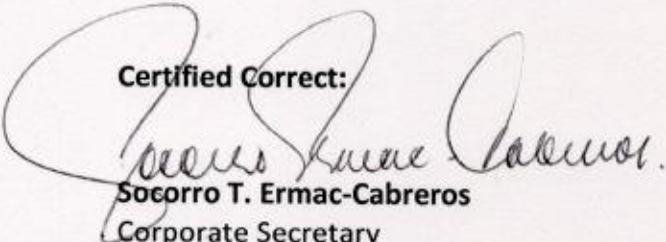
Atty. Zorilla presented to the stockholders the new corporate AVP of Phoenix Philippines Foundation, Inc., which spearheads most of the Corporate Social Responsibilities Projects of the Company.

The Corporate Secretary informed the Chairman that there were no other matters for stockholders' approval.

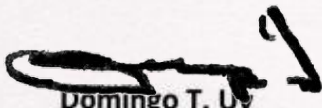
#### **X. Adjournment**

There being no further business to transact and upon motion made and duly seconded, the meeting was adjourned.

Certified Correct:

  
Socorro T. Ermac-Cabreros  
Corporate Secretary

Attested:

  
Domingo T. Uy  
Chairman