

**MINUTES OF THE ANNUAL MEETING OF THE STOCKHOLDERS OF  
P-H-O-E-N-I-X PETROLEUM PHILIPPINES, INC.**

Stella Hizon Reyes Road, Bo. Pampanga, Lanang, Davao City

17 June 2022, 10:00 AM

*The meeting was conducted virtually via remote access communications through the link, <http://asm.phoenixfuels.ph/PNX2022>*

<b>Number of Shares Represented:</b>	<b>1,288,492,304</b>
<b>Number of Outstanding Common Shares:</b>	<b>1,442,070,932</b>
<b>Number of Outstanding Preferred Shares:</b>	<b>14,500,000</b>

**Directors Present were** (1) MR. DENNIS A. UY, (2) MR. DOMINGO T. UY, (3) HENRY ALBERT R. FADULLON, (4) CHERYLYN C. UY, (5) ATTY. J.V. EMMANUEL A. DE DIOS, (6) STEPHEN T. CUUNJIENG, (7) ATTY. MONICO V. JACOB, (8) ROMEO B. DE GUZMAN, (9) NICASIO I. ALCANTARA, (10) RETIRED JUSTICE OF THE SUPREME COURT, CONSUELO YNARES-SANTIAGO, (11) MINORU TAKEDA

**PROCEEDINGS OF THE MEETING**

**I. Call to Order**

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

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

The Corporate Secretary certified that: (i) notices of the meeting stating the date, time and manner or method of conduct together with the agenda were made known to all stockholders of record of the Company as of May 23, 2022 through the PSE Edge, and publication in the Company's website.

Publication of the Notice and the Agenda was duly disclosed with the edge system of the Exchange including publication in print and online with two (2) newspapers of general circulation; (ii) through an electronic system and protocols employed and used by the Company, based on the record of attendance, the stockholders attending this meeting in person and by proxy represent **1,288,492,304** common and preferred shares. This constitutes about **88.46%** of the total outstanding capital stock of the Company as of Record Date of May 23, 2022 and (iii) there was, therefore, a quorum to transact business.

Thus, the Chairman declared the existence of a quorum and the meeting duly constituted for the transaction of business. The Chairman also acknowledged the incumbent directors:

- 1) MR. DENNIS A. UY, as Chairman
- 2) MR. DOMINGO T. UY
- 3) HENRY ALBERT R. FADULLON
- 4) CHERYLYN C. UY
- 5) ATTY. J.V. EMMANUEL A. DE DIOS
- 6) STEPHEN T. CUUNJIENG
- 7) ATTY. MONICO V. JACOB
- 8) ROMEO B. DE GUZMAN
- 9) NICASIO I. ALCANTARA
- 10) RETIRED JUSTICE OF THE SUPREME COURT, CONSUELO YNARES-SANTIAGO
- 11) MINORU TAKEDA

### III. Approval of the Minutes of the Previous Annual Stockholders' Meeting Held on April 30, 2021

The next order of business was the approval of the minutes of the previous annual stockholders' meeting held on April 30, 2021, conducted virtually, which were made available to all stockholders of record as of May 23, 2022, through PSE Edge and publication on the company's website.

Based on the results of the company's electronic voting system and as certified by the Company's external auditor, as of June 17, 2022, at 9:00 o'clock in the morning, out of the outstanding shares representing, **1,288,492,304** shares, or about **88.46%** out of **1,456,570,932** common and preferred outstanding shares voted to approve the minutes of the stockholders meeting held on April 30, 2021. The summary of the results of the voting is as follows:

	NO. OF SHARES	% OF SHARES
1. YES	1,288,492,304	100%
2. NO	-	-
3. ABSTAIN	-	-

Total Number of Shares Present and Entitled to Vote: \_\_\_\_\_ 1,288,492,304

**“RESOLVED, as it is hereby resolved, to approve the minutes of the Annual Stockholders Meeting held on April 30, 2021.”**

### IV. Update on the Operational and Financial Highlights

The Chairman then called upon the President, Mr. Henry Albert R. Fadullon, to give an update on the operation and financial highlights, respectively, for 2021.

The President, Mr. Henry Albert R. Fadullon, welcomed everyone to the 2022 Phoenix Petroleum Annual Stockholders' Meeting. He emphasized the company's performance for 2021, the company's 20th Anniversary, and shared the following highlights:

- Year 2021 was extremely difficult with a multitude of challenges, from a persistent and evolving pandemic that continued to cast a cloud of uncertainty and volatility in the market, geo-political tensions that recently came to a boil driving commodity prices up at an unprecedented pace, distractions caused by a country pushing into an election year, capped by a disaster that hit central Visayas just when everyone was ready to celebrate and leave behind 2021. All these bearing down on a country and company weakened by a bruising and punishing pandemic year in 2020.
- Over the years, Phoenix has learned to turn trials into lessons, and crises into opportunities. It strives to rise from every challenge, changing its game, adapting along the way, leveraging on partnerships, and fostering collaboration with partners as it has done so for two decades now. This 2022, Phoenix is celebrating its 20th founding anniversary, reminding everyone of how far it has come.
- It was in 2002 when founder and Chairman, Mr. Dennis Uy, started the business with one storage tank in Davao, twelve employees, and five retail stations. From there, with support and trust from the capital markets, shareholders, customers, partners and stakeholders, a great team, it grew to what Phoenix is today.
- While it has a strong position in B2B fuels, a formidable retail franchise, and a strong brand-no. 3 in Loyalty and Preference in a crowded field, the Company today is no longer just in the fuels business. It is also into gas having built a formidable Phoenix SUPER LPG brand since it acquired the business from Petronas in 2017, growing it to more than 4x its volume. It is also now into asphalt with its brand now holding the no. 3 position in the market - a partnership with TIPCO, the leading Asphalt Brand in the region, and its local partner PhilAsphalt. The Company is in convenience retailing with the FamilyMart brand and other Non-Fuels Retailing ventures like Autoworx Plus, payment gateway POSIBLE, and its very own Lifestyle app, LIMITLESS.
- The Company pushed further its regional aspirations with the establishment of PNX Petroleum Singapore, its international trading desk; Phoenix Gas Vietnam, its Ho Chi Minh-based LPG marketing and distribution business; and in 2021 it also started selling its lubricants brand in Indonesia.
- Today, Phoenix is fueling more and more journeys, having opened almost 700 stations nationwide, and with an annual volume growth rate of 30% since 2009. It also offers excellent quality beyond fuel with its diversified portfolio that can complement a full lifestyle. From a small fuel business in Davao, Phoenix has established itself as a consumer brand with over 20,000 touchpoints, serving 500 thousand customers per day across the Philippines and beyond.

- In the first quarter of 2021, sales in its fuel stations and FamilyMart stores suffered due to re-imposed mobility restrictions brought about by COVID. In the second quarter, as mass vaccinations gained momentum, the economy gradually opened up, giving it the momentum to push the business to reach pre-pandemic level sales for the first time in May. June was even better with July having the highest recorded sales in its company's history at 220 million litres.
- In the second half, the Company saw economies in the West opening up. Oil demand in the west started to pick up, driving average Brent prices 18% higher from the first half. However, in the East, demand continued to be soft as lockdowns prevailed - an approach to controlling COVID which contrasted with the approach taken up by the West. The mixed signals from these contrasting approaches gave rise to heightened volatility.
- In the Philippines, an economy weakened by COVID opening up, gave rise to increased imports, increasing the cost of commodities leading to higher inflation and a weaker Philippine peso. These made the cost of replacing its inventory increasingly more expensive, putting pressure on working capital, weighing down on its ability to support trade volumes. Phoenix foresees working Capital pressure will continue to be a challenge for everyone in 2022.
- But no matter how challenging, 2021 was also not without its highlights. These include the opening of its first-ever station along an expressway, which is located at the NLEX Drive and Dine, fueling journeys in the North. Phoenix also introduced its new retail concept, the Phoenix Block, which gathers its brands in one multi-purpose compound, serving the varying needs of customers in two communities in the metro.
- The Company's LPG business innovated to target lower-income customers by introducing a new SKU, resulting in a boost in Visayas and Mindanao, and helping sustain its market share growth in the domestic LPG category. The Company's FamilyMart outlets maintained operations, and continued to launch new food items, including the iconic FamiChicky and the best-selling Caramel Macchiato. It also introduced delivery services, and even expanded to Mindanao with its new stores in Davao.
- By the end of the year, Phoenix was able to maintain its standing as the third-largest oil player in the country, having increased its market share from 6.8% to 7.5%.
- Despite the lockdowns, FamilyMart sales continued to improve amid lower than normal foot traffic with sales through apps like GrabMart providing a boost.
- Typhoon Odette hit the country towards the end of the year, affecting sites in Visayas and Mindanao. Phoenix responded swiftly by re-deploying assets from unaffected areas, leveraging on the group's combined capability, rolling out repair and recovery efforts to get operations back and running in affected areas.

- Under these difficult and uncertain conditions, the capital markets remained on the sidelines. From an income of 63 million pesos the year prior, the Company reverted to a loss of 466 million pesos in 2021, EBITDA, however, was 41% higher than 2020 behind a solid domestic LPG performance. Likewise, its operating income increased 87% to 2.3 billion pesos due to double-digit sales growth, and tighter control on costs.
- In the meantime, the Company will continue to be prudent in managing resources, ensuring prioritized projects that can deliver maximum returns. This helps the Company keep its focus on the most valuable undertakings.
- The Company will also drive more value from its existing investments to ensure that it makes the most of what it already has. As opportunities arise, the Company will consider unlocking value from its assets to drive long-term sustainability.
- To streamline operations, the Company will continue to identify and implement efficiencies where applicable, and drive operational excellence across the company. It will execute its strategies with consistency and precision to make sure that the delivery of value to customers is undisrupted.
- Partnerships and collaboration will also remain prioritized and valued. Like in the past, synergies are vital in carrying out its purpose, and it will continue collaborating with key partners while it builds and rebuild more important relationships.
- Lastly, the Company will remain committed to developing and empowering its people, delighting its customers, and serving the different communities where it is present.

After the reports were concluded by the presenters, based on the results of the company's electronic voting system and as certified by the Company's external auditor, stockholders representing **1,288,492,304** shares voted for the approval of the Annual Report of the President and the Audited Financial Report of the Company for 2021 (until December 31, 2021) by sending their ballots downloaded from the Phoenix website to [pnx.corpsec@phoenixfuels.ph](mailto:pnx.corpsec@phoenixfuels.ph). The results of the voting are summarized below:

	<b>NO. OF SHARES</b>	<b>% OF SHARES</b>
1. YES	1,288,492,304	100%
2. NO	-	-
3. ABSTAIN	-	-

Total Number of Shares Present and Entitled to Vote: \_\_\_\_\_ **1,288,492,304**

**“RESOLVED, as it is hereby resolved, to approve the Report of the President as presented in the Annual Stockholders Meeting and the Company’s Audited Financial Statements for the year ended December 31, 2021.”**

**V. Corporate Actions for Approval and Ratification**

The meeting then proceeded to the next item in the agenda, the Corporate actions for Approval and Ratification.

The corporate matters were all contained in the Definitive Information Statement, or DIS, which is available and posted in the Corporation’s website. Each matter was submitted for approval by the stockholders via online voting until 12:00 o’clock noon of the same day.

The corporate action for approval was the “Proposed Amendment to the Corporation’s By-Laws, amending Article II, Section 3, on Meetings of Stockholders, particularly on the Place of Meeting, which includes the conduct of meeting using digital or remote access communications platform.”

The foregoing proposal will give greater access and convenience to more shareholders, as it removes the necessity of each stockholder to travel to the principal office of the corporation just to attend a stockholder meetings. And as the Corporation continues to battle the Covid 19 pandemic, this step reduces the risk and exposure of its stockholders to the said virus.

This proposed amendment also provides more savings, as the cost of holding virtual stockholder’s meetings are more cost effective compared to the regular face-to-face Stockholder’s Meetings.

Based on the results of the company’s electronic voting system and as certified by the Company’s external auditor, stockholders representing **1,288,492,304 shares** voted online for the approval of the proposed amendment to the Corporation’s By-Laws, amending Article II, Section 3, on Meetings of Stockholders, particularly on the Place of Meeting, which includes the conduct of meetings using digital or remote access communications platforms. Below are the results of the voting:

	<b>NO. OF SHARES</b>	<b>% OF SHARES</b>
1. YES	1,288,492,304	100%
2. NO	-	-
3. ABSTAIN	-	-

Total Number of Shares Present and Entitled to Vote: 1,288,492,304

**“RESOLVED, as it is hereby resolved, to approve and authorize the proposed amendment to the Corporation’s By-Laws, amending Article II, Section 3, on Meetings of Stockholders, particularly on the Place of Meeting.”**

**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 at the meeting covering the period from February 1, 2021 until April 30, 2022.

The acts and resolutions consist of authorizations of the Company’s representative to enter into Contracts or biddings or other corporate transactions 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 which are incidental and necessary to the purpose of the Corporation as well as advancement and protection of its interests. These acts and resolutions are duly identified, enumerated and attached as Annex A of the Definitive Information Statement made available to all stockholders as of May 23, 2022.

Based on the results of the company’s electronic voting system and as certified by the Company’s external auditor, stockholders representing **1,288,492,304 shares** voted online for the approval of the ratification and confirmation of acts and resolutions covering February 1, 2021 to April 30, 2022. Below are the results of the voting:

	<b>NO. OF SHARES</b>	<b>% OF SHARES</b>
1. YES	1,288,492,304	100%
2. NO	-	-
3. ABSTAIN	-	-

Total Number of Shares Present and Entitled to Vote: 1,288,492,304

**“RESOLVED, as it is hereby resolved, that all acts and resolutions passed and approved by the Board of Directors, Management and Executive Committee covering the period from February 1, 2021 to April 30, 2022 is hereby approved, confirmed and ratified.”**

**VII. Election of Directors**

The Chairman moved to the next item of the agenda which was the election of directors for 2022-2023 and called the Corporation’s Senior Vice President, Atty. Alan Raymond T. Zorrilla to state the list of nominees.

Atty. Zorrilla announced the following nominees for directorship for the ensuing term, 2022-2023:

- 1) MR. DENNIS A. UY,
- 2) DOMINGO T. UY,
- 3) HENRY ALBERT R. FADULLON,
- 4) CHERYLYN C. UY,
- 5) ATTY. J.V. EMMANUEL A. DE DIOS,
- 6) STEPHEN T. CUUNJIENG,
- 7) ATTY. MONICO V. JACOB,
- 8) ROMEO B. DE GUZMAN,
- 9) NICASIO I. ALCANTARA,
- 10) RETIRED JUSTICE OF THE SUPREME COURT, CONSUELO YNARES-SANTIAGO, and
- 11) MINORU TAKEDA

Based on the results of the company’s electronic voting system and as certified by the Company’s external auditor, the following were the results of the voting for the members of the Company’s Board of Directors, as submitted by the stockholders through pnx.corpsec@phoenixfuels.ph:

	<b>NO. OF CUMULATIVE SHARES</b>	<b>% OF CUMULATIVE SHARES</b>
1. Domingo T. Uy	1,288,139,504	9.09%
2. Dennis A. Uy	1,288,492,304	9.09%
3. Cherylyn C. Uy	1,283,213,654	9.05%
4. Romeo B. de Guzman	1,282,969,854	9.05%
5. Henry Albert R. Fadullon	1,288,492,304	9.09%
6. J.V. Emmanuel A. de Dios	1,282,860,854	9.05%
7. Monico V. Jacob	1,288,139,504	9.09%
8. Stephen T. CuUnjieng	1,288,139,504	9.09%
9. Consuleo Ynares-Santiago (Ind. Director)	1,282,969,854	9.05%
10. Nicasio I. Alcantara (Ind. Director)	1,288,492,304	9.09%
11. Minoru Takeda (Ind. Director)	1,283,322,654	9.05%

Total Number of Cumulative Shares Present and Entitled to Vote: 14,173,415,344



## VIII. Appointment of External Auditors

*Punongbayan & Araullo* was nominated as the Company's External Auditors for 2022 to 2023.

Based on the results of the company's electronic voting system and as certified by the Company's external auditor, stockholders representing **1,288,492,304 shares** voted online in favor of *Punongbayan and Araullo* as the Company's External Auditors for the ensuing fiscal year 2022-2023. Below are the results of the voting:

	NO. OF SHARES	% OF SHARES
1. YES	1,288,492,304	100.00%
2. NO	-	-
3. ABSTAIN	-	-

Total Number of Shares Present and Entitled to Vote: 1,288,492,304

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 2022-2023, under such terms and conditions as may be approved by the Board of Directors.”**

## IX. Other Matters

The Chairman then asked whether there are questions or any other matters which the stockholders would like to take up. Two questions were raised through the email specified in the Definitive Informations Statement and the Notice and Agenda, and thereafter addressed during the meeting. The Stockholders were given a chance to submit their questions when they registered for the meeting, through email and when the stockholders' submitted their Proxies.

First question was, “How is the Company affected by the consistent increases in the price of oil and what are the plans of the Company to address it?”

*Rising prices mean that purchasing inventories requires more working capital resources. It is a challenge to the Company, consumers and other end users alike as it makes products more expensive overall. To optimize our limited working capital resources, we are pursuing alternative ways of procuring products, including consignments and other supplier financing. This way, we are not only preserving our resources but also are becoming less reliant on credit and other*

*borrowings. (Henry Albert R. Fadullon, President)*

The second question was, "I read an article about the Company's Financial Statement and impairment, what is the possible cause of that?"

*The said article published on Bilyonaryo headlined that Phoenix Petroleum incurred a loss in 2021 and that its auditor, Punongbayan and Araullo (P&A) flagged possible impairments in the Company's 2021 Consolidated Audited Financial Statements.*

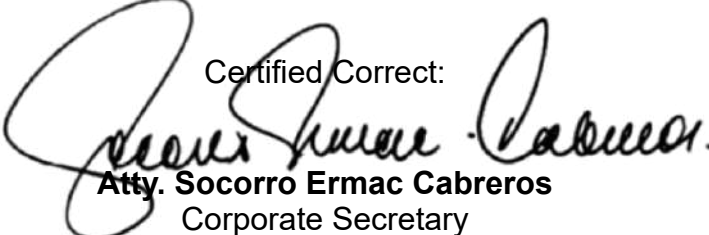
*First, we wish to clarify that it is not unusual for auditors to present Key Audit Matters in their Opinion on a company's audited financial statement. Auditors, like our auditor P&A, are required by the SEC to look into potential risks that may materially affect the Company's financial statements. These are the risks identified as relevant to the Company in light of the developments in the market and industry, specifically the COVID-19 pandemic. These Key Audit Matters can be found in the AFS of similar listed companies.*

*Secondly, we wish to likewise clarify that Phoenix Petroleum is not itself the subject of the impairment. As we previously explained, the auditors, in their regular course of audit, identified and presented the risks to the Company in its report. One of such risks identified by P&A was the possible impairment of goodwill and other assets, including investments in JVs, fixed assets and inventories. Based on P&A's assessment of the business and its outlook, we want to emphasize that the Company need not impair the value of any of its assets. (Dettie De Claro, Chief Finance Officer)*


The stockholders were encouraged further to email more of their questions to [investors@phoenixfuels.ph](mailto:investors@phoenixfuels.ph). Thereafter, the Chairman requested all the stockholders and the rest of the viewers to completely fill up the feedback forms by scanning the QR code flashed on the screen to help improve the Stockholders' Meetings. The same QR code was posted on the website, [www.phoenixfuels.ph](http://www.phoenixfuels.ph)

## **X. Adjournment**

There being no other matters to take up, the Chairman declared the meeting adjourned.

Certified Correct:  
  
**Atty. Socorro Ermac Cabreros**  
Corporate Secretary

Attested:



**Dennis A. Uy**  
Chairman

**List of Directors Present:**

1. MR. DENNIS A. UY, as Chairman
2. MR. DOMINGO T. UY
3. HENRY ALBERT R. FADULLON
4. CHERYLYN C. UY
5. ATTY. J.V. EMMANUEL A. DE DIOS
6. STEPHEN T. CUUNJIENG
7. ATTY. MONICO V. JACOB
8. ROMEO B. DE GUZMAN
9. NICASIO I. ALCANTARA
10. RETIRED JUSTICE OF THE SUPREME COURT, CONSUELO YNARES-SANTIAGO
11. MINORU TAKEDA

**List of Officers Present:**

1. Atty. Socorro Ermac-Cabreros - Corporate Secretary and Vice President for Corporate Legal
2. Atty. Alan Raymond T. Zorrilla - Senior Vice President
3. Daryl Eunika B. Maloles - Investor Relations Manager

The following were the Number of shares represented in the Meeting:

<b>All Shareholders</b>	
Total No. of Shares Outstanding	<b>1,456,570,932</b>
Total No. of Shares Present, Represented by Proxy, and Voting-in-Absentia	<b>1,288,492,304</b>
Percentage of Shares Present, Represented by Proxy, and Voting-in-Absentia	<b>88.46%</b>
Total Shares not Represented	<b>168,078,628</b>
Percentage of Shares Not Represented	<b>11.54%</b>