

MINUTES OF THE ANNUAL STOCKHOLDERS' MEETING OF PRYCE CORPORATION
HELD AT THE RIGODON BALLROOM, MANILA PENINSULA,
CORNER OF AYALA AND MAKATI AVENUES, MAKATI CITY
ON DECEMBER 07, 2021 AT 4:00 O'CLOCK IN THE AFTERNOON

DIRECTORS PRESENT:

1. SALVADOR P. ESCAÑO
2. EFREN A. PALMA
3. GENER T. MENDOZA
4. THOMAS G. AQUINO
5. RAY W. JOVANOVIH

DIRECTORS ABSENT:

RAMON R. TORRALBA
XERXES EMMANUEL F. ESCAÑO

OTHERS PRESENT:

FELICIANO B. HATUD, Corporate Secretary

1. CALL TO ORDER AND DETERMINATION OF QUORUM

In accordance with the Amended By-Laws of the Corporation, the Chairman, Mr. Salvador P. Esgaño, presided over the meeting and called the meeting to order.

The Chairman requested the Corporate Secretary, Mr. Feliciano B. Hatud, to report on the service of notices and presence of a quorum.

The Corporate Secretary certified that notices of this Annual Stockholders' Meeting were sent to all stockholders of record as of November 17, 2021 at their given addresses on November 15, 2021.

As of November 17, 2021, the record date, the total outstanding shares of capital stock of the Corporation consisted of 1,918,843,669 common shares. The Corporate Secretary certified that, taking into account the preliminary registration, there were present in the meeting, in person or by proxy, stockholders holding a total of 1,556,218,589 common shares which is approximately 80.24% of the total outstanding shares of capital stock of the Corporation, thereby constituting a quorum.

2. APPROVAL OF THE MINUTES OF THE PREVIOUS MEEETING

The Chairman stated that the next order of business was the reading and approval of the minutes of the previous Annual Stockholders' Meeting held on February 05, 2021. The Corporate Secretary certified that the minutes of the previous meeting was sent to the stockholders through the Information Sheet sent on August 26, 2021. The Information Statement was as well uploaded in the PSE Edge and the Corporation's website on November 15, 2021.

On motion duly made and seconded, it was unanimously resolved by the stockholders present—

"RESOLVED, that the reading of the minutes of the annual meeting held on 05 February 2021, be, dispensed with and the same be, as it is hereby, approved."

3. PRESIDENT'S REPORT

The Chairman moved on to the next item on the agenda which was the President's Report. A copy of the report was presented to the stockholders through the use of projector screens at the meeting venue. The Chairman then introduced the President of the Corporation, Mr. Efren A. Palma, to briefly discuss the highlights of the results of the operations in 2020 compared with the previous year.

- The Corporation posted consolidated revenues of Php 11.709 billion in 2020, higher by 10.14% compared to 2019's Php 10.630 billion. The contribution to the consolidated revenues is broken down by product line, as follows:

- a. LPG Products – Php 11.047 billion (94.35%)
- b. Industrial Gases – Php 449.67 million (3.84%)
- c. Real Estate Sales – Php 157.56 million (1.35%)
- d. Pharmaceutical Products – Php 54.67 million (0.47%)

- The growth in revenue was driven mainly by sales of LPG products. The chief component of this driver is LPG cooking gas, the sales volume of which increased by 10.27% to 242,474 metric tons in 2020 compared to the previous year's 219,884 metric tons.

- The average international contract price of LPG in 2020 dropped to U.S.\$ 401.75 per metric ton, which is 8.60% lower than 2019's U.S.\$ 439.54 per metric ton. This drop was of course due to the Coronavirus pandemic which caused the drastic fall in global LPG demand. Consequently, domestic LPG prices likewise fell; the sale of LPG would have been higher had it not been for such drop in LPG price.

- Despite the pandemic, the Corporation earned a consolidated net income of Php 1.616 billion in 2020 or 6.3% higher than the year-ago net income of Php 1.519 billion.

Upon motion duly made and seconded, it was unanimously resolved by the stockholders present—

"RESOLVED, that the President's report or the Management Report for the year ending in December 31, 2020, be, as they are hereby, approved."

4. APPROVAL OF THE ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS

The Chairman then proceeded with the next order of business on the agenda which was the approval of the annual report and audited financial statements of the Corporation for the year ended in December 31, 2020. Copies of the Annual Report and the Audited Financial Statements have already been provided to the stockholders also through the Information Sheet.

Upon motion duly made and seconded, it was unanimously resolved by the stockholders present—

"RESOLVED, that the report of the operations of the Corporation, as contained in the Annual Report, for the fiscal year ending in December 31, 2020, as well as the Audited Financial Statements for the same period, be, as they are hereby, approved."

5. RATIFICATION OF ACTS OF THE BOARD OF DIRECTORS

The Chairman then proceeded to the next item on the agenda which was the ratification of the acts of the Board of Directors and Management. The resolutions are summarized in the Information Sheet provided to the stockholders and available in the Corporation's website and PSE Edge website.

Upon motion duly made and seconded, it was unanimously resolved by the stockholders present—

"RESOLVED, that the acts and resolutions of the Board of Directors and Management of the Corporation on the latter's behalf, be, as it is hereby, approved and ratified."

6. ELECTION OF BOARD OF DIRECTORS

The Chairman informed the stockholders that the next item on the agenda is the election of the members of the Board of Directors. The nominated stockholders were:

1. Salvador P. Escaño
2. Ramon R. Torralba, Jr.
3. Efren A. Palma
4. Xerxes Emmanuel F. Escaño
5. Ray W. Jovanovich
6. Gener T. Mendoza – Independent Director
7. Thomas G. Aquino – Independent Director

On motion duly made and seconded the above-named stockholders, save the nominees for Independent Directors, were elected by 99% of the shareholders present constituting the quorum. The above nominees for Independent Directors were unanimously elected by the stockholders present.

7. APPOINTMENT OF EXTERNAL AUDITORS

The next item on the agenda was the appointment of the Corporation's external auditors. Upon motion duly made and seconded, it was unanimously resolved by the stockholders present —

"RESOLVED, that the accounting firm of Diaz Murillo Dalupan and Company be, as it is hereby, appointed external auditor of the Corporation for the year 2021."

8. OTHER MATTERS

9.1 Industry Benchmarking

The Chairman proceeded to discuss the industry benchmarking among LPG-related corporations for the Year 2020.

	Pryce Corporation	Shell	Petron	Phoenix
Revenue	11,708,642,164	156,951,843,000	286,033,000,000	78,299,510,916
Cost of Sales	8,582,019,013	153,291,201,000	277,320,000,000	71,253,970,239
Gross Income	3,126,623,151 (26.70%)	3,660,642,000 (2.33%)	8,713,000,000W (3.05%)	7,045,540,677 (9.00%)
Net Income	1,615,532,567	16,182,673,000	11,413,000,000	62,560,504

9.2 Statement of the Comprehensive Income of the Corporation for the First Nine (9) Months

The Chairman continued to discuss the growth of revenues of the Corporation compared with the previous year's unaudited financial statements for the first nine months.

	2021	2020
Revenues	11,178,817,141	8,993,585,528
Cost of Sales	8,139,857,772	6,588,395,545
Gross Income	3,038,959,369	2,405,190,983
Net Income	1,454,245,598	1,222,294,454

9.3 San Fabian Terminal and Lugait Terminal

It was reported by the Chairman that the construction of the Lugait Terminal in Iligan was finished, all funds for its construction being internally generated. The Lugait Terminal, as well, received its first shipment on 05 December 2021.

A video showcasing the San Fabian Terminal and Lugait Terminal was presented to the Stockholders.

10. ADJOURNMENT

There being no further business, upon motion duly made and seconded, the meeting was adjourned at 4:56 in the afternoon.


FELICIANO B. MATUD
 Corporate Secretary

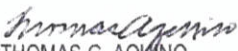
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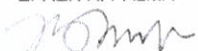

SÁLVADOR P. ESCAÑO
Chairman

READ AND APPROVED:


SÁLVADOR P. ESCAÑO


GENERT T. MENDOZA


THOMAS G. AQUINO


EFREN A. PALMA

RAMON R. TORRALBA