



111082019000043



## SECURITIES AND EXCHANGE COMMISSION

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Company Information

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SEC Registration No. 0000031171

Company Name PETRON CORP.

Industry Classification Mfg. Ofgas; Distribution Ofgaseous Fuels Through Mains

Company Type Stock Corporation

### Document Information

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Remarks Material Related Party Transactions



**ADVISEMENT REPORT ON  
MATERIAL RELATED PARTY TRANSACTIONS**

Reporting PLC: PETRON CORPORATION (“Petron”)

SEC Identification Number: 31171

Name of Related Party: PETRON SINGAPORE TRADING PTE. LTD. (“PSTPL”) Execution Date of Transaction: For 2019 - as indicated below

Relationship between the parties including financial/non-financial interest: PSTPL is a wholly-owned subsidiary of Petron.

Type/Nature of Transaction and Description of Assets Involved	Terms and Conditions	Rationale for Entering into the Transaction	Total Assets of Reporting PLC (based on 2018 audited financial statements)	Amount/ Contract Price	Percentage of the Contract Price to the Total Assets of the Reporting PLC	Carrying Amount of Collateral (if any)	Approving Authority
Petron purchases of: (i) crude (ii) LPG (iii) gasoil (iv) aviation gasoline (v) asphalts (vi) base oils (vii) gasoline (viii) jet fuel	<ul style="list-style-type: none"> <li>items (i) to (vi) under one -year term contracts executed in the last quarter of 2018 and effective from January 1, 2019 to December 31, 2019</li> <li>in addition, items (i), (ii), (iii) and (vi) also covered by various spot contracts</li> </ul>	PSTPL is Petron’s regional trading arm handling Petron’s sourcing requirements and tapping new markets for Petron exports of petroleum and	P358.15 billion	P83.68 billion <sup>1</sup>	23.36%	N/A	Unanimously approved by the Board of Directors (with all the directors present) at its meeting held on November 5, 2019 <sup>2</sup>

<sup>1</sup> From April 27, 2019 (effectivity of SEC Memorandum Circular No.10, Series of 2019) to September 30, 2019

<sup>2</sup> All the directors of Petron were present and voted for the approval of the material related party transactions between Petron and PSTPL: Mr. Eduardo M. Cojuangco, Jr., Mr. Ramon S. Ang, Mr. Lubin B. Nepomuceno, Atty. Estelito P. Mendoza, Mr. Jose P. de Jesus, Mr. Ron W. Haddock, Ms. Aurora T. Calderon, Mr. Mirzan Mahathir, Atty. Virgilio S. Jacinto, Atty. Nelly Favis-Villafuerte, Mr. Horacio C. Ramos, Ret. Chief Justice Artemio V. Panganiban (independent), Mr. Reynaldo G. David (lead independent), Mr. Margarito B. Teves (independent), and Mr. Carlos Jericho L. Petilla (independent).

(ix) propylene (x) kerosene (xi) toluene (xii) alkylate (xiii) bioethanol	<ul style="list-style-type: none"> <li>• items (vii) and (xiii) covered by various spot contracts</li> <li>• pricing based on regional benchmark prices</li> </ul>	petrochemical products					
Petron sales of petrochemicals and fuel	<ul style="list-style-type: none"> <li>• one-year term contracts executed in the last quarter of 2018 and effective from January 1, 2019 to December 31, 2019</li> <li>• pricing based on regional benchmark prices</li> </ul>	PSTPL is Petron's regional trading arm handling Petron's sourcing requirements and tapping new markets for Petron exports of petroleum and petrochemical products	P358.15 billion	P2.67 billion <sup>3</sup>	0.75%	N/A	Unanimously approved by the Board of Directors (with all the directors present) at its meeting held on November 5, 2019 <sup>4</sup>

<sup>3</sup> From April 27, 2019 (effectivity of SEC Memorandum Circular No.10, Series of 2019) to September 30, 2019

<sup>4</sup> All the directors of Petron were present and voted for the approval of the material related party transactions between Petron and PSTPL: Mr. Eduardo M. Cojuangco, Jr., Mr. Ramon S. Ang, Mr. Lubin B. Nepomuceno, Atty. Estelito P. Mendoza, Mr. Jose P. de Jesus, Mr. Ron W. Haddock, Ms. Aurora T. Calderon, Mr. Mirzan Mahathir, Atty. Virgilio S. Jacinto, Atty. Nelly Favis-Villafuerte, Mr. Horacio C. Ramos, Ret. Chief Justice Artemio V. Panganiban (independent), Mr. Reynaldo G. David (lead independent), Mr. Margarito B. Teves (independent), and Mr. Carlos Jericho L. Petilla (independent).

TOTAL TRANSACTION AMOUNT AND PERCENTAGE OF THE CONTRACT PRICE TO THE TOTAL ASSETS OF THE REPORTING PLC	P86.35 billion	24.11%
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**SIGNATURES**

Pursuant to the requirements of the Commission, the Company and its related party have duly caused this report to be signed on their behalf by the undersigned hereunto duly authorized.

November 7, 2019.

**PETRON CORPORATION**

By:



JOEL ANGELO C. CRUZ <sup>u</sup>  
Vice President - General Counsel and Corporate Secretary



MYRNA C. GERONIMO <sup>u</sup>  
Assistant Vice President and Controller

**PETRON SINGAPORE TRADING PTE. LTD.**

By:



MARIA ROWENA O. CORTEZ  
Director



SUSAN Y. YU  
Director