



**THE PHILIPPINE STOCK  
EXCHANGE, INC.**

**Corporate Governance Guidelines  
for**

**Listed Companies**

**SM Investments Corporation**

	COMPLY	EXPLAIN/REFERENCES
<b>Guideline No. 1: DEVELOPS AND EXECUTES A SOUND BUSINESS STRATEGY</b>		
1.1 Have a clearly defined vision, mission and core values.	v	<p><b>Vision</b></p> <ul style="list-style-type: none"> <li>We envision SM to be a Filipino brand that is world-class. We see SM as a market leader that constantly innovates to provide best-value products and services to its millions of customers.</li> </ul> <p><b>Mission</b></p> <ul style="list-style-type: none"> <li>To achieve world-class standards, SM shall adhere to long-held corporate values of hard work, focus, and integrity.</li> <li>To meet the ever-changing needs of customers, SM shall take the lead in constantly innovating its products and services.</li> <li>To become an employer of choice, SM shall develop its employees into professionals who are highly motivated to excel in their respective fields of service.</li> <li>To generate sustainable growth and optimal returns, SM shall exercise prudence in resource management based on its vision and principles of good corporate governance.</li> <li>To assist and nurture the communities in which it operates, SM shall progressively build on its role as a responsible corporate citizen through its various civic</li> </ul>

		<p>and environmental programs.</p> <p><b>Values</b></p> <p><i>Vision. Leadership. Innovation. Focus. Hard Work. Integrity. Prudence.</i></p> <ul style="list-style-type: none"> <li>• Vision, Mission and Values may be found in the Company's website <a href="http://www.sminvestments.com/vision-mission-and-values">http://www.sminvestments.com/vision-mission-and-values</a></li> <li>• and 2012 Annual Report, pg. 1 Front Cover Page.</li> </ul>
1.2	Have a well developed business strategy.	<ul style="list-style-type: none"> <li>• Business strategy may be found in investor roadshow material in the Company's website <a href="http://www.sminvestments.com/presentations">http://www.sminvestments.com/presentations</a></li> <li>• and 2012 Annual Report, pg. 7 President's Report.</li> </ul>
1.3	Have a strategy execution process that facilitates effective performance management, and is attuned to the company's business environment, management style and culture.	<ul style="list-style-type: none"> <li>• 2012 Annual Report, Management's Reports</li> </ul>
1.4	Have its board continually engaged in discussions of strategic business issues.	<ul style="list-style-type: none"> <li>• Manual on Corporate Governance pg. 2, 2.2.1 Board of Directors</li> <li>• Annual Corporate Governance Report – Board Responsibilities</li> <li>• Both documents may be found in the</li> </ul>

		Company's website. <a href="http://www.sminvestments.com/corporate-governance-and-compliance">http://www.sminvestments.com/corporate-governance-and-compliance</a>
<b>Guideline No. 2: ESTABLISHES A WELL-STRUCTURED AND FUNCTIONING BOARD</b>		
2.1. Have a board composed of directors of proven competence and integrity.	√	<ul style="list-style-type: none"> <li>Manual on Corporate Governance pg. 2, 2.2.1 Board of Directors <a href="http://www.sminvestments.com/sites/default/files/CG%20MANUAL.pdf">http://www.sminvestments.com/sites/default/files/CG%20MANUAL.pdf</a></li> <li>Website <a href="http://www.sminvestments.com/board-directors">http://www.sminvestments.com/board-directors</a></li> <li>Annual Corporate Governance Report - Board of Directors <a href="http://www.sminvestments.com/corporate-governance-and-compliance">http://www.sminvestments.com/corporate-governance-and-compliance</a></li> <li>2012 Annual Report, pg. 57, Board of Directors</li> </ul>
2.2. Be lead by a chairman who shall ensure that the board functions in an effective and collegial manner.	√	<ul style="list-style-type: none"> <li>Manual on Corporate Governance pg. 2, 2.2.1 Board of Directors <a href="http://www.sminvestments.com/sites/default/files/CG%20MANUAL.pdf">http://www.sminvestments.com/sites/default/files/CG%20MANUAL.pdf</a></li> <li>Company By-Laws – Chairman of the Board</li> </ul>
2.3. Have at least three (3) of thirty percent (30%) of its directors as independent directors.	√	<p>Three (3) out of eight (8) directors are independent directors; 37.5%.</p> <ul style="list-style-type: none"> <li>Manual on Corporate Governance pg. 2, 2.2.1 Board of Directors</li> </ul>

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		<p><a href="http://www.sminvestments.com/sites/default/files/CG%20MANUAL.pdf">http://www.sminvestments.com/sites/default/files/CG%20MANUAL.pdf</a></p> <ul style="list-style-type: none"> <li>• Website <a href="http://www.sminvestments.com/board-directors">http://www.sminvestments.com/board-directors</a></li> <li>• Annual Corporate Governance Report - Board of Directors <a href="http://www.sminvestments.com/corporate-governance-and-compliance">http://www.sminvestments.com/corporate-governance-and-compliance</a></li> <li>• 2012 Annual Report, pg. 57, Board of Directors</li> </ul>
<p>2.4 Have in place written manuals, guidelines and issuances that outline procedures and processes.</p>	<p>√</p>	<ul style="list-style-type: none"> <li>• Manual on Corporate Governance pg. 2, 2.2.1 Board of Directors <a href="http://www.sminvestments.com/sites/default/files/CG%20MANUAL.pdf">http://www.sminvestments.com/sites/default/files/CG%20MANUAL.pdf</a></li> <li>• Board Committee Charters</li> </ul>
<p>2.5 Have Audit, Risk, Governance and Nomination &amp; Election Committees of the board.</p>	<p>√</p>	<p>The Company has an Audit and Risk Management Committee, a Remuneration and Compensation Committee and a Nomination Committee.</p> <ul style="list-style-type: none"> <li>• Manual on Corporate Governance pg. 3, 2.2.2 Board Committees <a href="http://www.sminvestments.com/sites/default/files/CG%20MANUAL.pdf">http://www.sminvestments.com/sites/default/files/CG%20MANUAL.pdf</a></li> <li>• Website <a href="http://www.sminvestments.com/board-directors">http://www.sminvestments.com/board-directors</a></li> <li>• Annual Corporate Governance Report -</li> </ul>

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		<p>Board of Directors  <a href="http://www.sminvestments.com/corporate-governance-and-compliance">http://www.sminvestments.com/corporate-governance-and-compliance</a></p> <ul style="list-style-type: none"> <li>• 2012 Annual Report, pg. 57, Board of Directors</li> </ul>
2.6	Have its Chairman and CEO positions held separately by individuals who are not related to each other.	<p><b>X</b></p> <p><b>The roles of the Chairman and CEO are held by separate individuals, who are related. Their respective functions and responsibilities are identified in the Manual on Corporate Governance.</b></p>
2.7	Have a director nomination and election process that ensures that all shareholders are given the opportunity to nominate and elect directors individually based on the number of shares voted.	<p><b>v</b></p> <ul style="list-style-type: none"> <li>• 2012 Annual Report, pg. 62, Corporate Governance, The Nomination Committee</li> <li>• Company By-Laws</li> <li>• Manual on Corporate Governance pg.4, 2.2.2.1 Nomination Committee  <a href="http://www.sminvestments.com/sites/default/files/CG%20MANUAL.pdf">http://www.sminvestments.com/sites/default/files/CG%20MANUAL.pdf</a></li> <li>• Manual on Corporate Governance pg.11, 6. Shareholders Benefit, 6.1.2 Voting Rights  <a href="http://www.sminvestments.com/sites/default/files/CG%20MANUAL.pdf">http://www.sminvestments.com/sites/default/files/CG%20MANUAL.pdf</a></li> <li>• Annual Corporate Governance Report  <a href="http://www.sminvestments.com/corporate-governance-and-compliance">http://www.sminvestments.com/corporate-governance-and-compliance</a></li> <li>• SEC Form 20-IS Information Statement, Voting Procedures &amp; Voting Rights; ASM</li> </ul>

		Notice
<p>2.8 Have in place a formal board and director development program.</p>	<p>v</p>	<p>The evaluation of the Board and President has a specific item pertaining to any training or seminars that directors may need to assist in the performance of their duties.</p> <p>Furthermore, the Company has adopted a process wherein the Board is subject to annual corporate governance related trainings.</p> <ul style="list-style-type: none"> <li>• 2012 Annual Report, pg. 62, Corporate Governance, Evaluation of the Board and President</li> <li>• Annual Corporate Governance Report <a href="http://www.sminvestments.com/corporate-governance-and-compliance">http://www.sminvestments.com/corporate-governance-and-compliance</a></li> <li>• Manual on Corporate Governance pg. 2, 2.2.1 Board of Directors <a href="http://www.sminvestments.com/sites/default/files/CG%20MANUAL.pdf">http://www.sminvestments.com/sites/default/files/CG%20MANUAL.pdf</a></li> </ul>
<p>2.9 Have a corporate secretary.</p>	<p>v</p>	<ul style="list-style-type: none"> <li>• Manual on Corporate Governance pg. 8, 2.3.3 The Corporate Secretary <a href="http://www.sminvestments.com/sites/default/files/CG%20MANUAL.pdf">http://www.sminvestments.com/sites/default/files/CG%20MANUAL.pdf</a></li> <li>• Annual Corporate Governance Report <a href="http://www.sminvestments.com/corporate-governance-and-compliance">http://www.sminvestments.com/corporate-governance-and-compliance</a></li> <li>• Website <a href="http://www.sminvestments.com/board-directors">http://www.sminvestments.com/board-directors</a></li> </ul>

		<ul style="list-style-type: none"> <li>• 2012 Annual Report, pg. 57, Board of Directors</li> </ul>
2.10	Have no shareholder agreements, by-laws provisions, or other arrangements that constrains the directors' ability to vote independently.	<p style="text-align: center;">v</p> <ul style="list-style-type: none"> <li>• 2012 Annual Report, pg. 62, Corporate Governance, The Nomination Committee</li> <li>• Company By-Laws</li> <li>• Manual on Corporate Governance pg.11, 6. Shareholders Benefit, 6.1.2 Voting Rights <a href="http://www.sminvestments.com/sites/default/files/CG%20MANUAL.pdf">http://www.sminvestments.com/sites/default/files/CG%20MANUAL.pdf</a></li> <li>• Annual Corporate Governance Report <a href="http://www.sminvestments.com/corporate-governance-and-compliance">http://www.sminvestments.com/corporate-governance-and-compliance</a></li> <li>• Information Statement, Voting Procedures &amp; Voting Rights; ASM Notice</li> </ul>
<b>Guideline No. 3: MAINTAINS A ROBUST INTERNAL AUDIT AND CONTROL SYSTEM</b>		
3.1	Establish the internal audit function as a separate unit in the company which would be overseen at the Board level.	<p style="text-align: center;">v</p> <ul style="list-style-type: none"> <li>• Manual on Corporate Governance pg.11, 6. Shareholders Benefit, 6.1.2 Voting Rights <a href="http://www.sminvestments.com/sites/default/files/CG%20MANUAL.pdf">http://www.sminvestments.com/sites/default/files/CG%20MANUAL.pdf</a></li> <li>• Annual Corporate Governance Report <a href="http://www.sminvestments.com/corporate-governance-and-compliance">http://www.sminvestments.com/corporate-governance-and-compliance</a></li> </ul>
3.2	Have a comprehensive enterprise-wide compliance program that is annually reviewed.	<p style="text-align: center;">v</p> <ul style="list-style-type: none"> <li>• Manual on Corporate Governance pg.1,</li> </ul>



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		<p>2. Compliance System  <a href="http://www.sminvestments.com/sites/default/files/CG%20MANUAL.pdf">http://www.sminvestments.com/sites/default/files/CG%20MANUAL.pdf</a></p> <ul style="list-style-type: none"> <li>• Annual Corporate Governance Report  <a href="http://www.sminvestments.com/corporate-governance-and-compliance">http://www.sminvestments.com/corporate-governance-and-compliance</a></li> <li>• 2012 Annual Report, pg. 71, Report of the Audit and Risk Management Committee</li> </ul>
<p>3.3 Institutionalize quality service programs for the internal audit function.</p>	<p>✓</p>	<ul style="list-style-type: none"> <li>• Annual Corporate Governance Report  <a href="http://www.sminvestments.com/corporate-governance-and-compliance">http://www.sminvestments.com/corporate-governance-and-compliance</a></li> <li>• Manual on Corporate Governance pg.9, 2.3.5 Internal Auditor  <a href="http://www.sminvestments.com/sites/default/files/CG%20MANUAL.pdf">http://www.sminvestments.com/sites/default/files/CG%20MANUAL.pdf</a></li> <li>• 2012 Annual Report, pg. 71, Report of the Audit and Risk Management Committee</li> </ul>
<p>3.4 Have in place a mechanism that allows employees, suppliers and other stakeholders to raise valid issues.</p>	<p>✓</p>	<ul style="list-style-type: none"> <li>• Policy on Accountability, Integrity and Vigilance (PAIV)</li> <li>• Annual Corporate Governance Report  <a href="http://www.sminvestments.com/corporate-governance-and-compliance">http://www.sminvestments.com/corporate-governance-and-compliance</a></li> <li>• 2012 Annual Report, pg. 63, Policy on</li> </ul>

		Accountability, Integrity and Vigilance
3.5	Have the Chief Executive Officer and Chief Audit Executive attest in writing, at least annually, that a sound internal audit, control and compliance system is in place and working effectively.	<ul style="list-style-type: none"> <li>2012 Annual Report, pg. 71, Report of the Audit and Risk Management Committee</li> </ul>
<b>Guideline No. 4: RECOGNIZES AND MANAGES ITS ENTERPRISE RISKS</b>		
4.1	Have its board oversee the company's risk management function.	<ul style="list-style-type: none"> <li>2012 Annual Report, pg. 71, Report of the Audit and Risk Management Committee</li> <li>2012 Annual Report, pg. 61. Enterprise Risk Management (ERM)</li> <li>Annual Corporate Governance Report <a href="http://www.sminvestments.com/corporate-governance-and-compliance">http://www.sminvestments.com/corporate-governance-and-compliance</a></li> <li>Manual on Corporate Governance pg.7, 2.2.2.3 Audit Committee <a href="http://www.sminvestments.com/sites/default/files/CG%20MANUAL.pdf">http://www.sminvestments.com/sites/default/files/CG%20MANUAL.pdf</a></li> </ul>
4.2	Have a formal risk management policy that guides the company's risk management and compliance processes and procedures.	<ul style="list-style-type: none"> <li>2012 Annual Report, pg. 71, Report of the Audit and Risk Management Committee</li> <li>2012 Annual Report, pg. 61. Enterprise Risk Management (ERM)</li> <li>Audit and Risk Management Committee Charter</li> <li>Annual Corporate Governance Report <a href="http://www.sminvestments.com/corporate-governance-and-compliance">http://www.sminvestments.com/corporate-governance-and-compliance</a></li> </ul>

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		<p><a href="#">te-governance-and-compliance</a></p> <ul style="list-style-type: none"> <li>Manual on Corporate Governance pg.7, 2.2.2.3 Audit Committee <a href="http://www.sminvestments.com/sites/default/files/CG%20MANUAL.pdf">http://www.sminvestments.com/sites/default/files/CG%20MANUAL.pdf</a></li> </ul>
<p>4.3 Design and undertake its Enterprise Risk Management (ERM) activities on the basis of, or in accordance with, internationally recognized frameworks such as but not limited to, COSO, (The Committee of Sponsoring Organizations of the Treadway Commission) I and II.</p>	<p>√</p>	<ul style="list-style-type: none"> <li>2012 Annual Report, pg. 71, Report of the Audit and Risk Management Committee</li> <li>2012 Annual Report, pg. 61. Enterprise Risk Management (ERM)</li> <li>Audit and Risk Management Committee Charter</li> <li>Annual Corporate Governance Report <a href="http://www.sminvestments.com/corporate-governance-and-compliance">http://www.sminvestments.com/corporate-governance-and-compliance</a></li> </ul>
<p>4.4 Have a unit at the management level, headed by a Risk Management Officer (RMO).</p>	<p>√</p>	<ul style="list-style-type: none"> <li>2012 Annual Report, pg. 71, Report of the Audit and Risk Management Committee</li> <li>2012 Annual Report, pg. 61. Enterprise Risk Management (ERM)</li> <li>Audit and Risk Management Committee Charter</li> <li>Annual Corporate Governance Report <a href="http://www.sminvestments.com/corporate-governance-and-compliance">http://www.sminvestments.com/corporate-governance-and-compliance</a></li> </ul>

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		<ul style="list-style-type: none"> <li>• Mr. Gil Gonzales, Vice President for Corporate Governance and Risk Management; 2012 Annual Report pg. 59. Executive Officers</li> </ul>
<p>4.5 Disclose sufficient information about its risk management procedures and processes as well as the key risks the company is currently facing including how these are being managed.</p>	<p>√</p>	<ul style="list-style-type: none"> <li>• 2012 Annual Report, pg. 71, Report of the Audit and Risk Management Committee</li> <li>• 2012 Annual Report, pg. 61. Enterprise Risk Management (ERM)</li> <li>• 2012 Annual Report, pg. 116. Item 28. Financial Risk Management Objectives and Policies</li> <li>• Audit and Risk Management Committee Charter</li> <li>• Annual Corporate Governance Report <a href="http://www.sminvestments.com/corporate-governance-and-compliance">http://www.sminvestments.com/corporate-governance-and-compliance</a></li> </ul>
<p>4.6 Seek external technical support in risk management when such competence is not available internally.</p>	<p>√</p>	<ul style="list-style-type: none"> <li>• 2012 Annual Report, pg. 71, Report of the Audit and Risk Management Committee</li> <li>• 2012 Annual Report, pg. 61. Enterprise Risk Management (ERM)</li> <li>• 2012 Annual Report, pg. 116. Item 28. Financial Risk Management Objectives and Policies</li> <li>• Audit and Risk Management Committee</li> </ul>

		<p>Charter</p> <ul style="list-style-type: none"> <li>Annual Corporate Governance Report <a href="http://www.sminvestments.com/corporate-governance-and-compliance">http://www.sminvestments.com/corporate-governance-and-compliance</a></li> </ul>
<p><b>Guideline No. 5: ENSURES THE INTEGRITY OF FINANCIAL REPORTS AS WELL AS ITS EXTERNAL AUDITING FUNCTION</b></p>		
<p>5.1 Have the board Audit Committee approve all non-audit services conducted by the external auditor. The Committee should ensure that the non-audit fees do not outweigh the fees earned from the external audit.</p>	<p>√</p>	<ul style="list-style-type: none"> <li>2012 Annual Report, pg. 71, Report of the Audit and Risk Management Committee</li> <li>Annual Corporate Governance Report <a href="http://www.sminvestments.com/corporate-governance-and-compliance">http://www.sminvestments.com/corporate-governance-and-compliance</a></li> <li>Manual on Corporate Governance pg.9, 2.3.4 External Auditor <a href="http://www.sminvestments.com/sites/default/files/CG%20MANUAL.pdf">http://www.sminvestments.com/sites/default/files/CG%20MANUAL.pdf</a></li> <li>Manual on Corporate Governance pg.7, 2.2.2.3 Audit Committee <a href="http://www.sminvestments.com/sites/default/files/CG%20MANUAL.pdf">http://www.sminvestments.com/sites/default/files/CG%20MANUAL.pdf</a></li> <li>Audit and Risk Management Committee Charter</li> </ul>
<p>5.2 Ensure that the external auditor is credible, competent, and should have the ability to understand complex related party transactions, its counterparties, and valuations of such transactions.</p>	<p>√</p>	<ul style="list-style-type: none"> <li>2012 Annual Report, pg. 71, Report of the Audit and Risk Management Committee</li> </ul>

		<ul style="list-style-type: none"> <li>• Annual Corporate Governance Report <a href="http://www.sminvestments.com/corporate-governance-and-compliance">http://www.sminvestments.com/corporate-governance-and-compliance</a></li> <li>• Manual on Corporate Governance pg.9, 2.3.4 External Auditor <a href="http://www.sminvestments.com/sites/default/files/CG%20MANUAL.pdf">http://www.sminvestments.com/sites/default/files/CG%20MANUAL.pdf</a></li> <li>• Manual on Corporate Governance pg.7, 2.2.2.3 Audit Committee <a href="http://www.sminvestments.com/sites/default/files/CG%20MANUAL.pdf">http://www.sminvestments.com/sites/default/files/CG%20MANUAL.pdf</a></li> <li>• Audit and Risk Management Committee Charter</li> </ul>
<p>5.3 Ensure that the external auditor has adequate quality control procedures.</p>	<p>v</p>	<ul style="list-style-type: none"> <li>• 2012 Annual Report, pg. 71, Report of the Audit and Risk Management Committee</li> <li>• Annual Corporate Governance Report <a href="http://www.sminvestments.com/corporate-governance-and-compliance">http://www.sminvestments.com/corporate-governance-and-compliance</a></li> <li>• Manual on Corporate Governance pg.9, 2.3.4 External Auditor <a href="http://www.sminvestments.com/sites/default/files/CG%20MANUAL.pdf">http://www.sminvestments.com/sites/default/files/CG%20MANUAL.pdf</a></li> <li>• Manual on Corporate Governance pg.7, 2.2.2.3 Audit Committee <a href="http://www.sminvestments.com/sites/d">http://www.sminvestments.com/sites/d</a></li> </ul>

		<p><a href="http://www.sminvestments.com/sites/default/files/CG%20MANUAL.pdf">efault/files/CG%20MANUAL.pdf</a></p> <ul style="list-style-type: none"> <li>• Audit and Risk Management Committee Charter</li> </ul>
5.4 Disclose relevant information on the external auditors.	√	<ul style="list-style-type: none"> <li>• SEC Form 20-IS Information Statement, Independent Auditors</li> <li>• 2012 Annual Report, pg. 71, Report of the Audit and Risk Management Committee</li> <li>• Annual Corporate Governance Report <a href="http://www.sminvestments.com/corporate-governance-and-compliance">http://www.sminvestments.com/corporate-governance-and-compliance</a></li> <li>• Manual on Corporate Governance pg.9, 2.3.4 External Auditor <a href="http://www.sminvestments.com/sites/default/files/CG%20MANUAL.pdf">http://www.sminvestments.com/sites/default/files/CG%20MANUAL.pdf</a></li> <li>• Manual on Corporate Governance pg.7, 2.2.2.3 Audit Committee <a href="http://www.sminvestments.com/sites/default/files/CG%20MANUAL.pdf">http://www.sminvestments.com/sites/default/files/CG%20MANUAL.pdf</a></li> <li>• Audit and Risk Management Committee Charter</li> </ul>
5.5 Ensures that the external audit firm is selected on the basis of a fair and transparent tender process.	√	<ul style="list-style-type: none"> <li>• SEC Form 20-IS Information Statement, Independent Auditors</li> <li>• 2012 Annual Report, pg. 71, Report of the Audit and Risk Management</li> </ul>

		<p>Committee</p> <ul style="list-style-type: none"> <li>• Annual Corporate Governance Report <a href="http://www.sminvestments.com/corporate-governance-and-compliance">http://www.sminvestments.com/corporate-governance-and-compliance</a></li> <li>• Manual on Corporate Governance pg.9, 2.3.4 External Auditor <a href="http://www.sminvestments.com/sites/default/files/CG%20MANUAL.pdf">http://www.sminvestments.com/sites/default/files/CG%20MANUAL.pdf</a></li> <li>• Manual on Corporate Governance pg.7, 2.2.2.3 Audit Committee <a href="http://www.sminvestments.com/sites/default/files/CG%20MANUAL.pdf">http://www.sminvestments.com/sites/default/files/CG%20MANUAL.pdf</a></li> <li>• Audit and Risk Management Committee Charter</li> </ul>
<p>5.6 Have its audit committee conduct regular meetings and dialogues with the external audit team without anyone from management present.</p>	<p>v</p>	<ul style="list-style-type: none"> <li>• 2012 Annual Report, pg. 71, Report of the Audit and Risk Management Committee</li> <li>• Annual Corporate Governance Report <a href="http://www.sminvestments.com/corporate-governance-and-compliance">http://www.sminvestments.com/corporate-governance-and-compliance</a></li> <li>• Manual on Corporate Governance pg.9, 2.3.4 External Auditor <a href="http://www.sminvestments.com/sites/default/files/CG%20MANUAL.pdf">http://www.sminvestments.com/sites/default/files/CG%20MANUAL.pdf</a></li> <li>• Manual on Corporate Governance pg.7,</li> </ul>



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		<p>2.2.2.3 Audit Committee  <a href="http://www.sminvestments.com/sites/default/files/CG%20MANUAL.pdf">http://www.sminvestments.com/sites/default/files/CG%20MANUAL.pdf</a></p> <ul style="list-style-type: none"> <li>• Audit and Risk Management Committee Charter</li> </ul>
5.7	Have the financial reports attested to by the Chief Executive Officer and Chief Financial Officer.	<p>√</p> <ul style="list-style-type: none"> <li>• 2012 Annual Report, pg. 70 Statement of Management’s Responsibility for Financial Statements</li> </ul>
5.8	Have a policy of rotating the lead audit partner every five years.	<p>√</p> <ul style="list-style-type: none"> <li>• SEC Form 20-IS Information Statement, Independent Auditors</li> <li>• 2012 Annual Report, pg. 71, Report of the Audit and Risk Management Committee</li> <li>• Annual Corporate Governance Report  <a href="http://www.sminvestments.com/corporate-governance-and-compliance">http://www.sminvestments.com/corporate-governance-and-compliance</a></li> <li>• Audit and Risk Management Committee Charter</li> <li>• Manual on Corporate Governance pg.9, 2.3.4 External Auditor  <a href="http://www.sminvestments.com/sites/default/files/CG%20MANUAL.pdf">http://www.sminvestments.com/sites/default/files/CG%20MANUAL.pdf</a></li> </ul>
<p><b>Guideline No. 6:                  RESPECTS AND PROTECTS THE RIGHTS OF ITS SHAREHOLDERS,                  PARTICULARLY THOSE THAT BELONG TO THE MINORITY OR NON-CONTROLLING GROUP</b></p>		

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<p>6.1 Adopt the principle of “one share, one vote.”</p>	<p>√</p>	<ul style="list-style-type: none"> <li>• 2012 Annual Report, pg. 63 Disclosure and Transparency</li> <li>• Company By-Laws</li> <li>• Annual Corporate Governance Report <a href="http://www.sminvestments.com/corporate-governance-and-compliance">http://www.sminvestments.com/corporate-governance-and-compliance</a></li> </ul>
<p>6.2 Ensure that all shareholders of the same class are treated equally with respect to voting rights, subscription rights and transfer rights.</p>	<p>√</p>	<ul style="list-style-type: none"> <li>• 2012 Annual Report, pg. 63 Disclosure and Transparency</li> <li>• 2012 Annual Report, pg. 64 Rights of Shareholders</li> <li>• 2012 Annual Report, pg. 63 The Annual Stockholders’ Meeting</li> <li>• Annual Corporate Governance Report <a href="http://www.sminvestments.com/corporate-governance-and-compliance">http://www.sminvestments.com/corporate-governance-and-compliance</a></li> <li>• Manual on Corporate Governance pg.11. Shareholder’s Benefits <a href="http://www.sminvestments.com/sites/default/files/CG%20MANUAL.pdf">http://www.sminvestments.com/sites/default/files/CG%20MANUAL.pdf</a></li> </ul>
<p>6.3 Have an effective, secure and efficient voting system.</p>	<p>√</p>	<ul style="list-style-type: none"> <li>• Company By-Laws</li> <li>• Manual on Corporate Governance pg.11, 6. Shareholders Benefit, 6.1.2 Voting Rights <a href="http://www.sminvestments.com/sites/d">http://www.sminvestments.com/sites/d</a></li> </ul>

		<p><a href="http://www.sminvestments.com/default/files/CG%20MANUAL.pdf">default/files/CG%20MANUAL.pdf</a></p> <ul style="list-style-type: none"> <li>• Annual Corporate Governance Report <a href="http://www.sminvestments.com/corporate-governance-and-compliance">http://www.sminvestments.com/corporate-governance-and-compliance</a></li> <li>• SEC – 20 IS Information Statement, Voting Procedures &amp; Voting Rights</li> <li>• ASM Notice</li> </ul>
<p>6.4 Have effective shareholder voting mechanisms such as supermajority or “majority of minority” requirements to protect minority shareholders against actions of controlling shareholders.</p>	<p>√</p>	<ul style="list-style-type: none"> <li>• Company By-Laws</li> <li>• Manual on Corporate Governance pg.11, 6. Shareholders Benefit, 6.1.2 Voting Rights <a href="http://www.sminvestments.com/sites/default/files/CG%20MANUAL.pdf">http://www.sminvestments.com/sites/default/files/CG%20MANUAL.pdf</a></li> <li>• Annual Corporate Governance Report <a href="http://www.sminvestments.com/corporate-governance-and-compliance">http://www.sminvestments.com/corporate-governance-and-compliance</a></li> <li>• SEC – 20 IS Information Statement, Voting Procedures &amp; Voting Rights</li> <li>• ASM Notice</li> </ul>
<p>6.5 Provide all shareholders with the notice and agenda of the annual general meeting (AGM) at least thirty (30) days before a regular meeting and twenty (20) days before a special meeting.</p>	<p>√</p>	<ul style="list-style-type: none"> <li>• Annual Corporate Governance Report <a href="http://www.sminvestments.com/corporate-governance-and-compliance">http://www.sminvestments.com/corporate-governance-and-compliance</a></li> <li>• SEC – 20 IS Information Statement, Voting Procedures &amp; Voting Rights; ASM</li> </ul>

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		Notice (please check dates)
6.6 Allow shareholders to call a special shareholders meeting, submit a proposal for consideration at the AGM or the special meeting, and ensure the attendance of the external auditor and other relevant individuals to answer shareholder questions in such meetings.	√	<ul style="list-style-type: none"> <li>• 2012 Annual Report, pg. 63 Disclosure and Transparency</li> <li>• 2012 Annual Report, pg. 64 Rights of Shareholders</li> <li>• 2012 Annual Report, pg. 63 The Annual Stockholders' Meeting</li> <li>• Annual Corporate Governance Report <a href="http://www.sminvestments.com/corporate-governance-and-compliance">http://www.sminvestments.com/corporate-governance-and-compliance</a></li> <li>• Manual on Corporate Governance pg.11. Shareholder's Benefits <a href="http://www.sminvestments.com/sites/default/files/CG%20MANUAL.pdf">http://www.sminvestments.com/sites/default/files/CG%20MANUAL.pdf</a></li> <li>• ASM Notice</li> </ul>
6.7 Ensure that all relevant questions during the AGM are answered.	√	<ul style="list-style-type: none"> <li>• 2012 Annual Report, pg. 63 The Annual Stockholders' Meeting</li> <li>• ASM Notice</li> </ul>
6.8 Have clearly articulated and enforceable policies with respect to treatment of minority shareholders.	√	<ul style="list-style-type: none"> <li>• 2012 Annual Report, pg. 63 Disclosure and Transparency</li> <li>• 2012 Annual Report, pg. 64 Rights of Shareholders</li> <li>• 2012 Annual Report, pg. 63 The Annual</li> </ul>

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		<p>Stockholders' Meeting</p> <ul style="list-style-type: none"> <li>Annual Corporate Governance Report <a href="http://www.sminvestments.com/corporate-governance-and-compliance">http://www.sminvestments.com/corporate-governance-and-compliance</a></li> <li>Manual on Corporate Governance pg.11. Shareholder's Benefits <a href="http://www.sminvestments.com/sites/default/files/CG%20MANUAL.pdf">http://www.sminvestments.com/sites/default/files/CG%20MANUAL.pdf</a></li> </ul>
6.9	Avoid anti-takeover measures or similar devices that may entrench management or the existing controlling shareholder group.	<p>√</p> <ul style="list-style-type: none"> <li>2012 Annual Report, pg. 64 Rights of Shareholders</li> <li>2012 Annual Report, pg. 63 The Annual Stockholders' Meeting</li> <li>Annual Corporate Governance Report <a href="http://www.sminvestments.com/corporate-governance-and-compliance">http://www.sminvestments.com/corporate-governance-and-compliance</a></li> <li>Manual on Corporate Governance pg.11. Shareholder's Benefits <a href="http://www.sminvestments.com/sites/default/files/CG%20MANUAL.pdf">http://www.sminvestments.com/sites/default/files/CG%20MANUAL.pdf</a></li> </ul>
6.10	Provide all shareholders with accurate and timely information regarding the number of shares of all classes held by controlling shareholders and their affiliates.	<p>√</p> <ul style="list-style-type: none"> <li>PSE/SEC Disclosures</li> <li>23-B Statement of Changes in Beneficial Ownership of Securities</li> <li>Report on Top 100 Stockholders</li> </ul>
6.11	Have a communications strategy to promote effective communication with shareholders.	<p>√</p> <ul style="list-style-type: none"> <li>Manual on Corporate Governance pg.11. Shareholder's Benefits</li> </ul>

		<p><a href="http://www.sminvestments.com/sites/default/files/CG%20MANUAL.pdf">http://www.sminvestments.com/sites/default/files/CG%20MANUAL.pdf</a></p> <ul style="list-style-type: none"> <li>• Manual on Corporate Governance pg.10. Communication Process <a href="http://www.sminvestments.com/sites/default/files/CG%20MANUAL.pdf">http://www.sminvestments.com/sites/default/files/CG%20MANUAL.pdf</a></li> <li>• Website – Investor Relations</li> <li>• 2012 Annual Report, pg. 63 Disclosure and Transparency</li> <li>• 2012 Annual Report, pg. 64 Rights of Shareholders</li> <li>• 2012 Annual Report, pg. 63 The Annual Stockholders’ Meeting</li> <li>• Annual Corporate Governance Report <a href="http://www.sminvestments.com/corporate-governance-and-compliance">http://www.sminvestments.com/corporate-governance-and-compliance</a></li> <li>• Code of Ethics <a href="http://www.sminvestments.com/sites/default/files/Revised%20Code%20of%20Ethics%20%282014%29%20FINAL.pdf">http://www.sminvestments.com/sites/default/files/Revised%20Code%20of%20Ethics%20%282014%29%20FINAL.pdf</a></li> </ul>
6.12 Have at least thirty percent (30%) public float to increase liquidity in the market.	√	<ul style="list-style-type: none"> <li>• PSE/SEC Disclosures</li> </ul>
6.13 Have a transparent dividend policy.	√	<ul style="list-style-type: none"> <li>• Manual on Corporate Governance pg.12, 6.1.6 Right to Dividend <a href="http://www.sminvestments.com/sites/d">http://www.sminvestments.com/sites/d</a></li> </ul>

		<p><a href="#">efault/files/CG%20MANUAL.pdf</a></p> <ul style="list-style-type: none"> <li>• Company By-Laws</li> <li>• ASM Notice</li> <li>• 2012 Annual Report, pg. 64 Rights of Shareholders</li> <li>• Annual Corporate Governance Report <a href="http://www.sminvestments.com/corporate-governance-and-compliance">http://www.sminvestments.com/corporate-governance-and-compliance</a></li> </ul>
<p><b>Guideline No. 7: ADOPTS AND IMPLEMENTS AN INTERNATIONALLY-ACCEPTED DISCLOSURE AND TRANSPARENCY REGIME</b></p>		
<p>7.1 Have written policies and procedures designed to ensure compliance with the PSE and SEC disclosure rules, as well as other disclosure requirements under existing laws and regulations.</p>	<p>v</p>	<ul style="list-style-type: none"> <li>• Manual on Corporate Governance pg.1, 2. Compliance System <a href="http://www.sminvestments.com/sites/default/files/CG%20MANUAL.pdf">http://www.sminvestments.com/sites/default/files/CG%20MANUAL.pdf</a></li> <li>• Annual Corporate Governance Report <a href="http://www.sminvestments.com/corporate-governance-and-compliance">http://www.sminvestments.com/corporate-governance-and-compliance</a></li> <li>• 2012 Annual Report, pg. 71, Report of the Audit and Risk Management Committee</li> <li>• Code of Ethics, pg. 1 – Compliance with Laws <a href="http://www.sminvestments.com/sites/default/files/Revised%20Code%20of%20Et">http://www.sminvestments.com/sites/default/files/Revised%20Code%20of%20Et</a></li> </ul>

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		<a href="#">hics%20%282014%29%20FINAL.pdf</a> <ul style="list-style-type: none"> <li>• Company By-Laws</li> </ul>
7.2	Disclose the existence, justification, and details on shareholders agreements, voting trust agreements, confidentiality agreements, and such other agreements that may impact on the control, ownership, and strategic direction of the company.	<ul style="list-style-type: none"> <li>• PSE/SEC Disclosures</li> </ul>
7.3	Disclose its director and executive compensation policy.	<ul style="list-style-type: none"> <li>• 2012 Annual Report, pg. 61. Board Remuneration</li> <li>• Company By-Laws</li> <li>• Annual Corporate Governance Report <a href="http://www.sminvestments.com/corporate-governance-and-compliance">http://www.sminvestments.com/corporate-governance-and-compliance</a></li> </ul>
7.4	Disclose names of groups or individuals who hold 5% or more ownership interest in the company, significant cross-shareholding relationship and cross guarantees, as well as the nature of the company's other companies if it belongs to a corporate group.	<ul style="list-style-type: none"> <li>• PSE/SEC Disclosures</li> <li>• 23-B Statement of Changes in Beneficial Ownership of Securities</li> <li>• Report on Top 100 Stockholders</li> <li>• SEC Form 20-IS Information Statement, Beneficial Ownership</li> <li>• 2012 Annual Report</li> </ul>
7.5	Disclose annual and quarterly consolidated reports, cash flow statements and special audit revisions. Consolidated financial statements shall be published within 90 days from the end of the financial year, while interim reports shall be published within 45 days from the end of the reporting period.	<ul style="list-style-type: none"> <li>• PSE/SEC Disclosures</li> <li>• 2012 Annual Report</li> </ul>
7.6	Disclose to shareholders and the Exchange any changes to its corporate governance manual and practices, and the extent to which such practices conform to the SEC and PSE CG Guidelines.	<ul style="list-style-type: none"> <li>• PSE/SEC Disclosures</li> <li>• 2012 Annual Report</li> <li>• Website <a href="http://www.sminvestments.com/corporate-governance-and-compliance">http://www.sminvestments.com/corporate-governance-and-compliance</a></li> <li>• Annual Corporate Governance Report <a href="http://www.sminvestments.com/corporate-governance-and-compliance">http://www.sminvestments.com/corporate-governance-and-compliance</a></li> </ul>



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		<a href="#">te-governance-and-compliance</a>
7.7	Publish and/or deliver to its shareholders in a timely fashion all information and materials relevant to corporate actions that require shareholder approval.	<ul style="list-style-type: none"> <li>• <a href="#">Manual on Corporate Governance pg.11. Shareholder’s Benefits</a> <a href="http://www.sminvestments.com/sites/default/files/CG%20MANUAL.pdf">http://www.sminvestments.com/sites/default/files/CG%20MANUAL.pdf</a></li> <li>• Company By-Laws</li> <li>• ASM Notice</li> <li>• 2012 Annual Report, pg. 64 Rights of Shareholders</li> <li>• Annual Corporate Governance Report <a href="http://www.sminvestments.com/corporate-governance-and-compliance">http://www.sminvestments.com/corporate-governance-and-compliance</a></li> <li>• Website <a href="http://www.sminvestments.com/corporate-governance-and-compliance">http://www.sminvestments.com/corporate-governance-and-compliance</a></li> </ul>
7.8	Disclose the trading of the corporation’s shares by directors, officers (or persons performing similar functions) and controlling shareholders. This shall also include the disclosure of the company’s purchase of its shares from the market (e.g share buy-back program).	<ul style="list-style-type: none"> <li>• PSE/SEC Disclosures</li> <li>• 23-B Statement of Changes in Beneficial Ownership of Securities</li> <li>• Report on Top 100 Stockholders</li> <li>• SEC Form 20-IS Information Statement, Beneficial Ownership</li> <li>• Annual Corporate Governance Report <a href="http://www.sminvestments.com/corporate-governance-and-compliance">http://www.sminvestments.com/corporate-governance-and-compliance</a></li> </ul>
7.9	Disclose in its annual report the principal risks to minority shareholders associated with the identity of the company’s controlling shareholders; the degree of ownership concentration; cross-holdings among company affiliates; and any	<ul style="list-style-type: none"> <li>• PSE/SEC Disclosures</li> <li>• 23-B Statement of Changes in</li> </ul>

<p>imbalances between the controlling shareholders’ voting power and overall equity position in the company.</p>		<p>Beneficial Ownership of Securities</p> <ul style="list-style-type: none"> <li>• Report on Top 100 Stockholders</li> <li>• SEC Form 20-IS Information Statement, Beneficial Ownership</li> <li>• Annual Corporate Governance Report <a href="http://www.sminvestments.com/corporate-governance-and-compliance">http://www.sminvestments.com/corporate-governance-and-compliance</a></li> </ul>
<p><b>Guideline No. 8: RESPECTS AND PROTECTS THE RIGHTS AND INTERESTS OF EMPLOYEES, COMMUNITY, ENVIRONMENT, AND OTHER STAKEHOLDERS</b></p>		
<p>8.1 Establish and disclose a clear policy statement that articulates the company’s recognition and protection of the rights and interests of key stakeholders specifically its employees, suppliers &amp; customers, creditors, as well the community, environment and other key stakeholder groups.</p>	<p>v</p>	<ul style="list-style-type: none"> <li>• Code of Ethics <a href="http://www.sminvestments.com/sites/default/files/Revised%20Code%20of%20Ethics%20%282014%29%20FINAL.pdf">http://www.sminvestments.com/sites/default/files/Revised%20Code%20of%20Ethics%20%282014%29%20FINAL.pdf</a></li> <li>• Vision, Mission and Values may be found in the Company’s website <a href="http://www.sminvestments.com/vision-mission-and-values">http://www.sminvestments.com/vision-mission-and-values</a></li> <li>• 2012 Annual Report, pg. 64 Employee Welfare/ CSR</li> <li>• Manual on Corporate Governance pg.2. Board of Directors – Duties and Responsibilities <a href="http://www.sminvestments.com/sites/default/files/CG%20MANUAL.pdf">http://www.sminvestments.com/sites/default/files/CG%20MANUAL.pdf</a></li> <li>• Annual Corporate Governance Report <a href="http://www.sminvestments.com/corporate-governance-and-compliance">http://www.sminvestments.com/corporate-governance-and-compliance</a></li> </ul>

<p>8.2 Have in place a workplace development program.</p>		<ul style="list-style-type: none"> <li>• 2012 Annual Report, pg. 64 Employee Welfare/Orientations and Trainings</li> <li>• Code of Ethics <a href="http://www.sminvestments.com/sites/default/files/Revised%20Code%20of%20Ethics%20%282014%29%20FINAL.pdf">http://www.sminvestments.com/sites/default/files/Revised%20Code%20of%20Ethics%20%282014%29%20FINAL.pdf</a></li> <li>• Vision, Mission and Values may be found in the Company’s website <a href="http://www.sminvestments.com/vision-mission-and-values">http://www.sminvestments.com/vision-mission-and-values</a></li> <li>• Annual Corporate Governance Report <a href="http://www.sminvestments.com/corporate-governance-and-compliance">http://www.sminvestments.com/corporate-governance-and-compliance</a></li> </ul>
<p>8.3 Have in place a merit-based performance incentive mechanism such as an employee stock option plan (ESOP) or any such scheme that awards and incentivizes employees, at the same time aligns their interests with those of the shareholders.</p>	<p><b>X</b></p>	<p><b>Management is taking steps to set-up an ESOP.</b></p>
<p>8.4 Have in place a community involvement program.</p>	<p><b>v</b></p>	<ul style="list-style-type: none"> <li>• 2012 Annual Report, pg. 64 CSR</li> <li>• SM Foundation Programs <a href="http://www.sminvestments.com/corporate-social-responsibility">http://www.sminvestments.com/corporate-social-responsibility</a></li> <li>• Code of Ethics <a href="http://www.sminvestments.com/sites/default/files/Revised%20Code%20of%20Ethics%20%282014%29%20FINAL.pdf">http://www.sminvestments.com/sites/default/files/Revised%20Code%20of%20Ethics%20%282014%29%20FINAL.pdf</a></li> <li>• Vision, Mission and Values may be found in the Company’s website <a href="http://www.sminvestments.com/vision-mission-and-values">http://www.sminvestments.com/vision-mission-and-values</a></li> </ul>

		<p><a href="#">mission-and-values</a></p> <ul style="list-style-type: none"> <li>Annual Corporate Governance Report <a href="http://www.sminvestments.com/corporate-governance-and-compliance">http://www.sminvestments.com/corporate-governance-and-compliance</a></li> </ul>
<p>8.5 Have in place an environment-related program.</p>	<p>√</p>	<ul style="list-style-type: none"> <li>2012 Annual Report, pg. 64 CSR</li> <li>SM Foundation Programs <a href="http://www.sminvestments.com/corporate-social-responsibility">http://www.sminvestments.com/corporate-social-responsibility</a></li> <li>Code of Ethics <a href="http://www.sminvestments.com/sites/default/files/Revised%20Code%20of%20Ethics%20%282014%29%20FINAL.pdf">http://www.sminvestments.com/sites/default/files/Revised%20Code%20of%20Ethics%20%282014%29%20FINAL.pdf</a></li> <li>Vision, Mission and Values may be found in the Company’s website <a href="http://www.sminvestments.com/vision-mission-and-values">http://www.sminvestments.com/vision-mission-and-values</a></li> <li>Annual Corporate Governance Report <a href="http://www.sminvestments.com/corporate-governance-and-compliance">http://www.sminvestments.com/corporate-governance-and-compliance</a></li> </ul>
<p>8.6 Have clear policies that guide the company in its dealing with its suppliers, customers, creditors, analysts, market intermediaries and other market participants.</p>	<p>√</p>	<ul style="list-style-type: none"> <li>Code of Ethics <a href="http://www.sminvestments.com/sites/default/files/Revised%20Code%20of%20Ethics%20%282014%29%20FINAL.pdf">http://www.sminvestments.com/sites/default/files/Revised%20Code%20of%20Ethics%20%282014%29%20FINAL.pdf</a></li> <li>Vision, Mission and Values may be found in the Company’s website <a href="http://www.sminvestments.com/vision-mission-and-values">http://www.sminvestments.com/vision-mission-and-values</a></li> </ul>

		<p><a href="#">mission-and-values</a></p> <ul style="list-style-type: none"> <li>Annual Corporate Governance Report <a href="http://www.sminvestments.com/corporate-governance-and-compliance">http://www.sminvestments.com/corporate-governance-and-compliance</a></li> <li>2012 Annual Report, pg. 63. Code of Ethics</li> </ul>
<p><b>Guideline No. 9: DOES NOT ENGAGE IN ABUSIVE RELATED-PARTY TRANSACTIONS AND INSIDER TRADING</b></p>		
<p>9.1 Develop and disclose a policy governing the company’s transactions with related parties.</p>	<p>√</p>	<ul style="list-style-type: none"> <li>2012 Annual Report, pg. 63. Related Party Transactions</li> <li>2012 Annual Report, pg. 110. Item 21. Related Party Transactions (Disclosed)</li> <li>Audit and Risk Management Committee Charter</li> <li>Annual Corporate Governance Report <a href="http://www.sminvestments.com/corporate-governance-and-compliance">http://www.sminvestments.com/corporate-governance-and-compliance</a></li> <li>2012 Annual Report, pg. 71, Report of the Audit and Risk Management Committee</li> </ul>
<p>9.2 Clearly define the thresholds for disclosure and approval for RPTs and categorize such transactions according to those that are considered <i>de minimis</i> or transactions that need not be reported or announced, those that need to be disclosed, and those that need prior shareholder approval. The aggregate amount of RPT within any twelve (12) month period should be considered for purposes of applying the thresholds for disclosure and approval.</p>	<p>√</p>	<ul style="list-style-type: none"> <li>2012 Annual Report, pg. 63. Related Party Transactions</li> <li>2012 Annual Report, pg. 110. Item 21. Related Party Transactions (Disclosed)</li> </ul>

		<ul style="list-style-type: none"> <li>• Audit and Risk Management Committee Charter</li> <li>• Annual Corporate Governance Report <a href="http://www.sminvestments.com/corporate-governance-and-compliance">http://www.sminvestments.com/corporate-governance-and-compliance</a></li> <li>• 2012 Annual Report, pg. 71, Report of the Audit and Risk Management Committee</li> </ul>
<p>9.3 Establish a voting system whereby a majority of non-related party shareholders approve specific types of related party transactions in shareholders meetings.</p>	<p>√</p>	<ul style="list-style-type: none"> <li>• 2012 Annual Report, pg. 63. Related Party Transactions</li> <li>• 2012 Annual Report, pg. 110. Item 21. Related Party Transactions (Disclosed)</li> <li>• Audit and Risk Management Committee Charter</li> <li>• Annual Corporate Governance Report <a href="http://www.sminvestments.com/corporate-governance-and-compliance">http://www.sminvestments.com/corporate-governance-and-compliance</a></li> <li>• 2012 Annual Report, pg. 71, Report of the Audit and Risk Management Committee</li> </ul>
<p>9.4 Have its independent directors or audit committee play an important role in reviewing significant RPTs.</p>	<p>√</p>	<ul style="list-style-type: none"> <li>• 2012 Annual Report, pg. 63. Related Party Transactions</li> <li>• 2012 Annual Report, pg. 110. Item 21. Related Party Transactions (Disclosed)</li> </ul>

		<ul style="list-style-type: none"> <li>• Audit and Risk Management Committee Charter</li> <li>• Annual Corporate Governance Report <a href="http://www.sminvestments.com/corporate-governance-and-compliance">http://www.sminvestments.com/corporate-governance-and-compliance</a></li> <li>• 2012 Annual Report, pg. 71, Report of the Audit and Risk Management Committee</li> </ul>
<p>9.5 Be transparent and consistent in reporting its RPTs. A summary of such transactions shall be published in the company’s annual report.</p>	<p>√</p>	<ul style="list-style-type: none"> <li>• 2012 Annual Report, pg. 63. Related Party Transactions</li> <li>• 2012 Annual Report, pg. 110. Item 21. Related Party Transactions (Disclosed)</li> <li>• Audit and Risk Management Committee Charter</li> <li>• Annual Corporate Governance Report <a href="http://www.sminvestments.com/corporate-governance-and-compliance">http://www.sminvestments.com/corporate-governance-and-compliance</a></li> <li>• 2012 Annual Report, pg. 71, Report of the Audit and Risk Management Committee</li> </ul>
<p>9.6 Have a clear policy in dealing with material non-public information by company insiders.</p>	<p>√</p>	<ul style="list-style-type: none"> <li>• 2012 Annual Report, pg. 63. Insider Trading Policy</li> <li>• Annual Corporate Governance Report <a href="http://www.sminvestments.com/corporate-governance-and-compliance">http://www.sminvestments.com/corporate-governance-and-compliance</a></li> </ul>

		<p><a href="#">te-governance-and-compliance</a></p> <ul style="list-style-type: none"> <li>• Manual on Corporate Governance pg.10 Item 5. Reportorial or Disclosure <a href="http://www.sminvestments.com/sites/default/files/CG%20MANUAL.pdf">http://www.sminvestments.com/sites/default/files/CG%20MANUAL.pdf</a></li> <li>• Code of Ethics, pg. 2. Item B. <a href="http://www.sminvestments.com/sites/default/files/Revised%20Code%20of%20Ethics%20%282014%29%20FINAL.pdf">http://www.sminvestments.com/sites/default/files/Revised%20Code%20of%20Ethics%20%282014%29%20FINAL.pdf</a></li> </ul>
<p>9.7 Have a clear policy and practice of full and timely disclosure to shareholders of all material transactions with affiliates of the controlling shareholders, directors or management.</p>	<p>v</p>	<ul style="list-style-type: none"> <li>• Manual on Corporate Governance pg.11. Shareholder’s Benefits – Right to Information <a href="http://www.sminvestments.com/sites/default/files/CG%20MANUAL.pdf">http://www.sminvestments.com/sites/default/files/CG%20MANUAL.pdf</a></li> <li>• Code of Ethics <a href="http://www.sminvestments.com/sites/default/files/Revised%20Code%20of%20Ethics%20%282014%29%20FINAL.pdf">http://www.sminvestments.com/sites/default/files/Revised%20Code%20of%20Ethics%20%282014%29%20FINAL.pdf</a></li> <li>• Annual Corporate Governance Report <a href="http://www.sminvestments.com/corporate-governance-and-compliance">http://www.sminvestments.com/corporate-governance-and-compliance</a></li> <li>• 2012 Annual Report, pg. 63. Related Party Transactions</li> <li>• 2012 Annual Report, pg. 110. Item 21. Related Party Transactions (Disclosed)</li> </ul>



		<ul style="list-style-type: none"> <li>2012 Annual Report, pg. 63 Disclosure and Transparency</li> </ul>
<b>Guideline No. 10: DEVELOPS AND NURTURES A CULTURE OF ETHICS, COMPLIANCE, &amp; ENFORCEMENT</b>		
10.1 Formally adopt a code of ethics and proper conduct that guides individual behavior and decision making, clarify responsibilities, and inform other stakeholders on the conduct expected from company personnel.	v	<ul style="list-style-type: none"> <li>Code of Ethics <a href="http://www.sminvestments.com/sites/default/files/Revised%20Code%20of%20Ethics%20%282014%29%20FINAL.pdf">http://www.sminvestments.com/sites/default/files/Revised%20Code%20of%20Ethics%20%282014%29%20FINAL.pdf</a></li> <li>Annual Corporate Governance Report <a href="http://www.sminvestments.com/corporate-governance-and-compliance">http://www.sminvestments.com/corporate-governance-and-compliance</a></li> <li>Code of Conduct</li> </ul>
10.2 Have a formal comprehensive compliance program covering compliance with laws and relevant regulations. The program should include appropriate training and awareness initiatives to facilitate understanding, acceptance and compliance with the said issuances.	v	<ul style="list-style-type: none"> <li>Manual on Corporate Governance pg.1, 2. Compliance System <a href="http://www.sminvestments.com/sites/default/files/CG%20MANUAL.pdf">http://www.sminvestments.com/sites/default/files/CG%20MANUAL.pdf</a></li> <li>Annual Corporate Governance Report <a href="http://www.sminvestments.com/corporate-governance-and-compliance">http://www.sminvestments.com/corporate-governance-and-compliance</a></li> <li>2012 Annual Report, pg. 71, Report of the Audit and Risk Management Committee</li> <li>Code of Ethics, pg. 1 – Compliance with Laws <a href="http://www.sminvestments.com/sites/d">http://www.sminvestments.com/sites/d</a></li> </ul>

## CORPORATE GOVERNANCE GUIDELINES: DISCLOSURE SURVEY

Company Name: SM Investments CorporationDate: February 26, 2014

		<a href="http://www.sminvestments.com/sites/default/files/Revised%20Code%20of%20Ethics%20%282014%29%20FINAL.pdf">efault/files/Revised%20Code%20of%20Ethics%20%282014%29%20FINAL.pdf</a>
10.3	Not seek exemption from the application of a law, rule or regulation especially when it refers to a corporate governance issue. Should it do so, it has to disclose the reason for such action as well present the specific steps being taken to finally comply with the applicable law, rule or regulation.	<p>v</p> <ul style="list-style-type: none"> <li>Manual on Corporate Governance pg.1, 2. Compliance System <a href="http://www.sminvestments.com/sites/default/files/CG%20MANUAL.pdf">http://www.sminvestments.com/sites/default/files/CG%20MANUAL.pdf</a></li> <li>Annual Corporate Governance Report <a href="http://www.sminvestments.com/corporate-governance-and-compliance">http://www.sminvestments.com/corporate-governance-and-compliance</a></li> <li>Code of Ethics, pg. 1 – Compliance with Laws <a href="http://www.sminvestments.com/sites/default/files/Revised%20Code%20of%20Ethics%20%282014%29%20FINAL.pdf">http://www.sminvestments.com/sites/default/files/Revised%20Code%20of%20Ethics%20%282014%29%20FINAL.pdf</a></li> </ul>
10.4	Have clear and stringent policies and procedures on curbing and penalizing company or employee involvement in offering, paying and receiving bribes.	<p>v</p> <ul style="list-style-type: none"> <li>Annual Corporate Governance Report <a href="http://www.sminvestments.com/corporate-governance-and-compliance">http://www.sminvestments.com/corporate-governance-and-compliance</a></li> <li>Code of Ethics, Annex 1 &amp; 2 <a href="http://www.sminvestments.com/sites/default/files/Revised%20Code%20of%20Ethics%20%282014%29%20FINAL.pdf">http://www.sminvestments.com/sites/default/files/Revised%20Code%20of%20Ethics%20%282014%29%20FINAL.pdf</a></li> <li>Code of Conduct</li> <li>2012 Annual Report, pg. Policies</li> </ul>
10.5	Have a designated officer responsible for ensuring compliance with all relevant laws, rules, and regulation, as well as all regulatory requirements.	<p>v</p> <ul style="list-style-type: none"> <li>Manual on Corporate Governance pg.1, 2. Compliance System <a href="http://www.sminvestments.com/sites/default/files/CG%20MANUAL.pdf">http://www.sminvestments.com/sites/default/files/CG%20MANUAL.pdf</a></li> </ul>

CORPORATE GOVERNANCE GUIDELINES: DISCLOSURE SURVEY

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		<ul style="list-style-type: none"> <li>Annual Corporate Governance Report <a href="http://www.sminvestments.com/corporate-governance-and-compliance">http://www.sminvestments.com/corporate-governance-and-compliance</a></li> </ul>
10.6	Respect intellectual property rights.	<ul style="list-style-type: none"> <li>Code of Ethics <a href="http://www.sminvestments.com/sites/default/files/Revised%20Code%20of%20Ethics%20%282014%29%20FINAL.pdf">http://www.sminvestments.com/sites/default/files/Revised%20Code%20of%20Ethics%20%282014%29%20FINAL.pdf</a></li> <li>Code of Conduct</li> </ul>
10.7	Establish and commit itself to an alternative dispute resolution system so that conflicts and difference with counterparties, particularly with shareholders and other key stakeholders, would be settled in a fair and expeditious manner.	<ul style="list-style-type: none"> <li>Annual Corporate Governance Report <a href="http://www.sminvestments.com/corporate-governance-and-compliance">http://www.sminvestments.com/corporate-governance-and-compliance</a></li> <li>Company By-Laws</li> </ul>

This is to certify that the undersigned reviewed the contents of this document and to the best of my knowledge and belief, the information contained set forth in this document is true, complete and correct.

Done this February 26, 2014 in Pasay City.

  
 Mr. Vicente S. Perez, Jr.  
 Independent Director

  
 Atty. Corazon I. Morando – Compliance Officer  
 President, CEO, or Authorized Representative

