

**TO :** CORPORATE GOVERNANCE/COMPLIANCE DEPARTMENT

**DATE :** 25 APRIL 2018


**FROM :** MR. FREDERIC C. DYBUNCIO, CEO/PRESIDENT  
MR. ANASTACIO C. BALUBAR II, CHIEF AUDIT EXECUTIVE

**SUBJECT :** ANNUAL CONFIRMATION OF INTERNAL AUDIT/CONTROL ADEQUACY

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"In accordance with SM Investments Corporation's corporate governance and compliance related policies and programs, prevailing best practices in corporate governance, and on the basis of the procedures performed in accordance with the annual internal audit plan, which was reviewed and approved by the Audit Committee, we attest to the overall adequacy and effectivity of the internal audit, internal control and compliance systems of the Company, taking into consideration the Company's size, risk profile and complexity of operations."

  
**Mr. Frederic C. DyBuncio**  
CEO/President

  
**Mr. Anastacio C. Balubar II**  
Chief Audit Executive

25 April 2018