



INVESTMENTS CORPORATION

MINUTES OF THE ANNUAL MEETING OF THE STOCKHOLDERS OF

SM INVESTMENTS CORPORATION

Held at the Forbes Ballroom, Conrad Manila
Seaside Boulevard corner Coral Way, Mall of Asia Complex, Pasay City
April 25, 2018 at 2:30 p.m.

PRESENT:

HENRY T. SY, SR. Chairman Emeritus

DIRECTORS

JOSE T. SIO Chairman
Adviser, Executive Committee
Member, Audit Committee
Member, Risk Management Committee
Member, Compensation Committee
Member, Related Party Transaction

TERESITA T. SY Vice-Chairperson
Chairperson, Executive Committee
Chairperson, Compensation Committee

HENRY T. SY, JR. Vice-Chairman

HARLEY T. SY Executive Director
Member, Executive Committee

FREDERIC C. DYBUNCIO President / Chief Executive Officer
Member, Executive Committee

JOSEPH R. HIGDON Lead Independent Director
Member, Compensation Committee
Chairman, Corporate Governance Committee Chairman,
Related Party Transaction
Member, Risk Management Committee

TOMASA H. LIPANA Independent Director
Chairperson, Audit Committee
Member, Corporate Governance Committee

ALFREDO E. PASCUAL Independent Director
Member, Audit Committee
Member, Corporate Governance Committee
Member, Related Party Transaction
Chairman, Risk Management Committee

ALSO PRESENT:

ELIZABETH T. SY	Adviser to the Board
HANS T. SY	Adviser to the Board
HERBERT T. SY	Adviser to the Board
GREGORY T. DOMINGO	Adviser to the Board
ROBERTO G. MANABAT	Adviser to the Board
ATTY. SERAFIN U. SALVADOR	Adviser to the Board
ATTY. ELMER B. SERRANO	Corporate Secretary
ATTY. ARTHUR A. SY	Assistant Corporate Secretary
Stockholders present in person or represented by proxy	1,008,809,640 (83.75%) (Please see Record of Attendance attached as Schedule 1)

1.0 Call to Order

Mr. Jose T. Sio, Chairman of the Board, called the meeting to order and presided over the same. The Corporate Secretary, Atty. Elmer B. Serrano, recorded the minutes of the proceedings.

2.0 Certification of Notice and Quorum

The Chairman inquired from the Corporate Secretary whether notices were duly sent and if there was a quorum for the transaction of business by the stockholders.

The Corporate Secretary certified that written notices of the annual stockholders' meeting of SM Investments Corporation (**SM Investments**) together with the agenda and the Definitive Information Statement were sent beginning March 27, 2018 to all stockholders of record as of March 26, 2018 by personal delivery and by mail, as well as published in the Manila Bulletin, Philippine Star and Philippine Daily Inquirer on April 2, 2018

The Corporate Secretary also certified that based on record of attendance, 1,008,809,640 voting shares or 83.75% of the total outstanding capital stock of the SM Investments as of record date March 26, 2018 was present either in person or represented by proxy. He then certified that a quorum was present for the transaction of business by the stockholders.

The Corporate Secretary likewise informed the stockholders that SyCip, Gorres, Velayo & Co. (**SGV & Co.**), SM Investments' external auditor, was present and has been engaged to monitor and validate the tally of votes cast.

3.0 Approval of Minutes of the Annual Meeting of Stockholders held on April 26, 2017

The Chairman proceeded to the approval of the minutes of the annual meeting of the stockholders held on April 26, 2017, a copy of the minutes of which was furnished the stockholders as an attachment to the Definitive Information Statement and published in the SM Investments' website, www.sminvestments.com.

Upon motion made and duly seconded, and with all unqualified votes being cast in favor of the approval of the minutes, the following resolution was passed and adopted:

RESOLVED, That the stockholders of SM Investments Corporation approve the minutes of the Annual Stockholder's Meeting held on April 26, 2017.

Based on the tabulation of votes from stockholders attending in person, and votes indicated in the proxies submitted to the Corporate Secretary and validated by SM Investments' external auditor, SGV & Co., stockholders owning 1,008,401,638 voting shares or 100% of the total number of voting shares represented at the meeting approved the said resolution, no stockholder voted against or abstained from the approval of the minutes of the meeting.

4.0 Approval of the Annual Report for the Year 2017

The Chairman then called on Mr. Frederic C. DyBuncio, President and Chief Executive Officer, to deliver the 2017 Annual Report.

Mr. DyBuncio reported that 2017 was a good year for SM Investments. With the Philippines being one of the fastest-growing economies in the Southeast Asian Region, the sustained growth continued to buoy confidence in SM Investments' core businesses in retail, banking and property development.

2017 was also a milestone year for SM Investments as it reached a One-Trillion Peso Market Capitalization on August 16, 2017. This followed SM Prime's historic feat of being the first company to do so at the close of trading on June 9, 2017 at the PSE.

Financial and Operational Highlights

Speaking on the financial and operating highlights, Mr. DyBuncio informed the stockholders that net earnings of SM Investments rose 6% to PHP32.9 billion while revenues also increased 9% to PHP396.1 billion. This performance reflected the strong growth in property and the solid performance of banking and retail. He then proceeded to discussing the business segments.

Retail Business

The retail business delivered revenue growth boosted by strong consumption from consumers with higher disposable income and increased market penetration from the aggressive expansion of our specialty and mid-size stores and minimart format.

According to Mr. DyBuncio, two new stores were opened in Cagayan de Oro and Puerto Princesa, bringing the total gross selling area of SM Investments to about 760,000

square meters. In food retail, 42 food stores and 138 Alfamart minimarts were opened allowing the retail business to expand in both urban and provincial communities across the country. Japanese-designed variety store chain Miniso was also added in 2017 to the SM Investments portfolio which bolstered performance of the business.

Property

In property, Mr. DyBuncio reported that income and revenue growth was primarily driven by increased mall revenues and strong sales of residential units. The malls and rental business accounted for the lion's share in terms of revenue contribution.

Seven malls were also opened in key cities in the provinces in 2017

Banking

In 2017, BDO Unibank, Inc. (**BDO**) and China Banking Corporation (**China Bank**) completed Stock Rights Offerings to raise fresh equity for expansion and to ensure strong balance sheets and capital ratios. Also, BDO and China Bank both delivered exceptional growth in 2017 with BDO posting an all-time high net income and China Bank exhibiting sustained growth across all business segments.

Equity Investments

For the equity investments portfolio, Mr. DyBuncio reported that two significant acquisitions were made. An acquisition of 30% effective equity interest was made in 2GO Group, Inc., the leading Philippine end-to-end logistics company, and a 61% effective equity interest in Philippines Urban Living Solutions, developer of the MyTown brand of modern dormitories. Both are market leaders and benefit from significant synergies with the rest of the SM Group.

Sustainability Report

Mr. DyBuncio then moved on to SM Investments' Sustainability Report. One of the many milestones in the sustainability initiatives was SM Investments' report receiving a stamp of approval from the prestigious Global Reporting Initiative for its adherence to materiality disclosures standards.

SM Investments continues to align its Corporate Social Responsibility and sustainability programs with the 17 Sustainable Development Goals set by the United Nations with focus in four areas, namely education, health and wellness, zero hunger through farmers' trainings and environmental sustainability. These sustainability programs are done through technical-vocational scholarship grants, private and public sector collaborations, and financing of renewable energy and energy efficiency projects.

Looking Ahead

Looking ahead, Mr. DyBuncio said that SM Investments will continue to find opportunities to create growth and value. He also emphasized that SM Investments' core businesses in Retail, Banking and Property shall continue to be market leaders with great potential for synergies as it strives to address the needs of underserved communities nationwide.

In commemoration of the brand's 60th Anniversary since its origins as the small shoe store put up by Mr. Henry Sy, Sr., Mr. DyBuncio acknowledged the pioneering spirit and consistent hard work of the SM Group founder. He ended his report by thanking the employees, customers, business partners and stockholders of SM Investments for their unwavering support through the years.

The Chairman then thanked Mr. DyBuncio for the President's Annual Report. Afterwards, the Chairman opened the floor to stockholders to provide them the opportunity to ask questions.

There being no comments and/or questions from the stockholders, the Chairman stated that the Audited Financial Statements as of December 31, 2017 of SM Investments as audited by SGV & Co. was appended to the Definitive Information Statement sent to all stockholders of record, as well as included in the Annual Report distributed to all attending stockholders prior to the start of this year's Annual Stockholders' Meeting.

On motion made and duly seconded, and with all unqualified votes being cast in favor of the approval of the Annual Report, the following resolution was unanimously approved:

RESOLVED, That the President's Annual Report and the Audited Financial Statements as of December 31, 2017 of SM Investments Corporation as audited by SyCip, Gorres, Velayo & Co., are approved.

Based on the tabulation of votes from stockholders attending in person, and votes indicated in the proxies submitted to the Corporate Secretary and validated by SM Investments' external auditor, SGV & Co., stockholders owning 1,006,908,500 voting shares or 99.99% of the total number of voting shares represented at the meeting approved the said resolution, stockholder owning 98,080 voting shares or .01% voted against the approval, and stockholders owning 1,395,058 voting shares or .1% of the total number of voting shares abstained.

5.0 Amendment of the Second Article of the Articles of Incorporation

Moving on to the next item in the agenda, the Chairman turned over the floor to the Corporate Secretary.

The Secretary then informed the stockholders that the Second Article of the Articles of Incorporation is to be amended. The Second Article of the Articles of Incorporation is being amended to include in the secondary purposes SM Investments' ability to guarantee obligations of entities in which it has lawful interests. Such amendment will effectively give SM Investments better flexibility and leverage in the conduct of its business and transactions, taking into consideration its existing contractual obligations.

On motion made and duly seconded, and with all unqualified votes being cast in favor of the approval of the amendment of the Second Article of the Articles of Incorporation, the following resolution was unanimously approved:

RESOLVED, That the Board of Directors of SM Investments Corporation (the "**Corporation**") authorizes the Corporation to amend the Second Article of its Amended Articles of Incorporation to:

“SECOND: That the purpose for which said corporation is formed are:

(a) Xxx

SECONDARY

(a) To borrow or raise moneys for any of the purposes of the corporation and from time to time, without limits as to amount, to draw, make, accept, endorse, guarantee **its own obligations or the obligations of any entity it has legal interests in**, execute and issue promissory notes, drafts, bills of exchange, warrants, bonds, debentures and other negotiable or non-negotiable instruments and evidences of indebtedness, and to secure payment thereof and of the interest thereon by mortgage on, or pledge, conveyance or assignment in trust of, the whole or any part of the assets or the Corporation, real, personal or mixed, including contract rights, whether at the time owned or thereafter acquired, and to sell, pledge or otherwise dispose of such entities or other obligations of the corporation for the corporate purposes.

Xxx”

RESOLVED, FINALLY, that any one (1) of the President, Corporate Secretary, Asst. Corporate Secretary or any Director of the Corporation is authorized and empowered, for and on behalf of the Corporation, to sign, execute, deliver and cause the submission of the Amended Articles of Incorporation, certified by the majority of the Directors and the Corporate Secretary or Asst. Corporate Secretary, and any and all documents necessary for any and all transactions related to the said amendment of the Articles of Incorporation with the Securities and Exchange Commission, and/or other governmental authorities, to sign, execute and deliver any and all documents, and to do any and all acts, necessary and proper, to give the foregoing resolutions force and effect.”

Based on the tabulation of votes from stockholders attending in person, and votes indicated in the proxies submitted to the Corporate Secretary and validated by SM Investments’ external auditor, SGV & Co., stockholders owning 1,008,401,638 voting shares or 100% of the total number of voting shares represented at the meeting approved the said resolution, no stockholder represented voted against the approval or abstained from voting.

6.0 Ratification of Acts of the Board of Directors and the Management

The next item in the agenda was the ratification of all acts, transactions and contracts entered into, as well as resolutions made and adopted by, the Board of Directors and its duly constituted committees, and the Management of SM Investments from the date of the annual stockholders meeting in 2017 up to the present stockholders’ meeting.

Upon motion made and duly seconded, and with all unqualified votes being cast in favor of the ratification of the acts of the Board of Directors and its duly constituted committees and of Management from April 26, 2017 up to the date of the meeting, the stockholders approved the following resolutions:

RESOLVED, That the acts of the Board of Directors and its duly constituted committees and of Management of SM Investments Corporation (**SM Investments**) from the date of the last annual stockholders' meeting up to the date of this meeting (April 25, 2018), are, in all respects, approved, ratified and confirmed.

RESOLVED, FINALLY, That all contracts, acts, proceedings, elections and appointments made or taken by the Board of Directors, its committees and/or the Management of SM Investments, and all acts and proceedings performed or taken pursuant thereto, be approved, ratified and confirmed.

Based on the tabulation of votes from stockholders attending in person, and votes indicated in the proxies submitted to the Corporate Secretary and validated by SM Investments' external auditor, SGV & Co., stockholders owning 1,007,656,922 voting shares or 99.99% of the total number of voting shares represented at the meeting approved the said resolution. No stockholder voted against the approval, while stockholders owning 744,716 voting shares or .07% of the total number of votes abstained.

7.0 Election of Directors for 2017-2018

The Chairman then proceeded to the election of SM Investments' directors for the year 2018-2019. He announced that in accordance with the By-laws, the Corporate Governance Committee had pre-screened and short-listed all candidates qualified and nominated to the Board of Directors. He thus called upon the Chairman of the Corporate Governance Committee, Mr. Joseph R. Higdon, to present the Corporate Governance Committee's findings and the nominees qualified to be elected to the Board.

Mr. Higdon announced that the following have been nominated and qualified by the Nominations Committee for election of the Board for the year 2018 to 2019:

JOSE T. SIO
TERESITA T. SY
HENRY T. SY, JR.
HARLEY T. SY
FREDERIC C. DYBUNCIO

Independent Directors

JOSEPH R. HIGDON
TOMASA H. LIPANA
ALFREDO E. PASCUAL

Since there were only eight qualified nominees for the eight seats of the Board of Directors, upon motion made and duly seconded, all unqualified votes were cast equally in favor of the nominees in addition to votes for each particular nominee, and such nominees were thus elected to the Board for the period 2017-2018 until their successors shall have been duly elected and qualified. The following resolution was unanimously passed and approved:

RESOLVED, That the following persons are hereby elected directors of SM Investments Corporation for a period of one (1) year and until their successors shall have been duly elected and qualified:

JOSE T. SIO
TERESITA T. SY
HENRY T. SY, JR.
HARLEY T. SY
FREDERIC C. DYBUNCIO

Independent Directors

JOSEPH R. HIGDON
TOMASA H. LIPANA
ALFREDO E. PASCUAL

Based on the tabulation of votes from stockholders attending in person, and votes indicated in the proxies submitted to the Corporate Secretary and validated by SM Investments' external auditor, SGV & Co. the votes received and cast in favor of the said nominees are as follows:

Nominee	Number of shares voting in favor	Number of shares not voting in favor	Number of shares abstained
Jose T. Sio	1,003,423,001	2,462,963	2,923,676
Teresita T. Sy	999,617,117	4,312,293	4,880,230
Henry T. Sy, Jr.	1,006,110,666	1,363,578	1,335,396
Harley T. Sy	1,006,761,197	1,363,578	684,865
Frederic C. DyBuncio	1,006,159,080	1,635,685	1,014,875
Joseph R. Higdon	1,007,342,202	1,363,578	103,860
Tomas H. Lipana	1,007,446,062	1,363,578	-
Alfredo E. Pascual	1,007,446,062	1,363,578	-

8.0 Appointment of External Auditors

The next item in the agenda was the appointment of the external auditor for the year 2018-2019.

The Chairman informed the stockholders that the Audit Committee has previously accepted, pre-screened, and recommended the nomination of SGV & Co. as external auditor of SM Investments for 2018. The Board of Directors then approved the recommendation of the Audit Committee and endorsed to the stockholders the re-appointment of SGV & Co. as SM Investments external auditor for the year 2018.

Upon motion made and duly seconded, and with all unqualified votes being cast in favor of re-appointment of the external auditor, SGV & Co. for the year 2018, the following resolution was unanimously passed and approved:

RESOLVED, That the stockholders approved the appointment of SyCip, Gorres, Velayo & Co., as the external auditor of SM Investments Corporation

for the year 2018 under such terms and conditions as may be approved by the Board of Directors.

Based on the tabulation of votes from stockholders attending in person, and votes indicated in the proxies submitted to the Corporate Secretary and validated by SM Investments' external auditor, SGV & Co., stockholders owning 1,008,556,515 voting shares or 99.99% of the total number of voting shares represented at the meeting approved the said resolution, 245,480 voting shares or .02% voted against and 7,645 voting shares or a negligible percentage abstained in the approval of the resolution.

9.0 Announcement of Cash Dividend

The Chairman announced to the stockholders that the Board at its meeting held prior to the annual meeting of stockholders, declared cash dividends. This cash dividend declaration amounted to approximately PHP: NINE BILLION EIGHT HUNDRED SEVENTY-SEVEN MILLION, FIVE HUNDRED EIGHTY THOUSAND PESOS (₱9,877,580,000.00) or Eight Pesos and Twenty Centavos (₱8.20) per share in favor of all stockholders of record as of May 10, 2018, payable on May 24, 2018.

This is equivalent to thirty percent (30%) of the 2017 Consolidated Net Income of SM Investments Corporation or eighty-nine (89%) of the 2017 net income of SM Investments Corporation (Parent Company).

10.0 Other Matters

The Chairman inquired if there were other matters that could properly be taken up at this meeting. However, Stockholder Mr. Sam Canoa stood up to ask questions.

He inquired as to why SM investments did not join the superconsortium that submitted bids for the rehabilitation of the Ninoy Aquino International Airport. The Vice Chairperson, Ms. Teresita Sy, informed Mr. Canoa that there are enough members in such superconsortium, and airport rehabilitation is not a core or related business of SM Investments.

Mr. Canoa then asked if Belle Corporation is interested to join the government project involving construction of the Sanglely International Airport should the concession agreement between the government and the consortium participants. Vice Chairperson Sy answered that such question may be better raised to the Board of Belle Corporation, and not SM Investments.

As a last point, Mr. Canoa informed the stockholders that SM Investments and BDO were recent recipients of awards given by Reader's Digest Magazine. In recognition of such awards, Mr. Canoa requested the stockholders to give SM Investments a round of applause.

There being no further questions and/or comments from stockholders, the Chairman once again asked the Corporate Secretary if there are other matters that may be taken up during the meeting. The Corporate Secretary answered in the negative.

11.0 Adjournment

There being no further business to transact, the meeting was, upon motion made and duly seconded, adjourned.

ATTEST:

JOSE T. SIO
Chairman of the Stockholders' Meeting

ELMER B. SERRANO
Corporate Secretary

Schedule 1

SM INVESTMENTS CORPORATION
Annual Stockholders' Meeting
Forbes Ballroom, Conrad Manila
Seaside Boulevard corner Coral Way, Mall of Asia Complex, Pasay City
April 25, 2018 at 2:30 p.m.

Record of Attendance

	No. of Shares	Percent
Total number of shares present or represented at the meeting	1,008,809,640	83.75%
Total number of shares outstanding	1,204,582,867 =====	