



INVESTMENTS CORPORATION

MINUTES OF THE ANNUAL MEETING OF THE
STOCKHOLDERS

SM INVESTMENTS CORPORATION

Held at the Function Room 1, SMX Convention Center Manila
Seashell Drive, J.W. Diokno Boulevard, Mall of Asia Complex, Pasay City
April 24, 2019 at 2:30 p.m.

PRESENT:

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 and 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 1,037,463,868 (86.13%)
(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 (**SMIC** or the "**Company**") together with the agenda and the Definitive Information Statement were sent beginning March 26, 2019 to all stockholders of record as of March 25, 2019 by personal delivery and by mail, as well as published in the Philippine Daily Inquirer, The Philippine Star and Manila Bulletin, and on April 1, 2019.

The Corporate Secretary also certified that based on record of attendance, 1,037,463,868 voting shares or 86.13% of the total outstanding capital stock of SMIC as of record date March 25, 2019 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.**), SMIC's 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 25, 2018

The Chairman proceeded to the approval of the minutes of the annual meeting of the stockholders held on April 25, 2018, a copy of the minutes of which was furnished the stockholders as an attachment to the Definitive Information Statement and published in SMIC's 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 25, 2018."

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 SMIC's external auditor, SGV & Co., stockholders owning 1,037,463,868 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 2018

The Chairman then called on Mr. Frederic C. DyBuncio, President and Chief Executive Officer, to deliver the 2018 Annual Report.

Mr. DyBuncio reported that 2018 was a landmark year for SMIC as it marked SM's 60th Anniversary with the Company celebrating this milestone with its people and customers. Today, SM remains focused on customer satisfaction and on delivering value to all its stakeholders.

The Philippine economy continued to be resilient in 2018 despite inflationary headwinds. Against this backdrop, SMIC delivered strong results, surpassing the performance of the economy. Looking at the Company's consolidated results, SM's net earnings grew and revenues rose with the strong performance driven by all of the Company's three core businesses in retail, banking and property.

Retail Business Highlights

Speaking on the financial and operating highlights, Mr. DyBuncio informed the stockholders that retail net income grew 8% to Php11.3 billion while total revenues rose 12% to Php335.6 billion. The department store business under The SM Store opened four branches in new SM malls. This brought the Company's total to 63 stores. It was reported that specialty

retail chains opened an additional 121 stores during the year and delivered significant growth in all categories.

In food retail, it was reported that 210 new stores opened in 2018 across SM Markets, Alfamart and WalterMart. With 79% of these store openings were in the provinces with SM Markets being among the first movers to establish a retail presence in these new areas.

Among the year's biggest milestones were the opening of SM Markets' 300th store. Alfamart also surpassed 500 branches last year.

Mr. DyBuncio also emphasized that the Company is aware of changing trends in shopper habits and continues to evolve to meet customers' needs. This was done by the Company by building comprehensive assets and capabilities with partners to develop online and offline presence, and create end-to-end solutions for customers. These initiatives include Click & Collect options with SM retail stores, electronic wallet and payments, and last-mile delivery.

Property Business Highlights

In Property, it was reported that SM Prime's consolidated net income grew 17% to Php32.2 billion with consolidated revenues increasing 14% to Php104.1 billion. The malls accounted for 57% of the revenue contribution, with 35% from residential and the rest from commercial buildings, hotels and convention centers.

Mall revenues increased 11% to Php59.3 billion from the rising contribution of rental revenues from new and expanded malls. Property revenues were also boosted by the Residential Group led by SM Development Corporation. At the end of the year, the residential business had 63 projects in the market, mostly in Metro Manila as well as in South Luzon and Pampanga.

The rest of SM Prime's businesses - commercial buildings, hotels, and convention centers - posted a combined revenue growth of 7% to Php8.4 billion driven by the commercial properties, in particular, ThreeEcom Center and FiveEcom Center in the Mall of Asia Complex. SM Prime opened five malls, bringing the total to 72 malls in the Philippines and seven in China

Banking Business Highlights

BDO and China Bank both grew strongly during the year per Mr. DyBuncio.

For BDO, its net income rose 17% to Php32.7 billion while net interest income grew by 20% to Php98.3 billion boosted by the expansion in gross customer loans by 15% to Php2.0 trillion. Total deposits went up 14% to Php2.4 trillion. BDO capped a milestone year as the first Philippine bank to breach the 3 trillion peso mark in total assets.

For Chinabank, net income grew 8% to Php8.1 billion in 2018 primarily due to the 17% net interest income growth of Php22.9 billion. Gross loans increased 13% to Php512.9 billion and total deposits grew 14% to Php722.1 billion. Assets also grew 15% to Php866.1 billion.

Equity Investments

The Company's equity investment portfolio also continued to expand as it invested in companies such as Goldilocks and Grab to capture the high growth of upcoming sectors in the Philippine economy.

Global Reporting Initiative Sustainability Summit

Mr. DyBuncio also emphasized the Company's strong commitment to its Environmental, Social and Governance responsibilities by discussing its launch of the first Global Reporting Initiative (GRI) Sustainability Summit in the country, bringing together the various leaders of Philippine business to support alignment with the United Nations Sustainable Development Goals and the UN Global Compact using established GRI standards as the framework to measure impact.

The Company helped realize these goals by following SM's Path to Sustainable Growth. This means providing inclusive economic opportunities, facilitating development, promoting environmental sustainability, creating positive community impact and driving sustainable growth in the communities served by the Company.

As proof of this commitment, this year, one year ahead of the requirements set by the SEC, all listed companies within the SM group published comprehensive sustainability reports, all of which were certified by GRI. For SMIC, this is the 5th time that it has come up with such report.

SM Foundation also published its Sustainability Report, the first foundation in the Philippines to gain GRI Certification.

Recognitions

The recognition received by the Company was reported. Among the many awards received, Forbes named SM and BDO among the Top 250 of the 2018 Global 2000-Best Regarded Companies highlighting said companies' trustworthiness, social conduct and fairness.

Likewise, SM and BDO ranked among the Top 200 companies in the Forbes 2018 Global 2000-World's Best Employers. Both companies received high approvals in image, governance, working conditions and diversity.

SM also garnered seven ASEAN Corporate Governance Awards for leadership and best practices in the region. SM Prime, China Bank and SMIC were the Top 3 ranked companies for Governance in the Philippines.

Outlook

To wrap-up his report, Mr. DyBuncio committed to continue enhancing efficient operations across the group and strengthening the abilities to deliver long-term aspirations for a sustainable future.

He also said that the Company shall continue to invest in technology to better serve its customers' needs; to uphold the principle that social development goes hand in hand with business growth; and to pursue opportunities to provide additional value to stakeholders.

Lastly, Mr. DyBuncio took the opportunity to remember and pay tribute to Mr. Sy, Sr. by recalling the dream, vision and resolve that Mr. Sy, Sr. has contributed in building a world class businesses premised on customer satisfaction which was instrumental in transforming SM into what it is today. This dream lives on in the more than 5,000 SM Foundation scholar-graduates, in over 23,000 farmer beneficiaries and in nearly 12 million families who have benefitted from SM's social programs as well as in the countless individuals and communities touched by SM.

The Chairman 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, 2018 of SMIC 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, 2018 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 SMIC's external auditor, SGV & Co., stockholders owning 1,037,463,868 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 Annual Report and the Audited Financial Statements as of December 31, 2018.

5.0 Amendment of the Second Article of the Articles of Incorporation

Moving on to the next item in the agenda, the Chairman 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 SMIC's purpose the authority to collect and charge for the use of its intellectual property rights.

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 Article of Incorporation as follows:

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

xxx

(f) To own, purchase, license, acquire obtain an interest in, hold, pledge, mortgage, assign, deposit, create trusts with respect to, exchange, sell and/or otherwise dispose, charge royalties for, any and all intellectual property rights as may be necessary for the furtherance of its business.'

"RESOLVED, FINALLY, that any one (1) of the President, Corporate Secretary, Asst. Corporate Secretary or any Director of the Corporation is hereby authorized and empowered, for and on behalf of the Corporation, to sign, execute, deliver and cause the submission of the Amended Articles of Incorporation of the Corporation, 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 of the Corporation to 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 SMIC's external auditor, SGV & Co., stockholders owning 1,037,463,868 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 Amendment of the Fourth Article of the Articles of Incorporation

The next item discussed was the approval of the amendment of the Fourth Article of the Articles of Incorporation.

Per the Chairman, the Fourth Article of the Articles of Incorporation is being amended pursuant to the Revised Corporation Code which now allows corporations to exist in perpetuity and that such amendment will allow the SMIC to have a perpetual term of existence.

On motion made and duly seconded, and with all unqualified votes being cast in favor of the approval of the amendment of the Fourth 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 Fourth Article of its Article of Incorporation as follows:

'FOURTH: That the term of the corporation **shall be perpetual.**'

"RESOLVED, FINALLY, that any one (1) of the President, Corporate Secretary, Asst. Corporate Secretary or any Director of the Corporation is hereby authorized and empowered, for and on behalf of the Corporation, to sign, execute, deliver and cause the submission of the Amended

Articles of Incorporation of the Corporation, 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 of the Corporation to 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 SMIC’s external auditor, SGV & Co., stockholders owning 1,037,463,868 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.

7.0 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 SMIC from the date of the annual stockholders meeting in 2018 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 25, 2018 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 (the **‘Corporation’**) from the date of the last annual stockholders' meeting up to the date of this meeting (April 24, 2019), 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 SMIC, 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 SMIC’s external auditor, SGV & Co., stockholders owning 1,037,421,858 voting shares or 99.99% of the total number of voting shares represented at the meeting approved the said resolution, 42,010 voting shares or a negligible percentage voted against the approval, and no voting shares abstained in the approval of the resolution.

8.0 Election of Directors for 2018-2019

The Chairman then proceeded to the election of SMIC’s directors for the year 2019-2020. 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. The Board of Directors then approved the recommendation of the Corporate Governance Committee. The Chairman 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 Corporate Governance Committee for election of the Board for the year 2019 to 2020:

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

Independent Directors

TOMASA H. LIPANA
ALFREDO E. PASCUAL
ROBERT G. VERGARA

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 2018-2019 until their successors shall have been duly elected and qualified. The following resolution was 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

TOMASA H. LIPANA
ALFREDO E. PASCUAL
ROBERT G. VERGARA

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 SMIC's 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	1,029,949,752	3,591,017	3,923,099

Teresita T. Sy	1,029,009,295	5,583,426	2,871,147
Henry T. Sy, Jr.	1,033,692,700	2,836,191	934,977
Harley T. Sy	1,033,971,304	2,836,191	656,373
Frederic C. DyBuncio	1,032,348,920	3,591,017	1,523,931
Tomasa H. Lipana	1,035,456,790	1,234,358	772,720
Alfredo E. Pascual	1,035,463,060	1,234,358	766,450
Robert G. Vergara	1,036,179,050	1,284,818	-

Before proceeding, the Chairman took time to acknowledge and thank Mr. Higdon for the years of valuable service to SMIC's Board.

9.0 Appointment of External Auditors

The next item in the agenda was the appointment of the external auditor for the year 2019-2020.

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 SMIC for 2019. The Board of Directors then approved the recommendation of the Audit Committee and endorsed to the stockholders the re-appointment of SGV & Co. as SMIC's external auditor for the year 2019.

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 2019, the following resolution was passed and approved:

"RESOLVED, That the stockholders of SM Investments Corporation approve the appointment of SyCip Gorres Velayo & Co., as the external auditor of SM Investments Corporation for the year 2019 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 SMIC's external auditor, SGV & Co., stockholders owning 1,035,180,865 voting shares or 99.78% of the total number of voting shares represented at the meeting approved the said resolution, 2,276,733 voting shares or .22% voted against, and 6,270 voting shares or a negligible percentage abstained in the approval of the resolution.

10.0 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 PHP: TEN BILLION, NINE HUNDRED EIGHTY-SIX MILLION PESOS (₱10,986,000,000.00) or Nine Pesos and Twelve Centavos (₱9.17) per share in favor of all stockholders of record as of May 9, 2019, payable on May 23, 2019.

This is equivalent to one hundred percent (100%) of the 2018 Net Income of SM Investments Corporation (Parent Company) and represents an eleven percent (11%) growth in dividend pay-out from 2018.

11.0 Other Matters

The Chairman inquired if there were other matters that could properly be taken up at this meeting. The Corporate Secretary answered in the negative.

12.0 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
Function Room 1, SMX Convention Center Manila
Seashell Drive, J.W. Diokno Boulevard, Mall of Asia Complex, Pasay City
April 24, 2019 at 2:30 p.m.

Record of Attendance

	No. of Shares	Percent
Total number of shares outstanding	1,204,582,867	
Total number of shares present or represented at the meeting	1,037,463,868	86.13%
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