



SMINVESTMENTS

Note: Pending stockholders' approval at the 2024 Annual Stockholders' Meeting

MINUTES OF THE ANNUAL MEETING OF THE
STOCKHOLDERS

SM INVESTMENTS CORPORATION

On April 26, 2023, 2:30 p.m.
Held In-Person at the Function Room 1, SMX Convention Center Manila,
Seashell Lane, Mall of Asia Complex, Pasay City,
with Livestreaming via Zoom

PRESENT:

DIRECTORS

JOSE T. SIO

Chairman
Adviser, Executive Committee
Member, Audit Committee
Member, Risk Management Committee
Member, Compensation Committee
Member, Related Party Transaction Committee

TERESITA T. SY

Vice-Chairperson
Chairperson, Executive Committee
Chairperson, Compensation Committee

**HENRY T. SY, JR.
HARLEY T. SY**

Vice-Chairman
Executive Director

FREDERIC C. DYBUNCIO

Member, Executive Committee
President and Chief Executive Officer
Member, Executive Committee

TOMASA H. LIPANA

Lead Independent Director
Chairperson, Audit Committee
Member, Corporate Governance Committee

ROBERT G. VERGARA

Independent Director
Chairman, Risk Management Committee
Member, Corporate Governance Committee Member,
Related Party Transaction Committee

RAMON M. LOPEZ

Independent Director
Chairman, Corporate Governance Committee
Chairman, Related Party Transaction Committee
Member, Audit Committee
Member, Compensation Committee
Member, 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 L. DOMINGO

Adviser to the Board

ROBERTO G. MANABAT

Independent Adviser

FRANKLIN C. GOMEZ

Corporate Information Officer

ATTY. ELMER B. SERRANO

SVP – Finance

ATTY. ARTHUR A. SY

Corporate Secretary

Assistant Corporate Secretary

TIMOTHY DANIELS

SVP – Legal

Consultant, Investor Relations

Stockholders present via remote attendance or represented by proxy

1,064,737,807 shares (87.13% of Outstanding Shares)
(Please see Record of Attendance attached as Annex A)

1. Call to Order

The meeting opened with the Philippine National Anthem. The host, Mr. Timothy Daniels, then acknowledged the presence of all directors and key officers of SM Investments Corporation (SMIC or the Company).

Mr. Jose T. Sio, Chairman of the Board, welcomed the stockholders and guests to the Annual Stockholders' Meeting of the Company. The Chairman then called the meeting to order. Atty. Elmer B. Serrano, Corporate Secretary, recorded the minutes of meeting.

2. Certification of Notice and Quorum

Before proceeding with the meeting, the Chairman requested the Corporate Secretary to certify to the posting and publication and existence of a quorum.

The Corporate Secretary certified that, in compliance with the rules issued by the Securities and Exchange Commission, notice of the meeting, the Definitive Information Statement, along with the Company's "Guidelines for Registering, Participating via Remote Communication and In-Person, and Voting in Absentia" were uploaded via PSE EDGE and posted on the Company's website beginning March 23, 2023. Further, the Corporate Secretary certified that the same notice of meeting was published on March 27 and 28, 2023, both in print and online format, in the Business Section of the Manila Times and Business World.

The Corporate Secretary also certified that based on record of attendance, stockholders participating in the meeting in person and by proxy represent 1,064,737,807 common shares, representing 87.13% of the issued and outstanding capital stock of the Company as of record date of March 27, 2023. He then certified that a quorum was present for the transaction of business by the stockholders.

The Corporate Secretary announced that SyCip Gorres Velayo & Co. has been engaged as third-party tabulator of votes cast for the meeting. He also informed participants that the meeting will be recorded.

3. Approval of Minutes of the Annual Stockholders' Meeting held on April 27, 2022

The Chairman proceeded to the next item in the agenda which is the approval of the minutes of the annual meeting of stockholders held on April 27, 2022. A copy of the minutes was posted on the Company's website soon after last year's annual meeting adjourned. The minutes have also been appended to the Definitive Information Statement for this meeting.

The Corporate Secretary stated for the record that unqualified votes cast for each item for approval shall be counted in favor of the matter under consideration.

The Corporate Secretary then presented the tabulation of votes for the approval of the minutes:

| In Favor | | Against | | Abstain | |
|---------------|--|---------------|--|---------------|--|
| No. of Shares | % of Total Number of Shares Represented at the Meeting | No. of Shares | % of Total Number of Shares Represented at the Meeting | No. of Shares | % of Total Number of Shares Represented at the Meeting |
| 1,064,594,912 | 99.99% | 0 | Nil | 142,895 | 0.01% |

With the above votes in favor, the following resolution was passed and adopted:

"RESOLVED, that the minutes of the annual meeting of stockholders held on April 27, 2022 are approved."

4. Approval of 2022 Annual Report and 2022 Audited Financial Statements

The Chairman then requested Mr. Frederic C. DyBuncio, President, to render his report on the results of operations for 2022.

The President first welcomed the shareholders to the SMX Convention Center as they resume the stockholders' meeting in-person, after three years of virtual meetings. He reported that 2022 has been an exceptional year for SMIC and proceeded to share the milestones of the Company for the past year.

The President first reported that 2022 was a year of remarkable growth, sustained benefits to our communities, impact towards the Company's key advocacies, and record results. He noted that Philippine GDP grew by 7.6%, remittances by overseas Filipino workers grew by 3.6% and unemployment fell to 4.3%, all of which created an environment of economic activity, active growth, and strong consumer confidence.

The President stated that the Company was conscious of inflationary risks and adapted business operations and customer offerings accordingly. As a result, all the Company's businesses participated in the reopening of the economy and delivered good growth. He added that the strong financial performance last year was driven by all three core businesses—retailing, banking and property — as well as a significant contribution to the consolidated earnings by the Company's portfolio investments. He reported that Banking contributed 45% to net income, with property accounting for 23%, retail contributing 21% and portfolio investments the remaining 11%. He also reported that the Company was able to improve operating margins across its businesses due to the rigorous review of efficiencies and cost saving actions taken over the last two years. Overall, SM grew consolidated revenues by 28% to PHP54 billion and earnings by 53% to PHP6 billion in 2022 which exceeded pre-pandemic performance.

The President then discussed that the Company continues to build its asset base and maintain a conservative balance sheet. The total assets increased 9% to PHP1.5 trillion. The Company's gearing improved to 35% net debt to 65% total equity.

On Banking, the President reported that banks started the year from a position of strength, having already recovered from the pandemic in 2021. In 2022, they showed revenue growth across their core activities, with lower non-performing loans than provided for and strong balance sheets in place.

BDO's non-performing loan (NPL) ratio dipped to 1.95% while NPL coverage strengthened to 167%. Rising interest rates helped improve margins, and positive business sentiment helped deliver profit growth. BDO's net income increased by 33% to PHP57.1 billion, driven by robust growth across its core businesses. Gross customer loans went up by 9% year-on-year on broad-based growth due to the economic re-opening. Total deposits and net interest income both grew by 14%.

He then discussed that China Bank also posted better than expected financial results on the back of robust operating income and effective cost management. Consolidated net income grew by 27% to PHP19.1 billion. Total revenues increased by 14% to PHP55.7 billion, driven by the 17% jump in net interest income to PHP45.6 billion. Its net loans rose by 15% on brisk business and consumer lending. It recorded better than industry NPL ratio and NPL coverage ratio of 2.3% and 123%, respectively. Total deposits also reached PHP1.1 trillion, 24% higher on sustained growth across deposit products.

On Retail, the President then proceeded to report that normalized movement and social activity resumed from the second quarter onwards and resulted in strong growth in the Company's retailing businesses, particularly in non-food formats. He added that there was pent up 'revenge spending' as consumers resumed shopping and going out. This sustained spending that benefited the Company's wide portfolio of brands as customers returned to higher earnings and daily social activity. As a result, SM Retail grew revenues by 24% to PHP378.2 billion. Net income increased 86% to PHP17.9 billion.

On Property, the President discussed that the optimism in the economy also enabled the Company's malls to return to full rental arrangements with their tenants by the mid-year. The Company's property arm, SM Prime, delivered strong growth with high tenant occupancy and foot traffic above pre-pandemic levels. SM Prime Holdings reported growth of 38% in consolidated net income to PHP30.1 billion and an increase in consolidated revenues by 29% to PHP105.8 billion. Philippine mall business revenues more than doubled to PHP49.8 billion. With the resumption of full rental fees in the second half of 2022, SM Prime's local mall rental income grew 92% to PHP44.1 billion. SM Prime's residential arm led by SM Development Corp. reported PHP40.1 billion in revenues while its reservation sales slightly grew to PHP102.0 billion. SM Prime's office and hotel and convention center businesses also grew 59% in revenues to PHP10.5 billion with the resumption in tourism activities.

On new businesses, the President also reported that the Company has invested in several related businesses in recent years, identifying where it can add value to the Company's partners from synergies within the SM ecosystem. This is part of SMIC's strategy to participate in emerging high growth sectors and create market leaders in them. He added that in 2022, SMIC increased its involvement in the logistics sector, bringing its stake in Airspeed to 51%. The Company also hiked its stake in geothermal steam for renewable energy generation, acquiring 100% of Philippine Geothermal Production Company (PGPC). Meanwhile 2GO, the Company's end-to-end logistics partner, delivered turnaround profits last year, and other partner businesses continued to innovate and grow.

He added that the Company is particularly optimistic about these opportunities and that all companies active in SMIC's portfolio investments are currently profitable. They collectively contributed 11% of consolidated earnings last year and it is expected to increase over time.

The President then proceeded to discuss the Company's business expansion. He reported that SMIC was able to focus on the Company's long-term strategy of expanding its footprint nationwide. He stated that the Company opened new stores, malls, residences and bank branches, allowing SMIC to reach and serve more Filipinos. He reported that upon seeing economic growth strengthen in the provinces, new malls and retail stores were opened in Roxas, Tanza, Sorsogon, and Tuguegarao last year. The expansion efforts resulted in the addition of 348 new retail stores, with especially strong expansion of over 200 new stores by Alfamart, 300,000 square meters of mall floor area and over 100 new bank branches. Most of this new footprint was outside Metro Manila last year.

The President then discussed that as the Company grows, it works to create and share value with its partners and its communities. Last year, SMIC carried on with its key social advocacies. The Company provided access to food security through farmer's training, quality education through school building and scholar programs, and healthcare through facilities building and medical missions. SM Supermalls was also the biggest private sector partner of the government to vaccinate Filipinos in the country. It administered more than 10.5 million doses of COVID-19 vaccines nationwide in 2022, using its nationwide mall network as vaccination centers. The Company also continues to champion inclusive societies. He added that within SMIC's workplace, the first Group Diversity Officer was appointed to develop and ensure a group-wide approach in promoting diversity, equity, inclusion and belonging among its people. This mirrors the same inclusivity offered to customers and other stakeholders.

The President then discussed the Company's environmental advocacies. He reported that they partnered with WWF to host a conference for private and public sector action towards climate change last year and to launch a private sector climate alliance. The Philippines' unique exposure as one of the most at-risk countries to climate change calls for concerted efforts. This

is both towards reducing emissions and towards critical adaptation efforts, where SM remains a leading advocate. SMIC took actions on both fronts.

The President also reported that SMIC published its Climate Position this year as a part of its commitments under TCFD, the Task Force on Climate-related Financial Disclosures. The group made a number of moves towards using, funding and driving renewable energy growth in the Philippines. Among these, SM Prime notably achieved at least 50% of its energy use in its malls coming from renewable sources last year. BDO continues to be a leader in funding the development of renewable energy, a national priority with a portfolio of 58 projects being funded. BDO also issued the first private sector Blue Bond in Southeast Asia, providing funding for projects to preserve clean water resources, help prevent marine pollution and support the country's climate goals.

On the Company's Climate Advocacy, the President discussed that Retail is working towards consumer awareness and advocacy of green choices through the launch of the Green Finds program. He added that they also continued to plant trees. The Company has so far planted and nurtured over 2.6 million trees and saplings through SM Foundation, Belle, Hamilo Coast and Carmen Copper. Last year, the Company launched the Grow Trees Community through SM Foundation working with Fast Retailing Foundation. The program focuses on the development of long-term reforestation by involving an ecosystem of partners to care for the trees, especially after they are planted as seedlings.

The President also reported that the Company was recognized by leading awards bodies for efforts in a number of areas. The President reported that SMIC was Top Rated by Sustainalytics ESG rating agency in two categories last year – top among diversified financial companies globally, and top among all companies in Asia Pacific. Forbes Magazine included SM among its World's Best Employers. Meanwhile 6 companies within the group were highly recognized by the ASEAN Corporate Governance Scorecard awards. He added that SMIC remains committed to advancing the principles of the UN Global Compact and taking action towards delivering the UN Sustainable Development goals.

He stated that heading into 2023, SMIC remains optimistic as a group. The Company is focused on expansion around the country especially in emerging regional centers and on ensuring that its ecosystem of businesses work together to create shared value for all our stakeholders. The majority of the Company's expansion is focused on the regions outside of Metro Manila. This is spurred by improvements in employment and the increasing quality of education and connectivity in these areas. A large chunk of the OFW remittances in the Philippines are also going to the provinces, driving revenues and growth. Continued BPO expansion is also providing employment in the regions. BPO revenues are now equal to the OFW remittances in amounts that are estimated at over USD30 billion. There are also companies that are beginning to look at the Philippines on the light manufacturing side. Given these, opportunities for growth in the Philippines remain high. The Company's businesses are well-positioned and have clear strategies to participate in this strong growth.

To close his report, the President recognized and expressed gratitude to the Company's customers, its people, its partners in both business and in the public sector, as well as the many stakeholders across the country for continuing to trust in and support SMIC in its ambitions to grow and help serve communities nationwide.

The Chairman thanked the President for his report and asked the Corporate Secretary to announce the results of voting. The Corporate Secretary presented the tabulation of votes:

| In Favor | | Against | | Abstain | |
|---------------|--|---------------|--|---------------|--|
| No. of Shares | % of Total Number of Shares Represented at the Meeting | No. of Shares | % of Total Number of Shares Represented at the Meeting | No. of Shares | % of Total Number of Shares Represented at the Meeting |
| 1,062,968,310 | 99.83% | 290,735 | 0.03% | 1,478,762 | 0.14% |

With the above votes in favor, the following resolution was passed and adopted:

"RESOLVED, that the 2022 Annual Report and the 2022 Audited Financial Statements are approved."

5. **Announcement of Cash Dividends**

The Chairman then announced that at the recently adjourned regular meeting of the Board of Directors, the Board approved a cash dividend amounting to approximately Php9.2Billion or Php7.50 per share in favor of all stockholders of record as of May 11, 2023, and payable on May 25, 2023.

6. **Approval and Ratification of the Acts of the Board of Directors, Board Committees and Management**

The next item in the agenda is the ratification of all acts, transactions and contracts entered into, as well as resolutions made and adopted by the Board of Directors, Board Committees and carried out by Management during their term, or from the date of the last annual stockholders' meeting up to this meeting. These corporate acts are detailed in the Definitive Information Statement provided to all stockholders of record.

The Corporate Secretary presented the tabulation of votes:

| In Favor | | Against | | Abstain | |
|-----------------|--|----------------|--|----------------|--|
| No. of Shares | % of Total Number of Shares Represented at the Meeting | No. of Shares | % of Total Number of Shares Represented at the Meeting | No. of Shares | % of Total Number of Shares Represented at the Meeting |
| 1,062,408,715 | 99.78% | 799,454 | 0.08% | 1,529,638 | 0.14% |

With the above votes in favor of approval, the following resolution was passed and adopted:

"RESOLVED, that the acts of the Board of Directors, Board Committees and Management during their term or from the date of the last annual stockholders' meeting up to this meeting are ratified and approved."

7. **Election of Directors for 2023-2024**

The next item in the agenda is the election of directors for the year 2023-2024. The Chairman requested the Mr. Ramon M. Lopez, Chairman of the Corporate Governance Committee, to present the nominees to the Board.

Mr. Lopez stated that the Corporate Governance Committee has pre-qualified and short-listed candidates qualified to be elected to the Board of Directors. He then announced the names of the following qualified nominees to the Board for 2023-2024:

1. Mr. Jose T. Sio
2. Ms. Teresita T. Sy
3. Mr. Henry T. Sy, Jr.
4. Mr. Harley T. Sy
5. Mr. Frederic G. DyBuncio
6. Ms. Tomasa H. Lipana as Independent Director
7. Mr. Robert G. Vergara as Independent Director
8. Mr. Ramon M. Lopez as Independent Director

The Corporate Secretary thereafter presented the percentage of votes garnered by each of the nominees:

| Nominee | No. of Votes |
|--------------------------|---------------|
| Mr. Jose T. Sio | 1,041,035,859 |
| Ms. Teresita T. Sy | 1,039,701,327 |
| Mr. Henry T. Sy, Jr. | 1,055,428,244 |
| Mr. Harley T. Sy | 1,057,774,108 |
| Mr. Frederic C. DyBuncio | 1,059,069,755 |
| Ms. Tomasa H. Lipana | 1,053,311,942 |
| Mr. Robert G. Vergara | 1,063,578,299 |
| Mr. Ramon M. Lopez | 1,063,279,440 |

The Corporate Secretary then announced that since there are only eight (8) nominees and with the votes received, all nominees have obtained sufficient votes for election. The following resolution was therefore passed and adopted:

“RESOLVED, that following are elected to the Board of Directors of SM Investments Corporation for 2023-2024, to serve as such directors until their successors have been duly qualified and elected:

1. Mr. Jose T. Sio
2. Ms. Teresita T. Sy
3. Mr. Henry T. Sy, Jr.
4. Mr. Harley T. Sy
5. Mr. Frederic G. DyBuncio
6. Ms. Tomasa H. Lipana as Independent Director
7. Mr. Robert G. Vergara as Independent Director
8. Mr. Ramon M. Lopez as Independent Director

8. Appointment of External Auditor

The next item in the agenda is the appointment of the Company’s external auditor for 2023. The Chairman informed the stockholders that the Audit Committee processed and screened the nominees for external auditor and recommended, as confirmed by the Board of Directors, the appointment of SyCip, Gorres, Velayo & Co. as external auditor for 2023.

The Corporate Secretary then announced the results of voting:

| In Favor | | Against | | Abstain | |
|---------------|--|---------------|--|---------------|--|
| No. of Shares | % of Total Number of Shares Represented at the Meeting | No. of Shares | % of Total Number of Shares Represented at the Meeting | No. of Shares | % of Total Number of Shares Represented at the Meeting |
| 1,063,081,788 | 99.84% | 1,513,103 | 0.14% | 142,916 | 0.01% |

With the above votes in favor of approval, the following resolution was passed and adopted:

"RESOLVED, that the appointment of SyCip, Gorres, Velayo & Co. as external auditor for 2023 is approved."

9. Open Forum

The Chairman then proceeded with the Question-and-Answer portion of the meeting. The host explained that the floor will be first open to persons attending in-person. He then added that all stockholders of record were allowed to submit questions via email to

<asm@sminvestments.com> not later than April 24, 2023. The Chairman thanked the stockholders for sending their questions and comments. Shareholders were also allowed to send their questions or comments through the chat box of the livestream.

The first question was “After such good results last year, what will be the company’s strategy to keep growing in 2023 and beyond?”

The President answered that the Company’s strong performance in 2022 was the result of good market conditions and all of the Company’s businesses performing well as the economy improved. In 2023, the Company remains cautiously optimistic about good economic conditions continuing. He added that all of the Company’s businesses are leaders in their sectors. But as a country, the retail, banking and property sectors are all still at an early stage of development. There is tremendous opportunity to expand to serve more Filipinos, especially in the provinces. This will be the core driver of the Company’s future growth, even as GDP rises and more Filipinos become active consumers. He stated that SMIC’s investments in other businesses give the Company exposure to new high growth sectors – in areas like logistics, to join up the regions, and in renewable energy, to meet national needs. In 2022, these businesses contributed 11% of group earnings, and they hope to increase this contribution.

The next question was “What is SM doing about climate change?”

The President answered that the Company takes climate change seriously as an urgent global priority and that it has many programs in place across the group to address climate change.

He discussed that SMIC measures and reports its carbon footprint and that it is working with WWF to understand how to put realistic science-based targets in place in each of the Company’s businesses to reduce footprint. Some of businesses of the Company, like SM Prime and NEO, are already well advanced in this. They optimize their operations, minimize their energy use, and use renewable energy as much as is possible. All businesses are looking for solutions. The Philippines needs more clean energy, though, which is why BDO is funding 58 renewable energy projects. It is also why SM Investments recently acquired PGPC, a provider of clean geothermal steam for electricity generation. He added that as one of the most at-risk countries, the Philippines also needs to prioritize how to adapt to a future of likely worse weather patterns. SMIC is a leader in this and dedicate 10% of our capex to disaster resilience – for SMIC and for the communities around IT.

The Chairman noted how the country has been experiencing the effects of climate change recently and emphasized the relevance of addressing this issue. He stated that, for this reason, SMIC continues to take action in minimizing its effects.

The Chairman thanked the shareholders for their questions and the President for answering the questions.

10. Other Matters

The Chairman inquired if there were other matters that could properly be taken up at the meeting. The Corporate Secretary confirmed that there were none.

11. Adjournment

There being no further business to transact, the Chairman thanked everyone who joined the meeting wished everyone good health. Thereafter, the meeting was adjourned.

CERTIFIED CORRECT:

ELMER B. SERRANO

Corporate Secretary

ATTESTED BY:

JOSE T. SIO

Chairman

Annex A

SM Investments Corporation
Annual Stockholders' Meeting
April 26, 2023, 2:30 p.m.

Record of Attendance

| | |
|---|---------------|
| Total number of voting shares outstanding | 1,222,023,358 |
| Total number of shares present or represented by proxy | 1,064,737,807 |
| Attendance percentage | 87.13% |