



INVESTMENTS CORPORATION

MINUTES OF THE ANNUAL MEETING OF THE STOCKHOLDERS OF

SM INVESTMENTS CORPORATION

Held at Function Room 3, 2nd Floor, SMX Convention Center Manila
Seashell Drive, Mall of Asia Complex
April 26, 2017 at 2:30 p.m.

INCUMBENT DIRECTORS PRESENT:

HENRY T. SY, SR.	Chairman
	Vice-Chairperson
TERESITA T. SY	Chairperson, Compensation Committee
	Member, Audit Committee
	Member, Risk Management Committee
	Chairperson, Executive Committee
HENRY T. SY, JR.	Vice-Chairman
HARLEY T. SY	Director and President
	Director
	Executive Vice President and Chief Financial Officer
JOSE T. SIO	Adviser, Audit Committee
	Member, Compensation Committee
	Member, Executive Committee
	Independent Director
AH DOO LIM	Chairman, Corporate Governance Committee
	Member, Audit Committee
	Member, Risk Management Committee
	Independent Director
JOSEPH R. HIGDON	Chairman, Risk Management Committee
	Member, Corporate Governance Committee
	Member, Compensation Committee
	Independent Director
TOMASA H. LIPANA	Chairman, Audit Committee
	Member, Corporate Governance Committee

ALSO PRESENT:

ELIZABETH T. SY	Adviser to the Board
HANS T. SY	Adviser to the Board
HERBERT T. SY	Adviser to the Board
ATTY. CORAZON I. MORANDO	Adviser to the Board
ROBERTO G. MANABAT	Adviser to the Board
ELMER B. SERRANO	Corporate Secretary
MARIANNE M. GUERRERO	Assistant Corporate Secretary

Stockholders present in person or represented by proxy 1,034,286,087 (85.86%) (Please see Record of Attendance attached as Schedule 1)

1.0 Call to Order

Mr. Henry T. Sy, Jr., Vice 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 together with the agenda and the Definitive Information Statement were sent beginning March 28, 2017 to all stockholders of record as of March 27, 2017 by BDO Trust and Investments Group, the Transfer Agent of SM Investments Corporation (the "Corporation") by personal delivery and by mail, as well as published in the Manila Bulletin, Business World and Philippine Star on April 3, 2017, in accordance with the Amended By-Laws of the Corporation, and published on the website of the Corporation, www.sminvestments.com.

The Corporate Secretary certified that based on the proxies submitted and validated, as well as the registration record of those personally present at the meeting, that 1,034,286,087 voting shares or 85.86% of the aggregate number of 1,204,582,867 shares issued, outstanding and entitled to vote, were either present in person or represented by proxy at the meeting. 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., the Corporation'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 27, 2016

The Chairman proceeded to the approval of the Minutes of the annual meeting of the stockholders held on April 27, 2016, a copy of the minutes of which was furnished the stockholders as an attachment to the Definitive Information Statement and published in the Corporation'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 27, 2016, a copy of which is hereto attached as Annex ‘A’.”

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 the Corporation’s external auditor, SyCip, Gorres, Velayo & Co., stockholders owning 1,034,286,137 voting shares or 85.86% 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 2016

The Chairman then called on Mr. Frederic C. DyBuncio, Executive Vice President, to deliver the President’s annual report on operations on behalf of the Corporation’s President, Mr. Harley T. Sy.

Mr. DyBuncio reported that 2016 was another remarkable year for SM Investments Corporation. A strong macro-economic environment provided momentum to the Company’s growth, which benefitted SMIC’s core businesses in retail, banking and property development.

Mr. DyBuncio highlighted key milestones for the Company, namely: (1) completion of the merger of the department stores and food retailing business with a number of leading local specialty retail chains; (2) the opening of the 5-star hotel, the Conrad Manila; (3) in banking, BDO Unibank completed the integration of One Network Bank, a leading rural bank it acquired in Mindanao; (4) to fund some of the Company’s activities, last year the Company raised PHP20 billion from an offering of 7-year retail bonds with a fixed rate of 5.159% per annum.

Afterwards, Mr. DyBuncio discussed the financial results for 2016. He informed the shareholders that revenue increased while the net earnings also remained strong.

A discussion on the Retail, Property and Banking segments of the Company was also given.

Mr. DyBuncio also highlighted SMIC’s equally strong commitment to Environmental, Social and Governance (ESG) responsibilities. He invited the audience to look at the provided ESG report which has now been published and have been aligned with Global Reporting Initiative Standards. It discusses in detail the Company’s many milestones in sustainability and has received several awards and positive ratings

It was discussed that SMIC continues to align its Corporate Social Responsibility and sustainability programs with the 17 Sustainable Development Goals set by the United Nations with particular focus on four areas. Mr. DyBuncio further highlighted the particular efforts extended by the SMIC Group to various sectors.

The future plans of the Company in the Retail, Banking and Property segment was report by Mr. DyBuncio. Looking ahead, SM is well-positioned to take advantage of the economy’s momentum and potential to achieve higher growth. The government’s plan for investment in infrastructure, agriculture and tourism is a welcome sign in expanding the Company’s presence across the country.

Further, Mr. DyBuncio said that SM Investments also has the opportunity to build its portfolio of investments in complementary businesses that will help SMIC capture the high growth of the Philippine economy. Currently the Company’s portfolio includes stakes in strong assets. Mr. DyBuncio stated confidently that the Company’s investments will help SMIC to continue its strong track record of outperformance.

A highlight of the many awards and citations that SM Investments received in 2016 was made. Mr. DyBuncio made specific mention of the Management Association of the Philippines' prestigious Management Man of the Year, which was given to Ms. Teresita T. Sy-Coson, Vice Chairperson of SM Investments.

To end his report, Mr. DyBuncio, on behalf of the Board and management of SM Investments, thanked the Company's stakeholders for their hardwork, support and confidence.

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

1. Mr. Alfred Reiterer representing Philippine Active Shareholders Association, Inc. Mr. Reiterer congratulated the SMIC for a good financial performance and inquired as to whether the Company has any plans of listing the retail portfolio in the Philippine Stock Exchange.

Vice Chairperson Teresita Sy answer that it has no plans of listing at this time. She said the Company will think about such listing when the time is right and it will create more value for the shareholders.

On ASEAN integration, Mr. Reiterer asked should the Company expand in another country, in what area will it be: property, retail or banking? Vice Chairperson Sy answered that it will be more on the property side, and maybe the portfolio investment. However, Vice Chairperson emphasized that the Company is not there yet. We are always looking into what will add value to the shareholders so the Company is usually studying and planning such possibilities. However, until such time that the Company is sure that it will add value to the shareholders, then the Company is still not doing it.

Lastly, Mr. Reiterer asked whether the Company believes that the new government will make it attractive to create real estate investment trust and does SM plan going such route? Vice Chairman Henry Sy, Sr. replied that the Company is still waiting for the government's directive so we don't have any idea on where it is heading right now. Vice Chairperson Sy further added that as far as the economy is concerned, even though it might be difficult for some people to understand, SMIC has good growth and she believes that it continue for the next few years.

2. Mr. Alfredo Parungao representing the Shareholders' Association of the Philippines wanted to know if the Company has considered certain business risk in the business and if the Company could share these business risks and how it is being addressed. Vice Chairperson informed Mr. Parungao that the Company has a risk management team and turned over the floor to Mr. Franklin Gomez, acting Chief Risk Officer for the Company.

Mr. Gomez answered in the affirmative regarding the Company tracking certain risk involving the business of the Company. Discussing the specifics can be lengthy but overall the Company look into include the geopolitics of the world that could impact the Philippines. The Company also looks at local threats including terrorism, natural calamities to which we are prone to. Credit risk in the country, in general, is also looked into considering the Company is large consumer of capital and therefore borrowing rates will impact our plans moving forward. The Company has certainly looked into corporate governance and it is extremely committed to raising the standards all the time. We are watchful of upcoming regulation tightening corporate governance to make sure that we keep pace, or are ahead in this area. Director Tomasa H. Lipana also added that Note 29 of the Audited Financial Statement also enumerates some of the risk that the Company considers.

3. Stockholder Mr. Sam Canoa inquired on the schedule of the other business operation in the SM malls, BDO, Chinabank this coming Friday, April 28 (ASEAN Meeting). Vice Chairperson Henry Sy, Jr. replied that it will be business as usual. There will be traffic rerouting but the businesses under the Company will be open to service the clients and customer that will be coming in the Mall of Asia.

Mr. Canoa then asked about Atlas Mining and if the mining review of the Department of Environment and Natural Resources (DENR) affect the performance of Atlas. Vice Chairman Sy turned over the floor to Mr. Frederic DyBuncio, Executive Vice President. Mr. DyBuncio informed the shareholder that the DENR was at the Atlas office in Cebu, staying for seven day with a lot of different people for an audit. And that Atlas has passed the audit without any issues.

As to the acquisition of MyTown and 2GO Group, Inc., Mr. Canoa asked if such acquisitions have the approval of the Philippine Competition Commission (PCC). Mr. DyBuncio replied that the MyTown acquisition has been approved by the PCC. For 2GO, the investment to be acquired was below the threshold of the PCC.

Next, Mr. Canoa wanted to know the status of the \$50billion airport project and the expressway partnership with Ayala Corporation. Mr. DyBuncio replied that both projects are very much in its infancy stage and it is all depends on the regulators if they are going to review the projects. The Company is currently waiting for developments on said projects.

Lastly, Mr. Canoa suggested if the Company could look at implementing self-checkout counters in its supermarkets. Vice Chairman Sy took note of such suggestion and informed Mr. Cano that the Company will study his suggestions further.

Mr. Canoa also suggested if the Company could look into using contactless payment systems and use of biometric cards that uses fingerprint scanning in its establishments. Vice Chairman Sy replied that the Company is ready to embrace new technology and will look into the suggestion made by the shareholders.

4. Stockholder Mr. Stephen Soliven raised that he heard news that a fire incident happened in Cubao and wanted to know if the properties of the Company in adequately insured and if the Company can recover any benefits. Vice Chairman Sy assured stockholder, Mr. Soliven, that the Company's properties are adequately insured.
5. Stockholder Tristan Alegre asked regarding the Company's is still interested in building the Sangley Airport for the future growth of the Philippine economy. Mr. DyBuncio informed the stockholder that aforementioned project is one of the projects that SMIC subsidiary Belle Corporation is looking into. The Company been speaking with the government on said project and the Company is waiting to hear from the government's side.

There being no comments and/or questions from the stockholders, the Annual Report and the Audited Financial Statements as of December 31, 2016 of the Corporation as audited by SGV & Co. were presented for notation and approval. The Chairman noted that the Audited Financial Statements as of December 31, 2016 of the Corporation as audited by SyCip, Gorres, Velayo & Co. were appended to the Corporation's Definitive Information Statement distributed to all stockholders of record for this meeting as well as included in the stockholders' kit provided to all attending stockholders prior to the start of this year's Annual Shareholders' 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 Financial Statements as of December 31, 2016 of SM Investments Corporation as audited by SyCip, Gorres, Velayo & Co., are noted, approved and ratified."

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 the Corporation's external auditor, SyCip, Gorres, Velayo & Co., stockholders owning 1,032,998,258 voting shares or 85.76% of the total number of voting shares represented at the meeting approved the said resolution, stockholder owning 96,700 voting shares or 0.80% voted against the approval, and stockholders owning 1,191,179 voting shares or 9.89% of the total number of voting shares of the Corporation abstained.

5.0 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 the Corporation from the date of the annual stockholders meeting in 2016 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 27, 2016 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 meeting (April 26, 2017), are, in all respects, approved, ratified and confirmed."

"**RESOLVED**, That all contracts, acts, proceedings, elections and appointments heretofore made or taken by the Board of Directors, its committees and/or the Management of the Corporation, and all acts and proceedings performed or taken pursuant thereto, be, and the same hereby are, in all respects, 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 the Corporation's external auditor, SyCip, Gorres, Velayo & Co., stockholders owning 1,033,959,215 voting shares or 85.84% of the total number of voting shares represented at the meeting approved the said resolution. No stockholder voted against the approval, while stockholders owning 326,922 voting shares or 2.71% of the total number of votes abstained.

6.0 Election of Directors for 2016-2017

The Chairman then proceeded to the election of the Corporation's directors for the year 2017-2018. He announced that in accordance with the Corporation's 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. Ah Doo Lim, to present the Corporate Governance Committee's findings and the nominees qualified to be elected to the Board.

Mr. Ah Doo Lim announced that the following have been nominated and qualified by the Nominations Committee for election of the Board for the year 2017 to 2018:

HENRY SY, SR.
TERESITA T. SY
HENRY T. SY, JR.
HARLEY T. SY
JOSE T. SIO
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 2016-2017 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:

TERESITA T. SY
HENRY T. SY, JR.
HARLEY T. SY
JOSE T. SIO
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 the Corporation's external auditor, SyCip, Gorres, Velayo & 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
Teresita T. Sy	1,002,822,534	21,730,936	9,732,667
Henry T. Sy, Jr.	1,026,408,166	1,291,133	6,586,838
Harley T. Sy	1,027,196,654	1,213,633	5,875,850
Jose T. Sio	1,021,951,600	3,431,155	8,903,382
Frederic C. DyBuncio	1,022,668,669	2,220,789	9,396,679
Joseph R. Higdon	1,032,429,955	1,856,182	0
Tomasa H. Lipana	1,033,072,504	1,213,633	0
Alfredo E. Pascual	1,034,286,002	135	0

7.0 Appointment of External Auditors

The next item in the agenda was the appointment of the external auditor for the year 2017-2018.

The Chairman informed the stockholders that the Audit Committee has previously accepted nominations for external auditor. Afterwards, the Nomination Committee pre-screened and recommended the re-appointment of SyCip, Gorres, Velayo & Co. Upon motion made and duly seconded, and with all unqualified votes being cast in favor of re-appointment of the external auditor, SyCip, Gorres, Velayo & Co. for the period 2017 the following resolution was unanimously passed and approved:

"RESOLVED, That the stockholders approve the appointment of SyCip, Gorres, Velayo & Co., as the external auditor of SM Investments Corporation for the year 2017 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 the Corporation's external auditor, SyCip, Gorres, Velayo & Co., stockholders owning 1,034,094,934 voting shares or 85.85% of the total

number of voting shares represented at the meeting approved the said resolution, 191,203 voting shares or 1.59 % voted against and no shareholder abstained in the approval of the resolution.

8.0 Announcement of Cash Dividend

The Chairman announced to the stockholders that the Board at its meeting held prior to the annual meeting of stockholders, has declared cash dividends. This cash dividend declaration amounted to 30% of the Corporation's 2016 net income amounting to Nine Billion Three Hundred Sixty-One Million, Two Hundred Ninety Thousand Four Hundred Eighty-Seven Pesos (Php 9,361,290,487.00) or cash dividends of Php7.77 per common share in favor of all stockholders of record as of May 11, 2017, and payable on May 25, 2017.

9.0 Recognition for Mr. Henry Sy, Sr.

After announcing the cash dividends, the Chairman took the opportunity to recognize Mr. Henry Sy, Sr. He informed the shareholders that the Corporation's Board of Directors, during its meeting held earlier in the day, approved the creation of the Chairman Emeritus position to be given to Mr. Henry Sy, Sr. as founder of the SM Group.

He acknowledged how Mr. Sy, Sr. fostered SM to become one of the largest holding companies in the country. Through Mr. Sy, Sr.'s leadership, SM has likewise evolved into a dynamic and highly synergistic group of businesses with market leading positions in retail, banking and property development. It also has a portfolio of other investments that can capture the high growth opportunities in the emerging Philippine economy.

The Chairman ended by stating that conferring the recognition to Mr. Henry Sy, Sr. is the Corporation's way of thanking him for the vision, which people in the SM Group all share, and for all the hard work and dedication, which people in the SM Group all try to emulate.

10.0 Other Matters

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

11.0 Adjournment

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

ATTEST:

(original signed)
HENRY T. SY, JR.
Chairman of the Stockholders' Meeting

(original signed)
ELMER B. SERRANO
Corporate Secretary

SM INVESTMENTS CORPORATION
 Annual Stockholders' Meeting
 SMX Convention Center Manila, Function Room 3
 Seashell Drive, Mall of Asia Complex, Pasay City
 April 26, 2017, 2:30 p.m.

Record of Attendance

	No. of Shares	Percent
Total number of shares present or represented at the meeting	1,034,286,087	85.86%
Total number of shares outstanding	1,204,582,867 =====	