



Note: Pending stockholders' approval at the 2022 Annual Stockholders' Meeting

INVESTMENTS CORPORATION

MINUTES OF THE ANNUAL MEETING OF THE STOCKHOLDERS

SM INVESTMENTS CORPORATION

On April 28, 2021, 2:30 p.m.
(via Remote Communication)

PRESENT:

DIRECTORS

JOSE T. SIO

Chairman
Member, 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

ALFREDO E. PASCUAL

Lead Independent Director
Member, Audit Committee
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

ROBERT G. VERGARA

Independent Director
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 L DOMINGO

Adviser to the Board

ROBERTO G. MANABAT

Independent Adviser

FRANKLIN C. GOMEZ

SVP-Finance

ATTY. ELMER B. SERRANO

Corporate Secretary

ATTY. ARTHUR A. SY

Assistant Corporate Secretary

TIMOTHY DANIELS

Consultant, Investor Relations

Stockholders present via remote
attendance or represented by proxy

1,055,708,963 shares (87.64% 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)**, with directors and officers attending the meeting remotely.

Mr. Jose T. Sio, Chairman of the Board, welcomed the stockholders and guests to the virtual Annual Stockholders' Meeting of the Company via Zoom Webinar. The Chairman thanked the stockholders for registering online, for voting and for joining the meeting. The Chairman remarked that the Company trusts that its stakeholders fully understand that everyone has to comply with the Government's directive on social distancing for the safety of all the people involved.

The Chairman also announced that the chat box of the livestream platform has been opened for stockholders to raise their questions and comments. He explained that the Company through its Investor Relations team will endeavor to answer questions not addressed during the meeting via email.

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 Participation via Remote Communication and Voting *in Absentia*" were uploaded via PSE EDGE and posted on the Company's website beginning March 19, 2021. Further, the Corporate Secretary certified that the same notice of meeting was published on April 5 and 6, 2021, both in print and online format, in the Business Section of the Philippine Star and at the Banking & Finance Section of Business World.

The Corporate Secretary also certified that based on record of attendance, stockholders attending by proxy and stockholders who have registered to remotely join the virtual meeting represent 1,055,708,963 common shares, representing 87.64% of the issued and outstanding capital stock of the Company as of record date of March 29, 2021. 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 June 24, 2020

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 June 24, 2020. 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	%	No. of Shares	%	No. of Shares	%
1,055,477,222	87.62	0	0	231,741	0.02

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 June 24, 2020 are approved."

4. Approval of 2020 Annual Report and 2020 Audited Financial Statements

The Chairman then requested Mr. Frederic C. DyBuncio, President, to render his report on the results of operations for 2020. The President reported as follows:

“Good afternoon, dear Shareholders. Allow me to report on our performance for 2020 and how we navigated through the pandemic.

In several ways, the pandemic has sharpened our focus on three key areas: **Safety, Innovation and Resilience.**

Safety of our Stakeholders

Our top priority was the health and safety of all the stakeholders in our SM ecosystem.

1. We made sure our employees were secure with alternative work arrangements in place. We conducted mass testing and reconfigured the workplace to align with safety and distancing protocols.
2. We will be rolling out vaccines to our employees as we prioritize everyone’s immediate protection.
3. Recently, our malls have become venues for vaccination activities in partnership with local governments. Together with the Philippine Red Cross, saliva RT-PCR testing is made more accessible through our malls. We have also provided mattresses and other essentials to isolation wards in universities.
4. This is in addition to the distribution of critical medical gear and equipment, building quarantine facilities and-converting the Mall of Asia Arena into a mass testing facility.

Accelerating Innovation

Secondly, innovation is key to unlocking new possibilities to serve our stakeholders better.

In fact, the pandemic fast tracked our plans to create greater digital capabilities and widen our omni channel presence to meet new and evolving customer expectations.

We will discuss this more in the succeeding slides.

Collective Resilience

Thirdly, we have assured our partners of our support, especially the thousands of SMEs in our supply chain to help them adapt, serve and survive.

As a group, we provided about 30 billion pesos last year in the form of waivers, payments, donations and various forms of support to employees and third parties.

We also provided loan extensions and added money transfer services through our banks and group-wide donations and on-the-ground relief efforts for our host communities.

Through the Kasama ng SM campaign, we encouraged our customers to support local businesses.

Our collective resilience is necessary to safeguard our long-term growth and to ensure we can continue to promote responsible development nationwide.

Performance across Core Businesses

We were focused on business survival and the support provided to our thousands of stakeholders.

Despite the many challenges and the decline in economic activity, we were still able to report a profitable business year.

Looking at our consolidated results, SM's revenues amounted to 394 billion pesos last year. This was down 21 percent from 502 billion pesos in 2019, largely because of the impact of the community quarantines on sales in our malls and in our non-food retail stores.

This, together with prudent provisioning in our banks, meant that net income of **23 billion pesos** was also lower by 48 percent than about 45 billion pesos earned in 2019.

The banking and property businesses accounted for 55 percent and 33 percent of net income while retail contributed 12 percent.

Building Years of Financial Prudence

Our strong balance sheet and history of prudent management enabled us to offer the support we did.

Across our major businesses, we opted to use a portion of our prior year 2019 profits to ensure our and our stakeholders' financial stability, reducing our dividend payout to half of previous years' levels accordingly.

This was combined with stringent cost focus during the period of low revenues under quarantine conditions.

As a result, none of our businesses have had to access financial markets and, as a parent and group, we have maintained our overall balance sheet strength.

Continued Expansion

Despite severe business and movement restrictions, we continued to expand where conditions allowed.

This was the case for Alfamart, which added 258 minimart outlets, surpassing 1,000 stores.

Meanwhile, our Property and Retail arms also opened two new malls and stores in Butuan and in Zamboanga.

In retailing, we added 287 stores in total across all our formats last year. So that, by year end, our retail footprint reached over 3,000 stores nationwide.

Adapting to New Customer Needs

Even as we expanded, we were quickly adapting to our customers' urgently evolving needs.

We developed new retail delivery channels online and by phone, supported by social media campaigns and aligned with a range of practical delivery options supported by our stores and malls.

We widened our diverse range of essential and nonessential products available online through our retail e-commerce site, ShopSM on top of the SM STORE's Call to Deliver service.

We empowered people whose jobs were affected by the pandemic to participate as delivery drivers and personal shoppers.

On new e-commerce initiatives:

- SM Markets launched smmarkets.ph to provide more convenient options for pick-up or delivery for customers' essential needs.
- WalterMart grew its online grocery format and recently adopted the SM STORE's strategy of Call/Text and Pickup, making its business more agile.
- The malls introduced its newest shopping platform, SM Malls Online available in three of its biggest malls.

Our two logistics companies in the group, 2GO and Airspeed, play important roles in fulfilling the requirements of our online platforms.

In the foreseeable future, in-person and in-store based shopping experiences will still be preferred by our customers. But we continue to work hard to develop innovative online and offline delivery channels that are integrated into our business while enhancing customer service.

Banking Pandemic Initiatives

In banking, we ramped up our digital banking services to ensure the safety of our people and our customers.

During the pandemic, BDO immediately extended grace periods for loan payments. It introduced ATM on Wheels near select Savemore and SM Supermarket branches to bring our services closer to where our customers are.

BDO extended services to far-flung communities through the Cash-Agad program, allowing cash withdrawal through the Point-of-Sale terminals of our partners.

BDO Financial Highlights

Notwithstanding the challenges of the year, the bank delivered good business performance, with BDO's net interest income growing 12 percent to 134 billion pesos. We decided to get ahead of any potential impact of the pandemic on our clients with heavy and prudent provisioning of about 30 billion pesos.

It was because of this that BDO's net income for the year was 28 billion pesos, down from 44 billion pesos in 2019, although the bank's core businesses continued to show positive growth and profitability.

We also worked with our business clients to restructure loans where needed to allow them to work through these difficult times.

China Bank Financial Highlights

For its part, despite the challenging year, China Bank's performance was remarkable. Its net income grew 20 percent to 12 billion pesos underpinned by the strong growth in core businesses and better investment and trading returns.

As a milestone, China Bank marked its hundred year-journey with the restoration of its heritage building in Binondo, Manila.

It also capped the year with a landmark 11 billion peso fixed-rate bond offer.

Risk Management and Resiliency

With 2020 marked by addressing various social needs, we maintained an overall view of our long-term risk management and resiliency.

Our disaster resilience framework was utilized effectively during the eruption of the Taal Volcano in January, just weeks prior the pandemic. Our response was to provide full rehabilitation of our properties and their local environments.

We also faced a series of severe typhoons during the year.

As a testament to our ongoing investment in disaster resiliency, one of our most impacted malls, SM City Marikina, remained largely unaffected by Typhoon Ulysses. It was even able to support relief efforts for its local community despite severe flooding and rising water levels in the area.

Stability through Good Governance

This pandemic has only strengthened our commitment to good corporate governance.

In 2020, we were recognized highly by the ASEAN Corporate Governance Scorecard Initiative and we received the Golden Arrow awards from the Institute of Corporate Directors.

Key Awards

We also received a citation from the MORS group in Malaysia as one of the best Community Care Companies in Asia.

In Singapore we were rewarded for our excellence in sustainability reporting by The Asset Magazine, along with our bank, BDO.

SMIC was again included in the 2021 Bloomberg Gender Equality Index as we continue to uphold equal opportunities for all our people.

And we were recently highlighted by Sustainalytics international rating agency as a global leader in our industry for our performance on Sustainability.

Integrated Reporting

We have made a change in how we report on the group's performance this year.

Instead of issuing separate Annual Financial and Sustainability Reports, we have adopted the international best practice of Integrated Reporting standards.

In this, we hope to provide a single holistic discussion of our businesses, the value they create, how they have performed and how that value is shared among all our stakeholders.

Supporting Global Goals

In doing all of this, we remain committed to our advocacies, to advancing the principles of the UN Global Compact and to contributing material actions towards the 17 UN Sustainable Development Goals.

Thank you

Before I wrap up allow me to express my sincere thanks, and also the thanks of the Board, to all our thousands of dedicated employees, many of whom have operated on the frontlines in the last year.

Also, to our thousands of micro and SME partners across the group who have worked with and supported us - we appreciate your dedication and partnership and we are committed to continuing to work with and support you in turn. Your wellbeing is our wellbeing.

And thank you also to all our shareholders. Thank you for your confidence and unwavering support in the last year.

50 Climate Leadership

Moving forward, we will continue to focus on improving the lives of our millions of Filipino customers, creating growth and enabling responsible development nationwide.

We are committed to environmental responsibility and have joined international efforts to tackle climate change.

We are proud to have joined a business group of dedicated global sustainability champions through the 50 Sustainability & Climate Leaders campaign.

SM is proud to represent the Philippines among this group of leading players championing sustainability and climate action.

For our business to thrive, it's critical that we support each other in a sustainable way. In the end, it's the community and the environment that sustains our growth."

The President closed his report by playing a video that shared SMIC's sustainability story with the stockholders.

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	%	No. of Shares	%	No. of Shares	%
1,054,508,235	87.54	73,310	0.01	1,127,418	0.09

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

"RESOLVED, that the 2020 Annual Report and the 2020 Audited Financial Statements are approved."

5. Announcement of Cash Dividends

The Chairman then announced that at the recently adjourned regular meeting of the Directors, the Board approved a cash dividend declaration of 85% of the Company's 2020 Net Income (Parent). This amounts to Php4.25 or approximately Php5.1 Billion of cash dividends declared in favor of all stockholders of record as of May 13, 2021, and payable on May 27, 2021.

6. Approval and Ratification of the Acts of the Board of Directors 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 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	%	No. of Shares	%	No. of Shares	%
1,054,522,399	87.54	12,470	nil	1,174,094	0.10

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

“RESOLVED, that the acts of the Board of Directors 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 202-2022

The next item in the agenda is the election of directors for the year 2021-2022. The Chairman requested the Mr. Alfredo E. Pascual, Chairman of the Corporate Governance Committee, to present the nominees to the Board.

Mr. Pascual stated that the Corporate Governance Committee has pre-screened 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 2021-2022:

Mr. Jose T. Sio
 Ms. Teresita T. Sy
 Mr. Henry Sy, Jr.
 Mr. Harley T. Sy
 Mr. Frederic C. DyBuncio
 Mr. Alfredo E. Pascual as Independent Director
 Ms. Tomasa H. Lipana as Independent Director
 Mr. Robert G. Vergara as Independent Director

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

Nominee	Percentage of Votes	No. of Votes
Mr. Jose T. Sio	86.39	1,040,649,094
Ms. Teresita T. Sy	86.43	1,041,071,899
Mr. Henry Sy, Jr.	87.16	1,049,875,795
Mr. Harley T. Sy	87.30	1,051,649,318
Mr. Frederic C. DyBuncio	87.22	1,050,618,881
Mr. Alfredo E. Pascual	87.30	1,051,593,215
Ms. Tomasa H. Lipana	87.51	1,054,157,014
Mr. Robert G. Vergara	87.51	1,054,088,682

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 2021-2022, to serve as such directors until their successors have been duly qualified and elected:

Mr. Jose T. Sio
 Ms. Teresita T. Sy
 Mr. Henry Sy, Jr.
 Mr. Harley T. Sy
 Mr. Frederic C. DyBuncio
 Mr. Alfredo E. Pascual as Independent Director
 Ms. Tomasa H. Lipana as Independent Director
 Mr. Robert G. Vergara as Independent Director

8. Appointment of External Auditor

The next item in the agenda is the appointment of the Company’s external auditor for 2021. 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 2021.

The Corporate Secretary then announced the results of voting:

In Favor		Against		Abstain	
No. of Shares	%	No. of Shares	%	No. of Shares	%
1,054,532,015	87.54	945,186	0.08	231,762	0.02

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 2021 is approved.”

9. Open Forum

The Chairman then proceeded with the Question and Answer portion of the meeting. He explained that all stockholders of record were allowed to submit questions in advance via email to <asm2021@sminvestments.com>, and through the chat box of the meeting livestream. The Chairman thanked the stockholders for sending their questions and comments.

The Chairman requested the Corporate Secretary to read some of the questions received from the stockholders.

The Corporate Secretary began by reading questions sent by email. The first question came from Mr. Roland San Diego which reads, "What are SMIC's strategies for recovery and to sustain growth moving forward?"

The President, Mr. DyBuncio, answered that to help with overall recovery efforts, the Company will be rolling out vaccines to its employees within the year once supply is available. As mentioned earlier, SMIC will continue to offer its facilities as testing and vaccination venues to help build confidence which the country's consumer-led economy urgently needs.

The Company maintains cautious optimism as it navigates through many uncertainties. But where the Company can move with flexibility and less restrictions, it will proceed with the expansions in the pipeline.

Mr. DyBuncio stated that the key is to continue to innovate and operate safely which the Company has done and continue to do. It continues to respond and adapt to changing customer needs and touch points. The Company will continue to serve its customers' needs across all its businesses and pursue innovation to serve them better.

The Corporate Secretary then moved to the next question sent by the same stockholder which reads, "Does SMIC have plans to increase its stake in any more companies after 2GO?"

Mr. DyBuncio answered the question. The President responded that the Company is always open to potential acquisitions and minority stakes that fit with its objectives. It looks for leading businesses in high growth potential sectors that can benefit from being a part of its ecosystem to create long term growth and cash flows for SM.

He stated that SMIC continues to examine potential candidates and have a strong balance sheet available if needed. As the Company's businesses build momentum, it also looks to invest in adjacent or related sectors to its existing businesses, where it understands their activities and believe it can benefit from synergies with the SM ecosystem.

The last questions came from Ms. Maribel Chua which reads, "How big is the risk from e-commerce the longer the pandemic goes on?"

Mr. DyBuncio stated that admittedly more people are using new channels and enjoying the conveniences of online shopping. The Company thinks this will continue and be a permanent but minority part of shopping. That's why the Company has accelerated all its investments in this area: from telephone-based shopping, social media platforms and campaigns to different means of delivery and pick up.

The President sees people going back to malls and shops as these are the community centers, and that this is still where the majority of retailing will be. The Company is working hard to meet whatever the customers want, wherever and whenever, by becoming omni channel with the widest range of offerings and services.

The Chairman thanked 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 28, 2021, 2:30 p.m.

Record of Attendance

Total number of voting shares outstanding	1,204,582,867
Total number of shares represented by proxy or remote attendance	1,055,708,963
Attendance percentage	87.64%