

MINUTES OF THE ANNUAL MEETING OF THE  
STOCKHOLDERS OF  
**SM PRIME HOLDINGS, INC.**

Held at Function Room 3, SMX Convention Center Taguig  
SM Aura Premier, 26<sup>th</sup> St., Corner McKinley Parkway,  
Barangay Fort Bonifacio Global City, Taguig  
On April 14, 2015, 2:30 p.m.

**INCUMBENT DIRECTORS PRESENT:**

<b>HENRY SY, SR.</b>	Chairman Emeritus
<b>JOSE L. CUISIA, JR.</b>	Vice Chairman and Independent Director Chairman, Audit and Risk Management Committee Member, Nomination Committee
<b>HANS T. SY</b>	President Member, Compensation Committee Member, Executive Committee
<b>JOSELITO H. SIBAYAN</b>	Independent Director Chairman, Nomination Committee Member, Compensation Committee Member, Audit and Risk Management Committee
<b>JORGE T. MENDIOLA</b>	Non-Executive Director Member, Audit and Risk Management Committee
<b>HENRY T. SY, JR.</b>	Chairman of the Board Chairman, Executive Committee
<b>HERBERT T. SY</b>	Non-Executive Director Member, Nomination Committee
<b>GREGORIO U. KILAYKO</b>	Independent Director Chairman, Compensation Committee Member, Nomination Committee Member, Audit and Risk Management Committee

**ALSO PRESENT:**

**ELIZABETH T. SY**                      Adviser to the Board  
Member, Executive Committee

**TERESITA T. SY**                      Adviser to the Board

**JOSE T. SIO**                          Adviser, Audit and Risk Management Committee

**JEFFREY C. LIM**                      Executive Vice President  
Member, Executive Committee

**ELMER B. SERRANO**                  Corporate Secretary

**MARIANNE M. GUERRERO**      Assistant Corporate Secretary

Stockholders present in              23,610,640,977 shares (Please see Record of  
person or represented by              Attendance attached as or represented by proxy  
proxy    Annex "A")

**1.0 Call to Order**

The Chairman of the Board, Mr. Henry Sy, Jr. welcomed the stockholders, 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 Corporate Secretary, Atty. Elmer B. Serrano, certified that written notices of the annual stockholders' meeting together with the agenda and the Definitive Information Statement were sent beginning 19 March 2015 to all stockholders of record as of 16 March 2015 by BDO Trust and Investments Group, the Transfer Agent of SM Prime Holdings, Inc. (the "Corporation") by personal delivery and by mail, as well as published in the Philippine Star, Business World and Business Mirror on 27 March 2015, in accordance with the Amended By-Laws of the Corporation.

The Chairman then inquired from the Corporate Secretary whether there was a quorum for the transaction of business by the stockholders.

The Corporate Secretary certified that based on the proxies recorded and on the registration of those personally present at the meeting, that 23,610,640,977 or 81.76% of the aggregate number of 28,879,137,294 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 Chairman then declared, on the basis of the certification of the Corporate Secretary, that there was a quorum for the transaction of business at hand.

The Corporate Secretary was tasked and authorized to count votes on any matter properly brought to the vote of the shareholders, with the external auditor of the Company, Sycip, Gorres, Velayo & Co., to validate the ballots when necessary.

### **3.0 Approval of the Minutes of the Annual Meeting of Stockholders held on April 15, 2014**

The Chairman proceeded to the next item in the agenda which was the reading and approval of the Minutes of the annual meeting of the stockholders held on 15 April 2014.

Upon motion duly made and seconded, the stockholders approved the minutes of the annual meeting of the stockholders held on 15 April 2014 and the following resolution was passed and adopted:

“**RESOLVED**, That the stockholders of SM Prime Holdings, Inc. approve, as they hereby approve, the Minutes of the Annual Stockholders’ Meeting held on 15 April 2014.”

Based on the tabulation of votes of shares present and represented, stockholders owning 23,609,242,977 voting shares or 99.99% of the total number of voting shares represented at the meeting approved the said resolution, no stockholder voted against the approval, while stockholders owning 1,398,000 voting shares or 0.006% of the total number of voting shares abstained.

### **4.0 Approval of 2014 Annual Report**

The Chairman then gave the floor to the President of the Corporation, Mr. Hans T. Sy, to present his report on the Corporation’s results of operations for 2014.

Mr. Hans T. Sy announced to the stockholders that the Corporation achieved several milestones for the year 2014 as its financial performance reflected the Corporation’s ventures of expansion and growth. There is an increase of 16% in assets since the year 2013, with net income increased at the rate of 13%. The Corporation also increased its commercial space, and launched several new malls, including SM Aura, SM Megafashion Hall, SM City Cauayan. He reported an increase in market shares and growth in residential and reservations sales, and announced that the Corporation intensified its investments in hotels.

After the President’s presentation, the Chairman opened the floor to stockholders to provide them the opportunity to ask questions or give comments.

A stockholder commended the Board for the impressive increase in its financials. Thereafter she raised the possibility that the real estate boom will eventually come to an end. She thus asked the Board if it had planned for the eventual slowdown in the real estate business considering what she perceived as heavy leverage of the Company.

Mr. Jeffrey Lim, Executive Vice President, related that a majority of the Corporation's revenues are still principally derived from leasing, mainly the shopping malls, and that this recurring income is historically insulated from any slowdown in real estate sales. He also noted that the net debt-to-equity ratio of the Corporation is 32% as of 2014 which is still not considered "heavy" and is well below the industry norm and the net debt-to-equity ratio of the Corporation's peers. He thus explained that the Corporation is in a good position to withstand any slowdown in the real estate business. Mr. Henry Sy, Jr., Chairman of the Board, added that most of the projects are pre-sold before any building is done, thus, assuring that the Corporation is further protected from any such slowdown and will still thrive even during worst of times.

There being no other comments and questions from the stockholders, the Annual Report was presented for notation and approval. On motion made and duly seconded, the following resolution was unanimously approved:

**"RESOLVED**, That the Annual Report as of December 31, 2014 of SM Prime Holdings, Inc., are noted, approved and ratified."

Based on the tabulation of votes, stockholders owning 23,602,651,177 voting shares or 99.97% of the total number of voting shares represented at the meeting approved the said resolution, no stockholders voted against the approval, while stockholders owning 7,989,800 voting shares or 0.034% of the total number of voting shares of the Corporation abstained.

## **5.0 Ratification of Acts of Management and of the Board of Directors**

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 of Management of the Corporation from the date of the annual stockholders' meeting in 2014 up to the present stockholders' meeting.

On motion duly made and seconded, the stockholders approved the following resolutions ratifying the acts of management and of the Board of Directors:

**"RESOLVED**, That the minutes of the meetings of the Board of Directors of SM Prime Holdings, Inc. (the "Corporation") from the date of the last annual stockholders' meeting up to the date of meeting (14 April 2015), hereby 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, stockholders owning 23,602,530,177 voting shares or 99.97% of the total number of voting shares represented at the meeting approved the said resolution, 121,000 shares of stockholders or 0.00051% voted against the approval, while stockholders owning 7,989,800 voting shares or 0.034% of the total number of votes abstained.

## 6.0 Announcement of Cash Dividend

The Chairman announced to the stockholders that at the regular meeting of the Board of Directors just adjourned, the Board has approved a cash dividend declaration of 21% based on the par value or Php 0.21 per common share amounting to Php 5.85 Billion in favour of all stockholders of record as of 14 May 2015 and payable on 9 June 2015.

## 7.0 Election of Directors

The Chairman then proceeded with the election of the Corporation's directors for the year 2015-2016. He announced that in accordance with the Corporation's By-laws, the Nomination 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 Nomination Committee, Mr. Joselito H. Sibayan, to present the Nomination Committee's findings and the nominees qualified to be elected to the Board.

The Nomination Committee Chairman announced that the following have been nominated and qualified by the Nomination Committee for election of the Board for the year 2015 to 2016:

HENRY SY, SR.  
HENRY T. SY, JR.  
HANS T. SY  
HERBERT T. SY  
JORGE T. MENDIOLA

### Independent Directors

JOSE L. CUISIA, JR.  
GREGORIO U. KILAYKO  
JOSELITO H. SIBAYAN

Upon motion, duly made and seconded, all unqualified votes were cast equally in favor of the nominees who were thus elected to the Board for the period 2015-2016 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 Prime Holdings, Inc. for a period of one (1) year and until their successors shall have been duly elected and qualified:

HENRY SY, SR.  
HENRY T. SY, JR.  
HANS T. SY  
HERBERT T. SY  
JORGE T. MENDIOLA

### Independent Directors

JOSE L. CUISIA, JR.

GREGORIO U. KILAYKO  
JOSELITO H. SIBAYAN

The votes received and cast in favor of the said nominees are as follows:

Nominee	Number of shares abstained	Number of shares not voting in favor	Number of shares voting in favor
Henry Sy, Sr.	160,780,607	862,400	23,448,997,970
Henry T. Sy, Jr.	771,796,489	6,600	22,838,837,888
Hans T. Sy	129,983,064	6,600	23,480,651,313
Herbert T. Sy	782,853,839	6,600	22,827,780,538
Jorge T. Mendiola	775,137,789	6,600	22,835,496,588
Jose L. Cuisia, Jr.	111,762,418	21,838,277	23,477,040,282
Gregorio U. Kilayko	9,575,150	6,600	23,601,059,227
Joselito H. Sibayan	9,575,150	6,600	23,601,059,227
<b>Total</b>	<b>2,751,464,506</b>	<b>22,740,277</b>	<b>186,110,923,033</b>

## 8.0 Appointment of External Auditors

The next item in the agenda was the appointment of the external auditor for the year 2015 to 2016.

A stockholder raised a question as to the total amount of audit fees of the Corporation. Mr. Jeffrey Lim, Executive Vice President, responded that the total audit fees for the previous year amounted to Php 8 Million.

Ms. Carmencita Santos suggested that the Corporation change its external auditor every five (5) years to comply with international standards. Mr. Jeffrey Lim, Executive Vice President, replied that the Corporation is in compliance with the requirements of the Securities & Exchange Commission on the rotation of the partner-in-charge of the auditors but that the Board appreciated and took note of the said suggestion.

Upon motion made and seconded, Sycip, Gorres, Velayo & Co. was re-appointed as the external auditor of the Company for the period 2015-2016. The following resolution was unanimously passed and approved:

**"RESOLVED**, That the stockholders approve, as they hereby approve the appointment of Sycip, Gorres, Velayo & Co., as the external auditor of SM Prime Holdings, Inc. for the year 2015-2016 under such terms and conditions as may be approved by the Board of Directors."

Based on the tabulation of votes, stockholders owning 23,609,242,977 voting shares or 99.99% of the total number of voting shares represented at the meeting approved the said resolution, no stockholders voted against the approval thereof, while stockholders owning 1,398,000 voting shares or 0.0059% of the total number of voting shares of the Corporation abstained.

## 9.0 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.

## 10.0 Adjournment

There being no further business to transact, the meeting was thereupon adjourned.

ATTEST:

(Original Signed)  
**HENRY SY, JR.**  
Chairman of the Stockholders' Meeting

(Original Signed)  
**ELMER B. SERRANO**  
Secretary of the Stockholders' Meeting

**SM Prime Holdings, Inc.**  
Annual Stockholders' Meeting  
April 14, 2015 2:30 p.m

Record of Attendance

	No. of Shares
Total number of shares present and represented at the meeting	23,610,640,977
Total number of shares outstanding	28,879,137,294 =====