

## Consolidated Changes to ACGR for 2015

1. **New members of the Board of Directors** elected on April 14, 2015 during the Annual Stockholders' Meeting

Director's Name	Type	Date first elected	No. of years as director
Henry Sy, Sr.	NED	1994	21
Henry T. Sy, Jr.	NED	1994	21
Jose L. Cuisia, Jr.	ID	1994	21
Gregorio U. Kilayko	ID	2008	7
Joselito H. Sibayan	ID	2011	4
Hans T. Sy	ED	1994	21
Herbert T. Sy	NED	1994	21
Jorge T. Mendiola	NED	2012	3

2. Dividends declared

Declaration Date: April 14, 2015

Record Date: May 4, 2015

Payment Date: June 9, 2015

3. Notice of Stockholders' Meeting

Annual Stockholders' Meeting

Date of Notice: March 4, 2015

Date of Meeting: April 14, 2015

4. Result of Annual/Special Stockholders' Meeting's Resolutions

Resolution	Approving	Dissenting	Abstaining
Approval of the 2014 Minutes of the Annual Stockholders' Meeting	99.99%	0%	0.006%
Approval of the 2014 Annual Report	99.97%	0%	0.034%
General Ratification of the Acts of Management and the Board of Directors	99.97%	0.00051%	0.034%
Appointment of External Auditors	99.99%	0%	0.0059%

5. Directorship in Other Companies

a. New directorship

Director's Name	Corporate Name of the Group Company	Type
Hans T. Sy	National University	NED (Chairman)
Herbert T. Sy	Supervalu Inc.	NED (Vice Chairman)
	Super Shopping Market Inc.	NED (Vice Chairman)
	Sanford Marketing Corporation	NED (Vice Chairman)

b. Removal of directorship

Director's Name	Corporate Name of the Group Company	Type
Hans T. Sy	Highlands Prime, Inc.	NED
Gregorio U. Kilayko	Highlands Prime, Inc.	Independent

6. Shareholdings in the Company

Name of Beneficial Owner of Common Stock	Amount and Nature of Beneficial Ownership			Percent of Capital Stock
	(D) Direct (I) Indirect			
	December 31, 2015	December 31, 2014	% of Change	
Henry Sy, Sr.	105,395,579 (I)	653,395,579 (I)	(83.87)	0.36
Joselito H. Sibayan	36,375 (D)	66,375 (D)	(45.20)	0.00

7. Voting Results of the Last Annual General Meeting

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. Orientation and Education Program

In 2015, the company's directors and senior management attended an exclusive seminar conducted by the Institute of Corporate Directors covering such topics as Strategic IT Governance; Fraud, Whistleblowing, Anti-Bribery and Anti-Corruption; and Financial Reporting.

Continuing education programs for directors: programs and seminars and roundtables attended during the year.

<b>Name of Director/Officer</b>	<b>Date of Training</b>	<b>Program</b>	<b>Name of Training Institution</b>
Henry T. Sy, Jr.	August 5, 2015	Annual Corporate Governance Training Program	Institute of Corporate Directors
Hans T. Sy	June 3, 2015	Orientation Course for Corporate Governance	Institute of Corporate Directors
Herbert T. Sy	August 5, 2015	Annual Corporate Governance Training Program	Institute of Corporate Directors
Gregorio U. Kilayko	August 5, 2015	Annual Corporate Governance Training Program	Institute of Corporate Directors
Joselito H. Sibayan	August 5, 2015	Annual Corporate Governance Training Program	Institute of Corporate Directors
Jorge T. Mendiola	August 5, 2015	Annual Corporate Governance Training Program	Institute of Corporate Directors
Jeffrey C. Lim	August 5, 2015	Annual Corporate Governance Training Program	Institute of Corporate Directors
John Nai Peng C. Ong	August 5, 2015	Annual Corporate Governance Training Program	Institute of Corporate Directors
Teresa Cecilia H. Reyes-Agsalud	August 5, 2015	Annual Corporate Governance Training Program	Institute of Corporate Directors
Davee M. Zuniga	August 5, 2015	Annual Corporate Governance Training Program	Institute of Corporate Directors
Edgar Ryan C. San Juan	August 5, 2015	Annual Corporate Governance Training Program	Institute of Corporate Directors
Kelsey Hartigan Go	August 5, 2015	Annual Corporate Governance Training Program	Institute of Corporate Directors
Alexander D. Pomento	August 5, 2015	Annual Corporate Governance Training Program	Institute of Corporate Directors
Maria Luisa M. Salud	August 5, 2015	Annual Corporate Governance Training Program	Institute of Corporate Directors

Anna Maria S. Garcia	August 5, 2015	Annual Corporate Governance Training Program	Institute of Corporate Directors
Jose Mari M. Banzon	August 5, 2015	Annual Corporate Governance Training Program	Institute of Corporate Directors
Shirley C. Ong	August 5, 2015	Annual Corporate Governance Training Program	Institute of Corporate Directors
Dave L. Rafael	August 5, 2015	Annual Corporate Governance Training Program	Institute of Corporate Directors
Ma. Luisa E. Angeles	August 5, 2015	Annual Corporate Governance Training Program	Institute of Corporate Directors
Christopher S. Bautista	August 5, 2015	Annual Corporate Governance Training Program	Institute of Corporate Directors

#### 9. Attendance of Directors

Board	Name	Date of Election	No. of Meetings Held during the year	No. of Meetings Attended	%
Chairman Emeritus	Henry Sy Sr.	14 April 2015	6	6	100
Chairman	Henry T. Sy, Jr.	14 April 2015	6	6	100
Independent	Jose L. Cuisia Jr.	14 April 2015	6	6	100
Independent	Gregorio U. Kilayko	14 April 2015	6	6	100
Independent	Joselito H. Sibayan	14 April 2015	6	6	100
Member	Hans T. Sy	14 April 2015	6	6	100
Member	Herbert T. Sy	14 April 2015	6	6	100
Member	Jorge T. Mendiola	14 April 2015	6	6	100

#### 10. Changes in Existing Policies

Existing Policies	Changes	Reason
Manual on Corporate Governance	<ul style="list-style-type: none"> <li>Added requirement to observe diversity in the composition of the Board of Directors</li> <li>Added additional qualification for directorship in line the strategic goals of the Company</li> <li>Added maximum number of allowable board seats that may be held simultaneously by executive and non-executive directors.</li> <li>Added procedures for the nomination of directors</li> </ul>	To align with leading corporate governance practices
Code of Ethics	<ul style="list-style-type: none"> <li>Added reporting requirements for insider trading for directors and</li> </ul>	

	key executives of the Company <ul style="list-style-type: none"> <li>Updated/added policies on related party transactions, customer welfare, employee welfare, corporate social responsibility and environmental sustainability</li> </ul>	
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11. Aggregate Remuneration

Remuneration Item	Executive Directors	Non-Executive Directors (other than independent directors)	Independent Directors						
(a) Fixed Remuneration	Total remuneration and bonus paid to Executive Director and four most highly compensated executive officers: <table border="1" data-bbox="778 772 1197 840" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th>Year</th> <th>Salary</th> <th>Bonus</th> </tr> </thead> <tbody> <tr> <td>2015</td> <td>P95,000,000</td> <td>P16,000,000</td> </tr> </tbody> </table>			Year	Salary	Bonus	2015	P95,000,000	P16,000,000
Year				Salary	Bonus				
2015				P95,000,000	P16,000,000				
(b) Variable Remuneration									
(c) Per diem Allowance									
(d) Bonuses									
(e) Stock Options and/or other financial instruments									
(f) Others (Specify)	The total per diem allowance paid to directors in 2015 amounted to P800,000.								
<b>Total</b>	There are no stock options and/or other financial instruments given to directors.								

12. Remuneration of Management

Name of Officer/Position	Total Remuneration
The total remuneration of top five members of management for 2015 is Php111,000,000.00.	

13. Number of Committee Members

Committee	No. of Members		
	Executive Director (ED)	Non-executive Director (NED)	Independent Director (ID)
Executive	3	3	0
Audit and Risk Management	0	1	3

14. Committee Members

a. Executive Committee

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman (NED)	Henry T. Sy, Jr.	April 14, 2015	24	24	100%	2 yrs
Member (ED)	Hans T. Sy	April 14, 2015	24	24	100%	2 yrs
Member (NED)	Elizabeth T. Sy	April 14, 2015	24	24	100%	2 yrs
Member (ED)	Jeffrey C. Lim	April 14, 2015	24	24	100%	2 yrs
Member (ED)	John Nai Peng C. Ong	April 14, 2015	24	24	100%	2 yrs
Member (NED)	Herbert T. Sy	May 4, 2015	24	16	67%	8 mos

b. Audit Committee

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman (ID)	Jose L. Cuisia, Jr.	April 14, 2015	5	5	100%	13 yrs
Member (ID)	Gregorio U. Kilayko	April 14, 2015	5	5	100%	7 yrs
Member (ID)	Joselito H. Sibayan	April 14, 2015	5	5	100%	4 yrs
Member (NED)	Jorge T. Mendiola	April 14, 2015	5	5	100%	3 yrs

15. Work Done and Issues Addressed

Name of Committee	Work Done	Issues Addressed
Audit and Risk Management	<ul style="list-style-type: none"> <li>• Reviewed and approved the following with regard to the Independent Auditor and the Internal Auditor:               <ul style="list-style-type: none"> <li>- Their respective audit plans, scope, risk-based methods and timetables;</li> <li>- The results of their examinations and Management's action plans to address pending audit issues; and</li> <li>- Their assessment of internal controls, including controls over financial reporting;</li> </ul> </li> <li>• Reviewed the report of SGV &amp; Co. on significant accounting</li> </ul>	Reported audit findings, identified significant risks and related party transactions

Name of Committee	Work Done	Issues Addressed
	<p>issues, changes in accounting principles and relevant pending tax legislations, which could impact SM Prime;</p> <ul style="list-style-type: none"> <li>• Reviewed and approved the results of all audit services provided by SGV &amp; Co. and related audit fees;</li> <li>• Reviewed and ensured that the Company's related party transactions were conducted at arm's length basis;</li> <li>• Reviewed the internal control system of the Company based on the assessments completed and reported by internal and external auditors and found that the system is adequate and effective;</li> <li>• Discussed the results of the enterprise-wide risk assessment and Management's action plans to address identified risks;</li> <li>• Discussed with the Independent Auditor matters required to be discussed by prevailing applicable Auditing Standards, such as the auditor's independence;</li> <li>• Reviewed the financial statements of SM Prime Holdings, Inc. for the first quarter ended March 31, 2015, second quarter ended June 30, 2015, and third quarter ended September 30, 2015;</li> <li>• Recommended for Board approval the audited financial statements of SM Prime Holdings, Inc. for the year ended December 31, 2015;</li> <li>• Reviewed and discussed the performance, independence and qualifications of the Independent Auditor in the conduct of its audit of the financial statements of SM Prime Holdings, Inc. for the year 2015.</li> </ul>	

16. Internal Audit : Resignation, Re-assignment and Reasons

Name of Audit Staff	Reason
Jan Lynoel Limpin	Another job
Ryan Chua	Another job
Michelle Eugenio	Migrate abroad
Elizelle Christein Sebastian	Another job
Pat Erick Buna	Another job
Fred Luigi Magnayon	Compensation
John Israel Tipsay	Abroad
Yuri Nillo	Better career opportunity
Deborah Riguerra	Better career opportunity

17. Corporate Responsibility Report

The Company has a separate Environmental, Social and Corporate Governance (ESG) report to comprehensively discuss its corporate social responsibility and sustainability initiatives. The ESG Report follows the GRI reporting framework.

18. Ownership Structure

a. Holding 5% shareholding or more

Shareholder	Number of Shares	Percent	Beneficial Owner
SM Investments Corporation (SMIC)	14,325,013,606	49.60%	Felicidad T. Sy - 3.20%, Henry T. Sy, Jr. - 7.28%, Hans T. Sy - 8.21%, Herbert T. Sy - 8.21%, Harley T. Sy - 7.29%, Teresita T. Sy - 7.11% and Elizabeth T. Sy - 5.82%
PCD Nominee Corp.	7,104,430,076	24.60%	No individual shareholders owning 5% or more.

Name of Senior Management	Number of Direct shares	Number of Indirect shares / Through (name of record owner)	% of Capital Stock
Hans T. Sy	661,002,569	24,160,943	2.37
Jeffrey C. Lim	-	50,000	0.00
Christopher S. Bautista	-	37,500	0.00
<b>TOTAL</b>	<b>661,002,569</b>	<b>24,248,443</b>	<b>2.37</b>

19. External Auditor's Fee

Name of auditor	Audit Fee	Non-audit Fee
Sycip, Gorres, Velayo & Co.	Php 9,000,000	Nil

20. Date of Release of Audited Financial Report

March 19, 2015 attached to 2014 Definitive Information Statement (SEC 20-IS)



21. Disclosure of RPT

RPT	Relationship	Nature	Value (in Thousands)	
SM Investments Corporation	Parent	<ul style="list-style-type: none"> <li>The Company have existing lease agreements for office and commercial spaces with its parent.</li> <li>The Company provides manpower and other services.</li> <li>The Company's investment in AFS equity instruments of certain affiliates earn income upon the declaration of dividends.</li> <li>The Company, in the normal course of business, has outstanding receivables from and payables to related companies as at reporting period which are unsecured and normally settled in cash.</li> </ul>	Rent Income	P 48,344
			Rent Expense	P 91,611
			Service Income	P 27,903
			Dividend Income	P 1,033
			Gain on Sale of AFS	P 7,410,301
			Trade Payable	P 37,831
SM Retail Group and SM Banking Group	Affiliates	<ul style="list-style-type: none"> <li>The Company have existing lease agreements for office and commercial spaces with related companies (SM Retail and Banking Groups and other affiliates).</li> <li>The Company has certain bank accounts and cash placements that are maintained with BDO and China Bank (Bank Associates). Such accounts earn interest based on prevailing market interest rates.</li> <li>The Company also availed of bank loans and long-term debt from BDO and China Bank and pays interest based on prevailing market interest rates.</li> <li>The Company's investment in AFS equity instruments of certain affiliates earn income upon the declaration of dividends by the investees.</li> <li>The Company provides manpower and other services to affiliates.</li> <li>The Company, in the normal course of business, has outstanding receivables from and payables to related companies as at reporting period which are unsecured and normally settled in cash.</li> </ul>	Rent Income	P 12,419,414
			Rent Expense	P 1,523
			Cash and Cash Equivalents	P116,720,058
			Time Deposits	P 2,160,836
			Investments Held for Trading	P 563,897
			Interest Income	P 260,183
			Cash in Escrow	P 230,139
			Receivable Financed	P 1,894,719
			Interest Expense	P 101,856
			Dividend Income	P 248,407
			Service Income	P 1,663
			Management Fee Income	P 6,533
			Management Fee	

RPT	Relationship	Nature	Value (in Thousands)
			Expense P 3,452 Due to Related Parties P 2,592 Trade Payable P 4,621
Shopping Center Management Corporation, SM Lifestyle Entertainment, Inc. and Family Entertainment Center	Affiliates	<ul style="list-style-type: none"> <li>The Company pays management fees to Shopping Center Management Corporation, SM Lifestyle Entertainment, Inc. and Family Entertainment Center, Inc. (affiliates) for the management of the office and mall premises.</li> <li>The Company have existing lease agreements for office and commercial spaces with related companies.</li> <li>The Company provides manpower and other services to affiliates</li> <li>The Company's investment in AFS equity instruments of certain affiliates earn income upon the declaration of dividends.</li> </ul>	Management Fee Expense P 1,057,603 Service Income P 4,702 Rent Income P 50,472 Rent Expense P 4,962 Dividend Income P 202,277
Key Management Personnel	Key Management Personnel	<ul style="list-style-type: none"> <li>This consists of short-term employee benefits and post-employment (pension) benefits</li> </ul>	Short Term Employee Benefits P 363,000 Post-Employment Benefits P 61,000

## 22. Stockholders' Right

<b>System Used</b>	Vote of stockholders
<b>Description</b>	The Company complies with pertinent sections in the Corporation Code of the Philippines as regards the minimum voting requirement for the approval of corporate acts.

23. Stockholders' Attendance

Type of Meeting	Names of Board members / Officers present	Date of Meeting	Voting Procedure (by poll, show of hands, etc.)	% of SH Attending in Person	% of SH in Proxy	Total % of SH attendance
Annual	Henry Sy, Sr. Henry T. Sy, Jr. Jose L. Cuisia, Jr. Gregorio U. Kilayko Joselito H. Sibayan Hans T. Sy Herbert T. Sy Jorge T. Mendiola	4/14/15	By Poll	10%	71.7%	81.76%
Special	Not applicable (NAP)*	NAP	NAP	NAP	NAP	NAP

24. Definitive Information Statement and Management Report

<b>Number of Stockholders entitled to receive Definitive Information Statements and Management Report and Other Materials</b>	2,541
<b>Date of Actual Distribution of Definitive Information Statement and Management Report and Other Materials held by market participants/certain beneficial owners</b>	March 4, 2015
<b>Date of Actual Distribution of Definitive Information Statement and Management Report and Other Materials held by stockholders</b>	March 4, 2015
<b>State whether CD format or hard copies were distributed</b>	CD
<b>If yes, indicate whether requesting stockholders were provided hard copies</b>	Not applicable