



**ASEAN CORPORATE GOVERNANCE SCORECARD (ACGS) QUESTIONNAIRE
 SELF-ASSESSMENT
 AS OF MAY 31, 2017**

Question	Answer
LEVEL 1	
PART A: RIGHTS OF SHAREHOLDERS	
A.1 Basic Shareholders Rights	
<p>A.1.1 Does the company pay (interim and final/annual) dividends in an equitable and timely manner; that is, all shareholders are treated equally and paid within 30 days after being (i) declared for interim dividends and (ii) approved by shareholders at general meetings for final dividends? In case the company has offered Scrip dividend, did the company paid the dividend within 60 days?</p>	<p>YES, as declared during the Annual Stockholders' Meeting on April 25, 2017, final dividends are payable on May 25, 2017 (30 days after the declaration date).</p> <p>Moreover, basic shareholder rights include the Right to Dividend as disclosed in the Revised Manual on Corporate Governance and in the Company website</p> <p>References:</p> <ul style="list-style-type: none"> • SEC FORM 17-C: Results of BOD Meeting as of April 25, 2017 (April 25, 2017) http://www.smprime.com/corporate-disclosures • Revised Manual on Corporate Governance, Sec IV.13.4.5, page 29 http://www.smprime.com/corporate-governance-manual • Website, Board of Directors, Basic Shareholder Rights http://www.smprime.com/rights-shareholders

A.2 Right to participate in decisions concerning fundamental corporate changes

Do shareholders have the right to participate in:

Question		Answer
A.2.1	Amendments to the company's constitution?	<p>YES, as disclosed in the Company's Definitive Information Statement, shareholders have the right to approve or disapprove changes in the Company's Articles of Incorporation and By-Laws. This is also in line with the requirements of the Corporation Code of the Philippines.</p> <p>References:</p> <ul style="list-style-type: none"> • 2016 SEC Form 20-IS Definitive (March 13, 2017) ITEM 17. Amendment of Charter, By-Laws or Other Documents, page 38 http://www.smprime.com/annual-financials • 2016 Annual Corporate Governance Report, Sec J.1.d.2, page 42 http://www.smprime.com/annual-corporate-governance-report
A.2.2	The authorisation of additional shares?	<p>YES, the Company complies with Sec. 38 of the Corporation Code of the Philippines, which provides that increases in authorized shares require the approval of stockholders holding at least 2/3 of the total outstanding shares. This is also disclosed in the Annual Corporate Governance Report</p> <p>Reference:</p> <p>2016 Annual Corporate Governance Report, Sec J.1.d.2, page 42 http://www.smprime.com/annual-corporate-governance-report</p>
A.2.3	The transfer of all or substantially all assets, which in effect results in the sale of the company?	<p>YES, the Company complies with Sec. 38 of the Corporation Code of the Philippines, which provides that increases in authorized shares require the approval of stockholders holding at least 2/3 of the total outstanding shares. This is also disclosed in the Annual Corporate Governance Report</p> <p>Reference:</p> <p>2016 Annual Corporate Governance Report, Sec J.1.d.2, page 42 http://www.smprime.com/annual-corporate-governance-report</p>

A.3 Right to participate effectively in and vote in general shareholder meetings and should be informed of the rules, including voting procedures, that govern general shareholder meetings.

Question		Answer
A.3.1	Do shareholders have the opportunity, evidenced by an agenda item, to approve remuneration (fees, allowances, benefit-in-kind and other emoluments) or any increases in remuneration for the non-executive directors/commissioners?	<p>YES, the Company complies with Sec. 30 of the Corporation Code of the Philippines, which provides that changes in the compensation of directors require the approval of shareholders holding the majority of the total outstanding shares. This is also disclosed in the Annual Report and Annual Corporate Governance Report.</p> <p>References:</p> <ul style="list-style-type: none"> • 2016 Annual Report, Board Remuneration, page 39 http://www.smprime.com/annual-reports • 2016 Annual Corporate Governance Report, Sec D.2, page 20 http://www.smprime.com/annual-corporate-governance-report

	Question	Answer
A.3.2	Does the company provide non-controlling shareholders a right to nominate candidates for board of directors/commissioners?	<p>YES, as provided in the Revised Manual on Corporate Governance, all shareholders, including those holding minority interests, have the right to nominate candidates to the Board of Directors.</p> <p>This is also disclosed in the Company's Definitive Information Statement, which is attached to the Notice of the Annual Stockholders' Meeting given to all shareholders, as well as the Company's Annual Report and Annual Corporate Governance Report.</p> <p>References:</p> <ul style="list-style-type: none"> • Revised Manual on Corporate Governance, Sec I.2.3.1, page 8 and Sec IV.13.4.1, page 28 http://www.smprime.com/corporate-governance-manual • 2016 SEC Form 20-IS Definitive Statement (March 13, 2017) ITEM 5. Directors and Executive Officers of the Registrant – Procedure for Nomination of Directors, page 11 http://www.smprime.com/annual-financials • 2016 17-A Annual Report (April 12, 2017) ITEM 9. Directors and Executive Officers of the Registrant – Procedure for Nomination of Directors, page 53 http://www.smprime.com/annual-financials • 2016 Annual Corporate Governance Report, Sec J.2.b, page 45 http://www.smprime.com/annual-corporate-governance-report

Question		Answer
A.3.3	Does the company allow shareholders to elect directors/commissioners individually?	<p>YES, this is explained in the Definitive Information Statement sent to all stockholders prior to the Annual Stockholders' Meeting. This is also disclosed in the Annual Report.</p> <p>Further, shareholders were given the right to elect directors individually as disclosed in the 2017 ASM Minutes.</p> <p>References:</p> <ul style="list-style-type: none"> • 2016 SEC Form 20-IS Definitive Statement (March 13, 2017) ITEM 4. Voting Securities and Principal Holders Thereof – (3) Manner of Voting and Election of Directors, page 5 http://www.smprime.com/annual-financials • 2016 Annual Report, Rights of Shareholders, Voting Right, page 42 http://www.smprime.com/annual-reports • 2017 ASM Minutes Agenda #7: Election of Directors http://smprime.com/disclosure-and-transparency
A.3.4	Does the company disclose the voting procedures used before the start of meeting?	<p>YES, this is explained in the Definitive Information Statement sent to all stockholders prior to the Annual Stockholders' Meeting.</p> <p>References:</p> <p>2016 SEC Form 20-IS Definitive Statement (March 13, 2017)</p> <ul style="list-style-type: none"> • ITEM 4. Voting Securities and Principal Holders Thereof – (3) Manner of Voting and Election of Directors, page 5 • ITEM 19. Voting Procedures, page 38 http://www.smprime.com/annual-financials

Question		Answer
A.3.5	Do the minutes of the most recent AGM record that the shareholders were given the opportunity to ask questions and the questions raised by shareholders and answers given recorded?	<p>YES, as disclosed in the Minutes of the Annual Stockholders' Meeting, opportunity was afforded to stockholders to raise questions/issues. All were recorded in the ASM Minutes disclosed in the Company website.</p> <p>Moreover, as stated in the Revised Manual on Corporate Governance, shareholders, including minority shareholders, have the right to propose items in the agenda of the meeting, provided the items are for legitimate business purposes, and in accordance with law, jurisprudence and best practice.</p> <p>References:</p> <ul style="list-style-type: none"> • 2017 ASM Minutes http://www.smprime.com/disclosure-and-transparency • Revised Manual on Corporate Governance, Sec IV.13.4.4.b, page 28 http://www.smprime.com/corporate-governance-manual
A.3.6	Does the company disclose the voting results including approving, dissenting, and abstaining votes for all resolutions/each agenda item for the most recent AGM?	<p>YES, resolutions for each item in the agenda, including the results of the voting tabulations showing approving, dissenting and abstaining stockholders, are disclosed in the Minutes of the Annual Stockholders' Meeting.</p> <p>Reference: 2017 ASM Minutes http://www.smprime.com/disclosure-and-transparency</p>
A.3.7	Does the company disclose the list of board members who attended the most recent AGM?	<p>YES, attendance of directors and certain executive officers are disclosed in the Minutes of the Annual Stockholders' Meeting.</p> <p>Reference: 2017 ASM Minutes http://www.smprime.com/disclosure-and-transparency</p>

Question		Answer
A.3.8	Does the company disclose that all board members and the CEO (if he is not a board member) attended the most recent AGM?	<p>YES, attendance of directors and the CEO are disclosed in the Minutes of the Annual Stockholders' Meeting.</p> <p>As stated in the Revised Manual on Corporate Governance, directors shall have the responsibility to attend and actively participate in all meetings of the Board, Committees, and Shareholders.</p> <p>References:</p> <ul style="list-style-type: none"> • 2017 ASM Minutes http://www.smprime.com/disclosure-and-transparency • Revised Manual on Corporate Governance, Sec I.4.1, page 18 http://www.smprime.com/corporate-governance-manual
A.3.9	Does the company allow voting in absentia?	<p>YES, the Company's By-Laws expressly state that shareholders may vote in person or by proxy. Said provision is also disclosed in the Definitive Information Statement, sent to all shareholders prior to the Annual Stockholders' Meeting, as well as the Company's Annual Report.</p> <p>References:</p> <ul style="list-style-type: none"> • Amended By-Laws, Article II, Sec 7. Manner of Voting http://www.smprime.com/disclosure-and-transparency • 2016 SEC Form 20-IS Definitive Statement (March 13, 2017) ITEM 4. Voting Securities and Principal Holders Thereof – (3) Manner of Voting and Election of Directors, page 5 ITEM 19. Voting Procedures, page 38 http://www.smprime.com/annual-financials • 2016 Annual Report, Rights of Shareholders, Voting Right, page 42 http://www.smprime.com/annual-reports

Question		Answer
A.3.10	Did the company vote by poll (as opposed to by show of hands) for all resolutions at the most recent AGM?	<p>YES, votes are tabulated based on the number of shares owned by stockholders rather than by show of hands as disclosed in the Minutes of the Annual Stockholders' Meeting. This is also disclosed in the Definitive Information Statement, sent to all stockholders prior to the Annual Stockholders' Meeting, as well as the Annual Corporate Governance Report.</p> <p>References:</p> <ul style="list-style-type: none"> • 2017 ASM Minutes http://www.smprime.com/disclosure-and-transparency • 2016 SEC Form 20-IS Definitive Statement (March 13, 2017) ITEM 19. Voting Procedures, page 38 http://www.smprime.com/annual-financials • 2016 Annual Corporate Governance Report, Sec J.1.f, page 43 http://www.smprime.com/annual-corporate-governance-report
A.3.11	Does the company disclose that it has appointed an independent party (scrutineers/inspectors) to count and/or validate the votes at the AGM?	<p>YES, as disclosed in the Definitive Information Statement and the Minutes of the Annual Stockholders Meeting, the Company officially engaged SGV & Co. to validate the tabulation of votes.</p> <p>References:</p> <ul style="list-style-type: none"> • 2016 SEC Form 20-IS Definitive Statement (March 13, 2017) ITEM 19. Voting Procedures, page 38 http://www.smprime.com/annual-financials • 2017 ASM Minutes, 2. Certification of Notice and Quorum http://smprime.com/corporate-governance-overview
A.3.12	Does the company make publicly available by the next working day the result of the votes taken during the most recent AGM/EGM for all resolutions?	<p>YES, results are released the following day after the Annual Stockholders Meeting, which was on April 25, 2017.</p> <p>Reference:</p> <p>2017 ASM Minutes http://www.smprime.com/disclosure-and-transparency</p>

Question		Answer
A.3.13	Does the company provide at least 21 days notice for all AGMs and EGMs?	<p>YES, the amended Notice of the Annual Stockholders' Meeting was released on February 28, 2017, 38 business days prior to the meeting.</p> <p>Reference: Notice of Annual or Special Stockholders' Meeting (February 28, 2017) http://www.smprime.com/corporate-disclosures</p>
A.3.14	Does the company provide the rationale and explanation for each agenda item which require shareholders' approval in the notice of AGM/circulars and/or the accompanying statement?	<p>YES, the rationale and explanation for each agenda item are disclosed in the Definitive Information Statement and in the Notice of Stockholders Meeting.</p> <p>References:</p> <ul style="list-style-type: none"> • 2016 SEC Form 20-IS Definitive Statement (March 13, 2017) http://www.smprime.com/annual-financials • 2017 ASM Notice of Meeting and Agenda http://www.smprime.com/disclosure-and-transparency
A.3.15	Does the company give the opportunity for shareholder to place item/s on the agenda of AGM?	<p>YES, as stated in the Revised Manual on Corporate Governance and disclosed in the Company Website, shareholders, including the minority, have the right to propose items in the agenda of the meeting, provided the items are for legitimate business purposes, and in accordance with law, jurisprudence and best practice.</p> <p>Moreover, during the recent Annual Stockholders' Meeting, shareholders were given the opportunity to ask questions to the Board.</p> <p>References:</p> <ul style="list-style-type: none"> • Revised Manual on Corporate Governance, Sec IV.13.4.4.b, page 28 http://www.smprime.com/corporate-governance-manual • Website, Corporate Governance Overview, Rights of Shareholders http://smprime.com/corporate-governance-overview • 2017 ASM Minutes http://www.smprime.com/disclosure-and-transparency
<p>A.4 Markets for corporate control should be allowed to function in an efficient and transparent manner.</p>		

Question		Answer
A.4.1	In cases of mergers, acquisitions and/or takeovers requiring shareholders' approval, does the board of directors/commissioners of the company appoint an independent party to evaluate the fairness of the transaction price?	<p>YES, as disclosed in the Revised Manual on Corporate Governance. Although, there were no mentioned transactions that require shareholders' approval in 2016. However, in 2013 and 2007, as disclosed in the annual financial statements, the Company engaged a third party appraiser to provide opinion on the fairness of transaction price on the SM Property Group's merger and acquisition of malls in China.</p> <p>References:</p> <ul style="list-style-type: none"> • Revised Manual on Corporate Governance, Sec II.8.6, page 23 http://www.smprime.com/corporate-governance-manual • 2016 Annual Report, Note 5. Business Combinations, page 85 • 2013 Annual Report, Note 6. Business Combinations, page 83 • 2007 Annual Report, Trends and Expectations, page 10 http://www.smprime.com/annual-reports
A.5 The exercise of ownership rights by all shareholders, including institutional investors, should be facilitated.		

	Question	Answer
A.5.1	Does the company disclose its practices to encourage shareholders to engage with the company beyond AGM?	<p>YES, as provided in the Revised Manual on Corporate Governance, the Board shall promote shareholder rights, remove impediments to the exercise of shareholder rights and allow possibilities to seek redress for violation of their rights. The specific rights of shareholders are disclosed in the Manual, Annual Report, Annual Corporate Governance Report and Company website.</p> <p>Further, the Company's Investor Relations Office facilitates constant engagement with its shareholders through ongoing meetings, road shows, and conference calls. This is disclosed in the 2016 Sustainability Report and Company website.</p> <p>References:</p> <ul style="list-style-type: none"> • Revised Manual on Corporate Governance, Sec IV.13, pages 27-30 http://www.smprime.com/corporate-governance-manual • 2016 Annual Report, Rights of Shareholders, page 42 2016 Sustainability Report, Engaging Stakeholders, page 8 http://www.smprime.com/annual-reports • 2016 Annual Corporate Governance Report, Sec A.1.b, pages 1-2 http://www.smprime.com/annual-corporate-governance-report • Website, Rights of Shareholders http://www.smprime.com/rights-shareholders • Website, Investor Relations Program & Schedule http://smprime.com/investor-relations-program-schedule