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**SECURITIES AND EXCHANGE COMMISSION**

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Industry Classification

Company Type Stock Corporation

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**S.E.C. Registration Number**

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(Company's Full Name)

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(Business address: No. Street City / Town / Province)

Atty Marianne Guerrero  
Contact Person

### Contact Person

877-0100  
Company Telephone Number

Company Telephone Number

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Month

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Day

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FORM TYPE

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Month

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Day

Fiscal Year

Annual Meeting

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Secondary License Type, If Applicable

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Amended Articles Number/Section

### Total Amount of Borrowings

11/11/2019

Total No. of Stockholders

[illegible]

Domestic

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Foreign

Top be accomplished by SEC Personnel concerned

[illegible][illegible]

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**INVESTMENTS  
CORPORATION**

8 January 2016

**SECURITIES AND EXCHANGE COMMISSION**

SEC Bldg., EDSA, Greenhills,  
Mandaluyong City, Metro Manila

Attention:

**DIR. JUSTINA F. CALLANGAN**

Corporate Governance and Finance Department

**PHILIPPINE STOCK EXCHANGE, INC.**

3<sup>rd</sup> Floor, Philippine Stock Exchange Plaza  
Ayala Triangle, Ayala Avenue  
Makati City, Metro Manila

Attention:

**MS. JANET A. ENCARNACION**

Head, Disclosures Department

**RE: CONSOLIDATED CHANGES IN THE ANNUAL CORPORATE GOVERNANCE REPORT FOR 2015**

Gentlemen:

Pursuant to SEC Memorandum Circular Nos. 1 and 12, series of 2014, we hereby submit the consolidated changes to **SM INVESTMENT CORPORATION'S** Annual Corporate Governance Report (ACGR) for the year 2015. The aforementioned changes are attached for your reference; Annex A was discussed and approved by the Board of Directors in its Regular Meeting held on August 5, 2015, and Annex B will be ratified in the next Board meeting.

Thank you.

Very truly yours,

  
**Atty. MARIANNE M. GUERRERO**

Senior Vice President and Head-Legal Department  
Assistant Corporate Secretary & Alternate Compliance Officer

**SM Investments Corporation**  
10/F One E-Com Center  
Harbor Drive  
Mall of Asia Complex  
1300, Pasay City, Philippines

Cc: Issuer Compliance & Disclosure Department  
Philippine Dealing & Exchange Corp.  
37/F, Tower 1, The Enterprise Center  
6766 Ayala Ave. cor. Paseo de Roxas, Makati City



## UPDATES TO THE ANNUAL CORPORATE GOVERNANCE REPORT

- I. Updates were made to the table w/information on the Board of Directors that is found in page 5 of the ACGR.

(a) Composition of the Board

*Complete the table with information on the Board of Directors:*

Director's Name	Type [Executive (ED), Non-Executive (NED) or Independent Director (ID)]	Nominator in the last election (if ID, state the relationship with the nominator)	Date first elected	Date last elected (if ID, state the number of years served as ID)	Elected when (Annual /Special Meeting)	No. of years served as director
Henry Sy, Sr.	NED	Atty. Sheila T. Quien	Jan. 1960*	29 April, 2015	ASM	55
Teresita T. Sy	NED	Atty. Sheila T. Quien	May 1979*	29 April, 2015	ASM	36
Henry T. Sy, Jr	NED	Atty. Sheila T. Quien	May 1979*	29 April, 2015	ASM	36
Harley T. Sy	ED	Atty. Sheila T. Quien	May 1993*	29 April, 2015	ASM	22
Jose T. Sio	ED	Atty. Sheila T. Quien	May 2005	29 April, 2015	ASM	10
Vicente S. Perez, Jr.	ID	Atty. Sheila T. Quien	May 2005	29 April, 2015 (10)	ASM	10
Ah Doo Lim	ID	Atty. Sheila T. Quien	April 2008	29 April, 2015 (7)	ASM	7
Joseph R. Higdon	ID	Atty. Sheila T. Quien	April 2010	29 April, 2015 (5)	ASM	5

\* The Company was listed in the PSE on 22 March 2005, but the indicated individual has served as a director since the year given.

- II. An update was made to item (3) on page 9 of the AGR.

*Explain how the board of directors plan for the succession of the CEO/Managing Director/President and the top key management positions?*

**Under the Company's Amended By-Laws (Article VI. Officers, Section 9. Executive and Senior Vice Presidents), in the absence or disability of the President, the most senior Executive or Senior Vice President who is also a Director, shall perform all the duties of the President, and when so acting, shall have all the powers of, and be subject to all the restrictions upon, the President. The Nomination Committee adheres to the principle of "fit and proper" in succession planning. In evaluating candidates, a high level of competency, experience and stature are used as standards. Furthermore, the maturity of character and ability to effectively assimilate into the SM culture are critical. Once evaluated, the recommendation is presented to the Board for discussion and consideration. Per the Manual on Corporate Governance, the Company's Succession Planning Policy Statement is as follows:**

***A fundamental responsibility of the Board of Directors is to ensure that effective processes are in place to provide continuity of Board and executive leadership. The Board ensures that such leadership possesses sufficient depth, talent and conviction for effective Board oversight and execution of long term strategies, consistent with the Company's vision and mission statements. Hence, a process for identifying and assessing potential internal candidates, periodic review and assessment of readiness, contingency planning for temporary absences of the key positions due to disability or any other unexpected event, should be in place.***



*The Board will review and assess said processes on an annual basis.*

*A succession planning process shall be established to include a) Identification of critical positions, b) Identifying potential successors, c) Readiness of successors, d) Possession of necessary knowledge, skills and behavior, and e) Tracking the progress.*

III. Updates were made to item (c) of page 19 of the ACGR.

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

Name of Director/Officer	Date of Training	Program	Name of Training Institution
Henry T. Sy, Jr.	August 5, 2015	Annual Corporate Governance Training Program (SMIC)	Institute of Corporate Directors (ICD)
	August 6, 2014	Exclusive Orientation Course on Corporate Governance (SMIC)	Institute of Corporate Directors (ICD)
Harley T. Sy	June 3, 2015	Orientation Course for Corporate Governance (CBC)	Institute of Corporate Directors (ICD)
	January 8, 2014	Exclusive Corporate Governance Workshop (CBC)	Institute of Corporate Directors (ICD)
	August 6, 2014	Anti-Money Laundering Act (AMLA) Seminar	Bangko Sentral Pilipinas (BSP)
Jose T. Sio	August 5, 2015	Annual Corporate Governance Training Program (SMIC)	Institute of Corporate Directors (ICD)
	January 8, 2014	Exclusive Corporate Governance Workshop (CBC)	Institute of Corporate Directors (ICD)
	February 24, 2014	Exclusive Corporate Governance Workshop (SMPHI)	Institute of Corporate Directors (ICD)
Vicente S. Perez, Jr.	August 5, 2015	Annual Corporate Governance Training Program (SMIC)	Institute of Corporate Directors (ICD)
	November 20, 2014	Distinguished Corporate Governance Speaker Series	Institute of Corporate Directors (ICD)
Ah Doo Lim	August 5, 2015	Annual Corporate Governance Training	Institute of Corporate Directors (ICD)



		<b>Program (SMIC)</b>	
	August 6, 2014	Exclusive Orientation Course on Corporate Governance (SMIC)	Institute of Corporate Directors (ICD)
<b>Joseph R. Higdon</b>	<b>April 28, 2015</b>	<b>Orientation Course for Corporate Governance (SBC)</b>	<b>Institute of Corporate Directors (ICD)</b>
	April 29, 2014	Corporate Governance Seminar (SBC)	Risks, Opportunities, Assessment and Management (ROAM)
<b>Atty. Elmer B. Serrano</b>	<b>August 5, 2015</b>	<b>Annual Corporate Governance Training Program (SMIC)</b>	<b>Institute of Corporate Directors (ICD)</b>
<b>Atty. Marianne M. Guerrero</b>	<b>August 5, 2015</b>	<b>Annual Corporate Governance Training Program (SMIC)</b>	<b>Institute of Corporate Directors (ICD)</b>
	August 6, 2014	Exclusive Orientation Course on Corporate Governance (SMIC)	Institute of Corporate Directors (ICD)
<b>Frederic C. DyBuncio</b>	<b>August 5, 2015</b>	<b>Annual Corporate Governance Training Program (SMIC)</b>	<b>Institute of Corporate Directors (ICD)</b>
<b>Cecilia R. Patricio</b>	<b>August 5, 2015</b>	<b>Annual Corporate Governance Training Program (SMIC)</b>	<b>Institute of Corporate Directors (ICD)</b>
	August 6, 2014	Exclusive Orientation Course on Corporate Governance (SMIC)	Institute of Corporate Directors (ICD)
<b>Grace F. Roque</b>	<b>August 5, 2015</b>	<b>Annual Corporate Governance Training Program (SMIC)</b>	<b>Institute of Corporate Directors (ICD)</b>
	August 6, 2014	Exclusive Orientation Course on Corporate Governance (SMIC)	Institute of Corporate Directors (ICD)
<b>Franklin C. Gomez</b>	<b>August 5, 2015</b>	<b>Annual Corporate Governance Training Program (SMIC)</b>	<b>Institute of Corporate Directors (ICD)</b>
	August 6, 2014	Exclusive Orientation Course on Corporate Governance (SMIC)	Institute of Corporate Directors (ICD)
<b>Lizanne C. Uychaco</b>	<b>May 13, 2015</b>	<b>Seminar on Corporate Governance</b>	<b>Sycip, Gorres &amp; Velayo (SGV)</b>
<b>Marcelo C. Fernando, Jr.</b>	<b>August 5, 2015</b>	<b>Annual Corporate Governance Training</b>	<b>Institute of Corporate Directors (ICD)</b>



		Program (SMIC)	
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IV. Updates were made to "Audit Committee" on page 30 of the ACGR.

*Audit Committee*

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman (ID)	Vicente S. Perez, Jr.	29 April 2015	4	4	100	8yrs.
Member (ID)	Ah Doo Lim	29 April 2015	4	4	100	1yr.
Member (NED)	Teresita T. Sy	29 April 2015	4	4	100	1yr.

*Disclose the profile or qualifications of the Audit Committee members.*

**Vicente S. Perez, Jr.**, is an Independent Director of SMIC. His career has ranged from international banker, debt trader, investment bank partner, private equity investor to cabinet secretary. He is the Chief Executive Officer of Alternergy and, Chairman of Merritt Partners. He was the youngest and longest serving Secretary of the Department of Energy. In 2001, he briefly served as Undersecretary for Industry and Investments at the Department of Trade and Industry and Managing Head of the Board of Investments. He is Chairman of WWF Philippines and member of the WWF-International Board. Mr. Perez also currently serves as an independent director of Double Dragon Properties Corp. and ST Telemedia. Mr. Perez is a member of the advisory boards of Coca-Cola FEMSA Phils., Pictet Clean Energy Fund, Roxas Holdings, and the Yale Center for Business and Environment. He obtained his master's degree in Business Administration from the Wharton School of the University of Pennsylvania, and his bachelor's degree in Business Economics from the University of the Philippines. He was a 2005 World Fellow at Yale University where he lectured an MBA Class on renewable power in emerging countries.

**Ah Doo Lim**, a Singaporean, is an Independent Director of SMIC. He is currently a Director and Chairman of the Audit Committee of Sembcorp Marine Ltd., a world leading rig builder in the offshore marine and engineering sector, and of ARA-CWT Trust Management (Cache) Ltd., GP Industries Ltd., Linc Energy Limited, and U Mobile Sdn Bhd. He is also a Director of Sateri Holdings Limited, a world leader in the specialty cellulose industry. He obtained a degree in Engineering from Queen Mary College, University of London in 1971, and a Master's Degree in Business Administration from Cranfield School of Management, England in 1976.

**Teresita T. Sy**, is the Vice Chairperson of SMIC. She has varied experience in retail merchandising, mall development and banking businesses. A graduate of Assumption College, she was actively involved in Shoemart's development. At present, she is the Chairperson of the Board of Directors of BDO Unibank, Inc. She also holds board positions in several companies within the SM Group.

V. Updates have been made to "Changes in Committee Members" on page 32 of the ACGR.

*Changes in Committee Members*

*Indicate any changes in committee membership that occurred during the year and the reason for the changes:*

Name of Committee	Name	Reason
Executive	None.	
Audit	(-) Atty. Corazon I. Morando (-) Henry T. Sy, Jr. (-) Joseph R. Higdon (-) Jose T. Sio (+) Teresita T. Sy (+) Ah Doo Lim	Per Board decision.
Nomination	(-) Henry T. Sy, Jr. (-) Ah Doo Lim (-) Atty. Corazon I. Morando (+) Joseph R. Higdon (+) Vicente S. Perez, Jr. (+) Teresita T. Sy	Per Board decision.
Remuneration	None.	
Others (specify)	None. Not applicable.	



## SECRETARY'S CERTIFICATE

KNOW ALL MEN BY THESE PRESENTS:

I, **Atty. MARIANNE M. GUERRERO**, Filipino, of legal age, and being the duly elected and incumbent Assistant Corporate Secretary of **SM INVESTMENTS CORPORATION ("SMIC" or the "Corporation")**, a corporation duly organized and existing under and by virtue of the laws of the Philippines, with principal office at 10<sup>th</sup> Floor, One E-Com Center, Harbor Drive, Mall of Asia Complex, Pasay City, do hereby certify that:

At the regular meeting of the Board of Directors of the Corporation held on August 5, 2015 at the Board Room, 17<sup>th</sup> Floor, L.V. Locsin Building, 6752 Ayala Avenue corner Makati Avenue, Makati City, in which meeting a quorum was present and acting throughout, the Board approved the updates and changes in its Annual Corporate Governance Report, to wit:

- A. Board Matters
  - a. Information on the Board of Directors
  - b. Succession Planning
  - c. Continuing education programs attended by members of the Board of Directors and Key Officers
- B. Board Committees
  - a. Changes in Committee Members
  - b. Board Committee Information

The foregoing is in accordance with the records of the Corporation in my custody.

IN WITNESS WHEREOF, this Certificate has been signed this AUG 19 2015 at PASAY CITY.

**Atty. MARIANNE M. GUERRERO**  
Assistant Corporate Secretary

**SUBSCRIBED AND SWORN** to before me this AUG 19 2015 at PASAY CITY, affiant exhibiting to me her SSS I. D. with No. 03-9638469-2.

**JOSEFINA W. REMOLLO**  
Notary Public  
UNTIL DECEMBER 31, 2015  
PTR NO. 4230709/1.22.15/PASAY  
IBP NO. 0985089/1.08.15/BULACAN  
ROLL NO. 36042

Doc. No. 458  
Page No. 93  
Book No. 20  
Series of 2015.



## UPDATES TO THE ANNUAL CORPORATE GOVERNANCE REPORT

I. The statement on *item (c)* of page 6 of the ACGR was updated.

c) How often does the Board review and approve the vision and mission?

The Board reviews the Company's vision and mission annually, or sooner should the need arise.

II. Updates were made to *item (c)* of page 19 of the ACGR.

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

Name of Director/ Officer	Date of Training	Program	Name of Training Institution
Teresita Sy-Coson	November 25, 2015	Mitigating Risk on Current Trends in Money Laundering	AMLC
Corazon P. Guidote	September 8, 2015	Seminar on Corporate Governance	Center for Global Best Practices

III. Updates were made to *item (2)* of page 24 of the ACGR.

Attendance of Directors

Board	Name	Date of Election	No. of Meetings Held during the year	No. of Meetings Attended	%
Chairman	Henry Sy, Sr.	29 April 2015	5	5	100
Vice – Chairperson	Teresita T. Sy	29 April 2015	5	5	100
Vice – Chairman	Henry T. Sy, Jr.	29 April 2015	5	5	100
President	Harley T. Sy	29 April 2015	5	5	100
Executive Director	Jose T. Sio	29 April 2015	5	5	100
Independent Director	Vicente S. Perez, Jr.	29 April 2015	5	5	100
Independent Director	Ah Doo Lim	29 April 2015	5	5	100
Independent Director	Joseph R. Higdon	29 April 2015	4	5	80

IV. Updates were made to *item (2) Internal Audit* on page 41 of the ACGR.

Internal Audit

(a) Role, Scope and Internal Audit Function



Give a general description of the role, scope of internal audit work and other details of the internal audit function.

Role	Scope	Indicate whether In-house or Outsource Internal Audit Function	Name of Chief Internal Auditor/Auditing Firm	Reporting process
<p>The Company's Internal Auditor conducts reviews of the Company's internal control system as mandated in its charter. Under its Charter, the primary purpose of Internal Audit is to provide an independent, objective, reasonable, systematic and disciplined evaluation of the Company's risk management, organization and procedural controls to ascertain that:</p> <ul style="list-style-type: none"> <li>• There is adequate and effective internal control system, including operational, financial reporting, risk management and information technology security controls.</li> <li>• Significant financial, managerial and operating information are accurate, reliable and timely;</li> <li>• Employee's actions are in compliance with policies, standards, procedures and applicable laws and regulations;</li> <li>• Resources are appropriately recorded and adequately safeguarded;</li> <li>• Quality and continuous improvement are fostered in the control processes of the Company;</li> <li>• Risks are appropriately identified and managed;</li> <li>• Interaction with the corporate governance group occurs as needed; and</li> <li>• Significant legislative or regulatory issues impacting the Company are recognized and addressed appropriately.</li> </ul> <p>The Charter requires the Internal Audit to do</p>		In-house.	Mr. Anastacio C. Balubar	<p>To maintain its independence, the Internal Auditor reports functionally to the Board of Directors, through the Audit and Risk Management Committee, and administratively to the President. The Internal Auditor is authorized to have unrestricted access to all functions, records, property and personnel in the conduct of his duties, and free access to communicate with the Audit and Risk Management Committee and Management.</p>

<p>the following:</p> <ul style="list-style-type: none"> <li>• Develop an annual audit plan using an appropriate risk-based methodology, including any risks or control concerns identified by Management, and submit such plan as well as periodic update thereof, to the Audit and Risk Management Committee for review and approval.</li> <li>• Implement the approved annual audit plan, including special tasks or projects mandated by the Audit and Risk Management Committee.</li> <li>• Issue periodic reports to the Audit and Risk Management Committee and Senior Management, summarizing results of audit activities.</li> <li>• Assist in the investigation of significant suspected fraudulent activities within the Company and notify Management and the Audit and Risk Management Committee of the results.</li> <li>• Consider the scope of work of the external auditors and regulators, as appropriate, for the purpose of providing optimal audit to the organization at a reasonable overall cost.</li> </ul>			
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V. Updates were made to *item (d)* on page 44 of the ACGR.

(a) Resignation, Re-assignment and Reasons

Disclose any resignation/s or re-assignment of the internal audit staff (including those employed by the third-party auditing firm) and the reason/s for them.

Name of Audit Staff	Reason
Ms. Carmelita C. Daduya	Personal reasons.