

**MINUTES OF THE ANNUAL STOCKHOLDERS’ MEETING
OF THE**

SMC SLEX INC.

Held via remote communications through video conference
on 9 May 2024 at 3:00 p.m.

<u>PRESENT:</u>	<u>No. of Shares</u>
Ramon S. Ang for himself	1
and as proxy for: SMC SLEX Holdings Company Inc.	2,899,999,991
Glenda R. Rumohr- Figueroa for herself	1
and as proxy for: The Republic of the Philippines	724,999,998
 Lorenzo G. Formoso III	 1
Susan Y. Yu	1
Jose P. de Jesus	1
Martin S. Villarama Jr.	1
Consuelo Ynares-Santiago	1
Aurora T. Calderon	1
Joseph N. Pineda	1
John Paul L. Ang	1
 Total number of shares present	 3,624,999,999
Total number of shares issued and outstanding	3,625,000,000
Percentage attendance of stockholders	99.99%

ALSO PRESENT:

Ferdinand K. Constantino
Raoul Eduardo C. Romulo
Virgilio S. de Guzman
Jacinto P. Dela Cruz Jr.
Crisallie D. Geronimo
Jose C. Laureta
Shaina Anella B. Ramirez
Carlo Magno C. Caballa
Rea Samantha G. Torres

1. Call to order and certification of notice and quorum

Before the meeting formally began the Chairman, Mr. Ramon S. Ang, appointed Ms. Aurora T. Calderon to be the Acting Chairman for the meeting. The Acting Chairman called the meeting to order and presided over the same. The Corporate Secretary, Atty. Jose C. Laureta confirmed the attendance, location and device of the stockholders through a roll call. The Corporate Secretary recorded the minutes of the proceedings and certified to the presence of a quorum for the valid

transaction of business by the Corporation, there being present in person and by proxy stockholders representing 100% of the issued and outstanding capital stock of the Corporation.

For each Agenda Item, a motion shall be made by any stockholder and when duly seconded by another shareholder (there being no objections from any stockholder) shall be declared as duly approved and carried by the all the stockholders present in the meeting. Should there be any objection from a stockholder, such objection shall be registered as a dissent to and a vote against the passage of the subject resolution. For purposes of election of the members of the Board of Directors, a stockholder may vote the number of common shares held in his name in the stock and transfer book of the Corporation and may vote such number of common shares for as many persons as there are directors to be elected. or he may cumulate said common shares and give one candidate as many votes as the number of directors to be elected multiplied by the number of his common shares shall equal, or he may distribute them on the same principle as among as many candidates as he shall see fit; provided, that the total number of votes cast by him shall not exceed the number of common shares owned by him as shown in the books of the Corporation multiplied by the total number of directors to be elected, as set forth in the Information Statement.

2. Approval of the Minutes of the Annual Stockholders' Meeting held on May 11, 2023

The meeting proceeded to the second item in the agenda, that is, the approval of the minutes of the Annual Stockholders' Meeting held on May 11, 2023. The Chairman requested the stockholders to peruse their copies of the minutes, which had been furnished them prior to the meeting. A copy of the same is attached to these minutes by reference.

Upon motion duly made and seconded, and there being no objections, the minutes of the Annual Stockholders' Meeting held on May 11, 2023 were unanimously approved.

3. Report to Stockholders

Mr. Raoul C. Romulo delivered the President's Report on the operations and performance of the Corporation to the Stockholders for the year 2023. A copy of the report is appended to these minutes by reference.

The report highlighted the following:

- During the year, vital sectors of the economy resumed full operations
 - SLEX traffic volume achieved an Annual Average Daily Traffic (AADT) of 351,722, a decrease of 7% from 376,267 in 2022 and 4.4% above the pandemic traffic volume of 335,900 in 2021.
 - Majority of motorists traversing the SLEX consists of Class 1 vehicles, accounting for 85% of total traffic volume in 2023.
 - Overall, AADT in SLEX registered a CAGR of 4.5%, from 5.6% in 2022.
 - As a result, toll revenue went up by 10% to P7.1 billion from P6.4 billion while Cost and Expenses increased by 3% to P2.14 billion from P2.09 billion.
 - EBITDA increased by 18% to P5.9 billion from P5.0 billion. Total Comprehensive Income increased by 20% to P4.2 billion from P3.5 billion.
- Financials
 - Total Assets amounted to P22.3 billion, an increase of 19% mainly due to higher service concession rights and property and equipment.

- Total Debt increased by 12% to P4.7 billion from P4.2 billion mainly due to the increase in payables to suppliers and contractors.
- The 21% increase in Total Equity which stood at P17.6 billion as of December 31, 2023 resulted from Net Income of P4.2 billion.
- Enhancement initiatives
 - Completion of old Electronic Toll Collection (ETC) system migration to the RFID system which will decrease the average transaction time at the toll booths.
 - The company also continues to implement its preventive maintenance program to ensure that no disruption will occur during toll operations.
 - The SLEX Widening project expands our carriageway into 6 lanes for northbound and southbound from Filinvest all the way to Sto. Tomas.
 - The expansion of our toll road portfolio continues with construction of the TR-4 Project, which extends the SLEX up to Lucena City, Quezon Province.
 - Total TR4 cost as of December 31, 2023, for project development amounted to P5.4 billion and P2.0 billion for right of way acquisition.

4. Approval of the Audited Financial Statements for the year ended 31 December 2023

Mr. Raoul C. Romulo presented the audited financial statements for the year ended 31 December 2023, together with a summary of the significant items thereof. Copies of the audited financial statements and presentation were furnished the stockholders prior to the meeting, and are made integral parts of these minutes by reference.

After the report, the Chairman of the Audit Committee, Hon. Consuelo Ynares-Santiago, manifested that the Audit Committee has reviewed the audited financial statements and is recommending its approval by the stockholders.

Upon motion duly made and seconded, and there being no objections, the following resolution was unanimously approved and adopted:

“RESOLVED, that the stockholders representing at least a majority of the issued and outstanding capital stock of the SMC SLEX Inc. (the ‘Corporation’) approves, as it so hereby approves, the Audited Financial Statements of the Corporation for the year ended 31 December 2023, as presented to the stockholders at its annual meeting held on 9 May 2024.”

5. Election of Directors

The meeting proceeded to the election of directors for the current year. The Corporate Secretary informed the Board that there are eleven (11) Board seats, two (2) of which are reserved for the Independent Directors and the remaining nine (9) Board seats are allocated among the principal shareholders, with their respective nominees as follows:

Republic of the Philippines : *Two (2)*

Catherine L. Fong
Glenda R. Rumohr- Figueroa

SMC SLEX Holdings Company Inc. : Seven (7)

Ramon S. Ang
Aurora T. Calderon
Jose P. de Jesus
Susan Y. Yu
Lorenzo G. Formoso III
Joseph N. Pineda
John Paul L. Ang

Independent Directors : Two (2)

Justice Martin S. Villarama Jr.
Justice Consuelo Ynares-Santiago

The Corporate Secretary explained that the Information Statement circulated to the stockholders provided the names of the nominees for election as independent directors of the Board of Directors and they are Consuelo M. Ynares-Santiago and Martin S. Villarama, Jr. She likewise informed the stockholders that all the named independent directors comply with the mandatory requirements imposed by the Securities and Exchange Commission.

A motion was made for the above-named nominees be unanimously elected as directors of the Corporation for the ensuing year until their successors are elected and qualified, and (that the votes of the stockholders present and represented by proxies be distributed and recorded accordingly.

Upon nominations duly made and seconded, and there being no objections, the following were elected as directors of the Corporation for the current year, to serve as such until their successors are duly elected and qualified:

Ramon S. Ang
Jose P. de Jesus
Aurora T. Calderon
Susan Y. Yu
Lorenzo G. Formoso III
Joseph N. Pineda
John Paul L. Ang
Catherine L. Fong
Glenda R. Rumohr- Figueroa
Martin S. Villarama, Jr.
Consuelo Ynares-Santiago

6. Re-election of Independent Director

The meeting proceeded with the re-election of independent directors, Justice Martin S. Villarama Jr. and Justice Consuelo Ynares- Santiago, to comply with the mandatory requirements of the Securities and Exchange Commission. Justice Villarama as Chairman of the Corporate Governance Committee, explained the term limit of the Independent Director and recommended the re-election of Justice Santiago.

7. Ratification of Acts and Proceedings of the Board of Directors

Upon the request of the Chairman, the Corporate Secretary presented the Acts of Management for the year ended 31 December 2023. Copies of the presentation were furnished to the stockholders prior to the meeting, and a copy thereof is appended

to these minutes by reference. The Corporate Secretary gave a brief summary of the acts of management for approval, as follows:

Acts approved at the regular meeting of the board of directors held on 16 March 2023:

- The Audited Financial Statements for the period ended 31 December 2022;
- The recommendation to the shareholders of the appointment of the external auditor of the Corporation;
- The setting of 20 April 2023 as the record date for the purpose of determining the stockholders entitled to notice and attendance at the Annual Stockholders' Meeting to be held on 11 May 2023 in accordance with the By-Laws of the Corporation;
- The holding of any and all stockholder's meetings and board of directors' meetings via remote communications pursuant to SEC Memorandum Circular No. 6, series of 2020;
- The reversal of previously appropriated retained earnings and the appropriation of retained earnings;
- The appointment of replacement members to the board of trustees of the retirement fund of the Corporation.

At the same meeting, the Board deliberated on the results of the assessment of the members of the Audit Committee, the Related Party Transactions Committee, the Board Risk and Oversight Committee, and the Corporate Governance Committee, on the performance of the said Committees for the year ended December 31, 2022.

The Board further deliberated on the results of the assessment of the directors of their individual performance, as well as that of the collective Board, the Board Committees, the President, and the Board's relationship with management, for the year ended December 31, 2022.

Acts approved at the regular meeting of the board of directors held on 11 May 2023:

- The Board unanimously approved the financial and operating results as of 31 March 2023.

Acts approved at the annual stockholders' meeting held on 11 May 2023:

- The minutes of the Annual Stockholders' Meeting held on 12 May 2022;
- The Audited Financial Statements of the Corporation for the year ended 31 December 2022.
- The following were elected to the Board of Directors for the year 2023-2024:

Ramon S. Ang	: Non-executive Director
Jose P. de Jesus	: Non-executive Director
Aurora T. Calderon	: Non-executive Director
Lorenzo G. Formoso III	: Non-executive Director
Joseph N. Pineda	: Non-executive Director
John Paul L. Ang	: Non-executive Director
Susan Y. Yu	: Non-executive Director
Sheila N. Castaloni	: Non-executive Director
Catherine L. Fong	: Non-executive Director
Consuelo Ynares-Santiago	: Independent Director
Martin S. Villarama, Jr.	: Independent Director

Acts approved at the organizational meeting of the board of directors held on 11 May 2023:

- The Board of Directors unanimously approved the minutes of the regular meeting of the Board of Directors held on 16 March 2023.
- The following were elected as officers for the year 2023-2024, to the positions stated opposite their respective names:

President and Chairman : Ramon S. Ang
Vice Chairman : Jose P. de Jesus, Jr.
Treasurer and CFO : Raoul Eduardo C. Romulo
Deputy CFO : Virgilio S. de Guzman

Corporate Secretary : Jose C. Laureta

Assistant Corporate Secretary : Shaina Anella B. Ramirez

Alternate Assistant
Corporate Secretary : Carlo Magno C. Caballa

- The following were appointed officers of the Corporation for the year 2023-2024:

Compliance Officer : Jose C. Laureta
Corporate Information Officer : Raoul Eduardo C. Romulo
Deputy Corporate Information Officer: Virgilio S. de Guzman

- The following were appointed the Chairpersons and members of the Board committees:

Corporate Governance Committee:

Chairperson : Martin S. Villarama, Jr. (Independent Director)
Members : Consuelo Ynares-Santiago (Independent Director)
Susan Y. Yu (Non-executive Director)

Audit and Risk Oversight Committee:

Chairperson : Consuelo Ynares-Santiago (Independent Director)
Members : Martin S. Villarama, Jr. (Independent Director)
Jose P. de Jesus, Jr. (Non-executive Director)
Joseph N. Pineda (Non-executive Director)
Susan Y. Yu (Non-executive Director)

Related Party Transaction Committee:

Chairperson : Martin S. Villarama, Jr. (Independent Director)
Members : Consuelo Ynares-Santiago (Independent Director)
Jose P. de Jesus, Jr. (Non-executive Director)

Finance Committee:

Chairperson : Lorenzo G. Formoso III (Non-executive Director)
Members : Aurora T. Calderon (Non-executive Director)
Sheila N. Castaloni (Non-executive Director)
John Paul L. Ang (Non-executive Director)

Acts approved at the regular meeting of the board of directors held on 10 August 2023:

- The financial and operating results as of 30 June 2023;
- The supplemental capital expenditure (CAPEX) budget for 2023 in the estimated amount of Four Billion Six Hundred Million Nine Hundred Eighty-Seven Thousand Four Hundred Sixteen & 64/100, (PhP4,600,987,416.64), to fund additional capital expenditure projects for the South Luzon Expressway

Acts approved at the regular meeting of the board of directors held on 6 November 2023:

- the minutes of the Regular Meeting of the Board of Directors held on 10 August 2023;
- the financial and operating results as of 30 September 2023;
- the approval of the corporate budget for the year 2024;
- the declaration of a cash dividend of Php.30/share in the total amount of Php1,087,500,000.00 to be paid out of the retained earnings of the Corporation as of 31 December 2023, payable to all the stockholders of record as of the date of the approval of the declaration, in December 2023, and in accordance with the cash flow of the Corporation;
- the approval of the authority of the Corporation to enter into with related parties in the following agreements:
 - i. renewal of service, lease, and advertising, and license agreements
 - ii. amendment of O&M Free Agreement with Manila Toll Expressway Systems, Inc.
 - iii. renewal of the salary loan facility with the Bank of Commerce
- approval of the increase in advances and amendment of reimbursement agreement with the Department of Public Works and Highways.

The stockholders are requested to approve the above enumerated acts of the Board and management, through the following resolution:

“RESOLVED, as it is hereby resolved, that all acts, resolutions, and proceedings of the Board of Directors and corporate officers of the Corporation since the Annual Stockholders Meeting held on 11 May 2023 until the date of this meeting, be approved, confirmed and ratified. Upon motion duly made and seconded, there being no objections, the ratification of the acts of the Board of Directors for the year ended 31 December 2022 was unanimously approved and adopted by the stockholders representing at least a majority of the issued and outstanding capital stock of the Corporation by approving the following resolution:

“RESOLVED, as it is hereby resolved, that all acts, resolutions, and proceedings of the Board of Directors and corporate officers of the Corporation since the Annual Stockholders Meeting held on 11 May 2023 until the date of this meeting, be approved, confirmed and ratified.”

8. Appointment of external auditor for the financial year ending 31 December 2024

The meeting proceeded to the appointment of the external auditor for the financial year ending 31 December 2024. Hon. Consuelo Ynares-Santiago, Chairperson of the Audit Committee, manifested that the committee is recommending the appointment of the auditing firm Reyes Tacandong & Co. as the external auditors of the Corporation for the financial year ending 31 December 2024.

Upon motion duly made and seconded, there being no objections, the following resolution was unanimously approved and adopted by the stockholders representing at least a majority of the issued and outstanding capital stock of the Corporation:

“RESOLVED, that stockholders representing at least a majority of the issued and outstanding capital stock of SMC SLEX Inc. (the ‘Corporation’) appoint, as they so hereby appoint, the auditing firm of Reyes Tacandong & Co. as the external auditor of the Corporation for the audit of the financial statements of the Corporation for the financial year from 1 January to 31 December 2024.”

9. Adjournment

There being no other matters to discuss, the meeting was adjourned.

The voting results for each Agenda Item is set out in the attached Annex “A” hereof.

ATTEST:

RAMON S. ANG
Chairman/Director

JOSE C. LAURETA
Corporate Secretary

Voting Results of each Agenda Item of the
Annual Meeting of the Stockholders of
SMC SLEX Inc.
held on 9 May 2024

Agenda Item	Percentage of Outstanding Shares Voted For the Approval of the Agenda Item
Approval of the Minutes of the Annual Stockholders' Meeting held on May 12, 2022	100%
Approval of the Audited Financial Statements for the year ended 31 December 2022	100%
Election of the Board of Directors For each of Ramon S. Ang, Jose P. de Jesus, Aurora T. Calderon, Susan Y. Yu, Lorenzo G. Formoso III, Joseph N. Pineda, John Paul L. Ang, Glenda R. Rumohr- Figueroa, Catherine L. Fong, Consuelo M. Ynares-Santiago, and Martin S. Villarama, Jr.	100%
Approval of the Acts and Proceedings of the Board of Directors and Corporate Officers for the year ended 31 December 2023	100%
Appointment of External Auditors	100%