

**MINUTES OF THE ANNUAL STOCKHOLDERS' MEETING
OF THE**

SMC SLEX INC.

Held via remote communications through video conference
on 12 May 2022 at 2:00 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
Antonette C. Tionko for herself	1
and as proxy for: The Republic of the Philippines	724,999,998
Lorenzo G. Formoso III	1
Mario K. Surio	1
Jose P. de Jesus	1
Martin S. Villarama Jr.	1
Consuelo Ynares-Santiago	1
Paola Sherina A. Alvarez	1
Aurora T. Calderon	1
Joseph N. Pineda	1
John Paul L. Ang	1
Total number of shares present	3,625,000,000
Total number of shares issued and outstanding	3,625,000,000
Percentage attendance of stockholders	100%

ALSO PRESENT:

Ferdinand K. Constantino
Raoul Eduardo C. Romulo
Virgilio S. de Guzman
Susan Y. Yu
Jose C. Laureta
Noellie R. Majarucon
Shaina Anella B. Ramirez
Carlo Magno C. Caballa
Rea Samantha G. Torres

1. Call to order and certification of notice and quorum

The Chairman, Mr. Ramon S. Ang, 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 13, 2021

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 13, 2021. 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 13, 2021 were unanimously approved.

3. Report to Stockholders

The report presented to the stockholders during the meeting, which is appended to these minutes by reference, highlighted the following:

- The improvement in the country's response to the health crisis and the vaccination rollout that started in 2021 have resulted to reduction in COVID-19 cases.
 - These improvements have eased the travel restrictions in NCR and Southern Luzon, resulting to a continuing recovery in the SLEX traffic volume. AADT increased by 22% to 335,900 from 274,931 and registered a compounded annual growth rate (CAGR) of 5% from 3% in 2020.
 - Toll Revenue went up by 22% to P5.57 billion from P4.56 billion while Cost and Expenses increased by 7% to P2.17 billion from P2.03 billion.
 - As a result, EBITDA increased by 27% to P4.09 billion from P3.21 billion. Total Comprehensive Income increased by 50% to P2.62 billion from P1.75 billion.
- Total Assets amounted to P17.19 billion, an increase of 20% mainly due to higher cash and cash equivalents, service concession rights and property and equipment.

- Total Debt increased by 3% to P6.16 billion from P5.95 billion mainly due to higher trade payable and income tax payable.
- Outstanding retail bonds remained at P4.89 billion, with Series B amounting to P2.40 billion maturing in 2022.
- The 31% increase in Total Equity which stood at P11.03 billion as of December 31, 2021 resulted from Net Income of P2.62 billion.
- The amount of P1.92 billion was appropriated for future business expansion and capital expenditures.
- The company continued to pursue expansion and enhancement projects during the year.
 - Implemented the Intensified Speed and Lane Management Operations and Toll Plaza Transaction Time improvement initiatives to address traffic congestion. Moreover, the Company spent P150.0 million for road widening and improvement of facilities and P183.55 million for toll machinery, vehicles and heavy equipment.
 - The expansion of our tollroad portfolio continues with the construction of the TR-4 Project, which will extend the SLEX up to Lucena City, Quezon Province.
 - Total TR4 cost as of December 31, 2021 for project development amounted to P1.35 billion and P1.11 billion for right of way acquisition.

4. Presentation and approval of the Audited Financial Statements for the year ended 31 December 2021

Ms. Noellie R. Majarucon presented the audited financial statements for the year ended 31 December 2021, 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 2021, as presented to the stockholders at its annual meeting held on 12 May 2022.”

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)

Antonette C. Tionko
Paola Sherina A. Alvarez

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 Jose Portugal Perez
Justice Consuelo Ynares-Santiago

The Assistant 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
Antonette C. Tionko
Paola Sherina A. Alvarez
Martin S. Villarama, Jr.
Consuelo Ynares-Santiago

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

Upon the request of the Chairman, the Assistant Corporate Secretary presented the Acts of Management for the year ended 31 December 2021. 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:

(i) Acts approved at the regular meeting of the Board held on 9 March 2021

- Approving the audited financial statements for the year ended 31 December 2020 and authorizing the Chairman, President and Treasurer to sign the Statement of Management Responsibility, and the President to sign the Authority to Print, and designating alternate signatories in the event of the inability of the main authorized signatories to timely sign the Statement of Management Responsibility
- Approval of the appropriation of retained earnings as of 31 December 2020 in the amount of Php1,923,627,330.00
- Approval of the setting of 26 April 2021 as the record date for the purpose of determining the stockholders entitled to notice of and attendance at the Annual Stockholder's Meeting to be held on 13 May 2021.

(ii) Acts approved at the organizational meeting held on 13 May 2021

- Election of officers
 - Ramon S. Ang – President and Chairman
 - Jose P. de Jesus – Vice Chairman
 - Raoul Eduardo C. Romulo – Treasurer and CFO
 - Virgilio S. de Guzman – Deputy CFO
 - Jose C. Laureta – Corporate Secretary
 - Shaina Anella B. Ramirez – Assistant Corporate Secretary
 - Carlo Magno C. Caballa – Alternate Assistant Corporate Secretary
- Appointing the following:
 - Jose C. Laureta – Compliance Officer
 - Raoul Eduardo C. Romulo – Corporate Information Officer (CIO)
 - Virgilio S. de Guzman – Deputy CIO
- Appointing the chairpersons and members of the following committees: Corporate Governance Committee
- Granting general authority for the Company to engage in transactions in the routine and ordinary course of business of the Company and designating the authorized signatories and setting the signing parameters for the said transactions

(iii) Acts approved at the regular meeting held on 12 August 2021

- Approval of the financial and operating results for the period ended June 30, 2021
- Approval of a policy on the declaration of the dividends of up to 100% of the net income of the Corporation from the previous fiscal year
- Approving the supplemental capital expenditure (CAPEX) budget for the year 2021 the amount of Php459,676,000.00
- Approval of the Authority of the Corporation to Enter into an Interoperability Agreement with SMC Skyway Stage 3 Corporation

(iv) Acts approved at the regular meeting held on 12 November 2021

- Election of Hon. Martin S. Villarama Jr. as an independent director who shall serve the remaining term of Hon. Jose Portugal Perez
- Approval of the capital expenditures (CAPEX) and operating expenditures (OPEX) budget of the Corporation for the year 2022
- Approval of the financial and operating results for the period ended September 30, 2021
- Approval of the authority of the Corporation to enter into various agreements with related parties
- Assignment Agreement over the Alabang Viaduct Extension with SMC Skyway Corporation
- Approval of Committee and Board Assessment Forms for 2021
- Approval of the closure of the escrow account with Maybank Philippines
- Approval of the renewal of the Salary Loan Facility

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 2021 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 13 May 2021 until the date of this meeting, be approved, confirmed and ratified.”

7. Appointment of external auditor for the financial year ending 31 December 2022

The meeting proceeded to the appointment of the external auditor for the financial year ending 31 December 2022. 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 2022.

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 2022.”

8. 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 13 May 2021

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 13, 2021	100%
Approval of the Audited Financial Statements for the year ended 31 December 2021	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, Antonette C. Tionko, Paola Sherina A. Alvarez, 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 2021	100%
Appointment of External Auditors	100%