

INSIDER TRADING POLICY

This policy is intended to comply with best practices on corporate governance through the implementation of insider trading prohibitions and disclosure requirements in accordance with the Securities Regulation Code and the PSE Disclosure Rules, respectively.

1. Material Non-Public Information

These are information about SM Prime (“Company”) that have not been disclosed to the public and are likely to affect the market price of SMPH’s shares whether positively or negatively. Examples of material non-public information include, but are not limited to, financial results, mergers, acquisitions, divestments, significant investments and litigations, major changes in key senior management positions and business plans, and the like.

2. Covered Persons

For purposes of this policy, “covered persons” is defined as all SM Prime directors, key executive officers, consultants and advisers, and any employee of the SM Property Group who has access and/or may have been made aware of any material non-public information either through his work or received inadvertently with respect to the Company and its operations. This definition also extends to the insider’s spouse or relatives by affinity or consanguinity up to the second degree, legitimate or common-law and to any other person who learns of any material non-public information from a covered person.

3. Trading Restriction Period

Five (5) business days before and two (2) business days after the disclosure of material non-public information.

4. Reporting Requirements

Directors and key executive officers are required to report to the Compliance Officer **all** dealings in SMPH shares within three (3) business days from the date of trading. Further, all directors and key executive officers are required to certify annually that they have not violated the insider trading policy.

5. Penalties

Any covered person who violates this policy shall be subject to disciplinary action, without prejudice to any civil or criminal proceedings which may be filed against him. Under the law, insider trading may be subject to penalty for damages or fine and/or imprisonment.