

2022 SMPH Non-Executive Directors' Regular Meeting

In compliance with the Company's Revised Manual on Corporate Governance, SM Prime's non-executive directors have met with SGV & Co., the Company's External Auditor, Chief Audit Executive (CAE), Chief Finance Officer, and Chief Compliance Officer (CCO)/Chief Risk Officer (CRO), to ensure that proper checks and balances are in place within the Company.

Mr. Amando M. Tetangco, Jr., being the Board's lead independent director, chaired the meeting last December 5, 2022.

1. Meeting with the Company's External Auditor, SyCip Gorres Velayo & Co. (SGV)

Members of the SGV present:

Belinda T. Beng-Hui, Audit Signing Partner
Wilson P. Tan, Chairman
Martin C. Guantes, Audit Partner
Benigno F. Leongson, Audit Partner
Juan Miguel P. Machuca, Audit Partner
Jackson E. Apostol, Senior Manager - Assurance
Mary Claire D. Pogeyed, Senior Director – Assurance

SGV reported that the interim audit per audit plan is ongoing. SGV affirmed that it completed the walkthrough, test of controls and expected to meet its target deadline for completion of audit and discussion on the results to the Management within the month of December.

SGV also discussed the proposed pre-concurrence procedure by the Company for SGV's non-audit services. Under the proposed procedures, pre-concurrence of the Audit Committee of the Company will suffice for the Company and its subsidiaries.

SGV confirmed that there are no issues with Management or Internal Audit which they would like to bring to the attention of the Non-Executive Directors. SGV confirmed that there are no issues as regards to communication and cooperation.

After the discussion, SGV left the meeting to allow the meeting of non-executive directors with the Management.

2. Meeting with Chief Audit Executive, Chief Finance Officer, and Chief Compliance Officer/Chief Risk Officer

At this point, the Chief Audit Executive, Chief Finance Officer and Chief Compliance Officer/Chief Risk Officer joined the meeting.

Internal Audit – The Chief Finance Officer updated the non-executive directors that all audit findings are monitored through periodic monitoring of the recommendations/action plans in addressing these issues within the timeframe agreed with the accountable units of the various business units. Mr. Tetangco inquired on the status of the recommendations made by the Internal Audit to the different departments. Chief Audit Executive responded that the recommendations were being implemented as per action

plan and within the time frame. The meeting attendees proceeded to discuss the upcoming retirement of the Chief Audit Executive.

Compliance and Risk – The Chief Risk Officer discussed the major risks seen for 2023. Issues arising from the current expansion strategies and projects of the Company was also discussed. The Chief Finance Officer discussed financing risk and how it is continuously monitored due to increasing interest rates. The registration of the Company's retail bond nearing maturity was also discussed by the Chief Finance Officer and that it was subject for an extension of registration with the Securities and Exchange Commission.