



2024 SMPH Non-Executive Directors' Regular Meeting

In compliance with the Company's Revised Manual on Corporate Governance and the SEC's Revised Code of Corporate Governance, SM Prime's non-executive directors met separately with SGV & Co., the Company's External Auditor, and the Chief Audit Executive (CAE), Chief Finance Officer (CFO)/Chief Compliance Officer (CCO) and 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 9, 2024. The Corporate Secretary, Atty. Elmer B. Serrano, recorded the minutes of meeting.

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

Members of the SGV present:

Juan Miguel P. Machuca, Audit Signing Partner

Belinda T. Beng-Hui, Audit Partner

Mary Claire D. Pogeyed, Senior Director – Assurance

SGV reported that the interim audit per audit plan is ongoing. SGV also reported that they are set to complete the audit by early January 2025. SGV then discussed the summary of audit differences.

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

2. Meeting with CAE, CFO/CCO and CRO

At this point, the Mr. Marvi Perrin L. Pe (CAE), Mr. John Nai Peng C. Ong (CFO/CCO) and Ms. Joana B. Tiangco (CRO) joined the meeting.

Mr. Pe presented the updates on the internal audit findings of the Company during the year and its plans for the upcoming year. He discussed the Company's partnership with Holcim Philippines to co-process plastic waste materials starting next year. Next, he moved on to the electricity consumption of the tenants of the Company and it was noted that the current reliance on manual intervention in data encoding introduces a proneness to human error, potentially leading to inconsistencies. To address this issue and ensure the accuracy of the data, it was proposed that on-site inspections be carried out at the malls to compare the electric consumption data that has been encoded with the actual readings displayed on the physical meters of each tenant.

Mr. Ong then discussed the previous audit findings on electricity charges and the approach to conduct a detailed billing process for tenants. He also reported on the update on sales reservation in relation to the financial statements of the Company while Ms. Tiangco discussed the risk assessments and management of the Company and the Enterprise Risk Management's initiatives and plans for 2025.