

SM PRIME

2025 Third Party-Led Board Evaluation

In line with the efforts of SM Prime Holdings, Inc. (Company) to practice and uphold good corporate governance principles, the Company's Board of Directors, with the support of the Corporate Governance Committee, engaged the Institute of Corporate Directors (ICD) to conduct a Third-Party Board Evaluation for the Board's performance in 2024. This is in adherence to Principle 6 of the Revised Code of Corporate Governance (SEC Memorandum Circular 19, s.2016) which recommends that:

"The Board should conduct an annual self-assessment of its performance, including the performance of the Chairman, individual members and committees. Every three years, the assessment should be supported by an external facilitator."

ICD's evaluation involves use of quantitative and qualitative criteria to assess the performance of the Board as a whole, its Committees, the Board and Committee Chairpersons, as well as the Company's key officers composed of the President, Chief Compliance Officer, Chief Audit Executive and Chief Risk Officer.

The following are the results of the evaluation as stated in its formal report:

- ✓ *The diversity within the board brings unique perspectives and expertise combined with active participation of directors during discussions enhance the decision-making process, thus, creating robust and comprehensive strategies.*
- ✓ *The board atmosphere is conducive to productive exchange and discussion. The positive dynamics between the Chairman, President, directors, and committees foster a collaborative and respectful environment.*
- ✓ *The leadership by the Chairman and President is particularly commendable, as they are open to feedback, respected for their good personality, openness, ability to lead and provide clear vision and direction.*
- ✓ *The board demonstrates a strong understanding of real estate trends and consumer preferences crucial for navigating the dynamic market environment.*
- ✓ *Board's focus on Business Intelligence, Data Science, and Long-Term Strategy reflects forward-thinking and proactive governance approach.*

The results of the assessment including the recommendations to further strengthen the Board's function was presented by the Corporate Governance (CG) Committee in its 1st Quarter Meeting. The CG Committee takes the lead to implement the specific recommendations and monitor its progress.