



Anti-Money Laundering Policy

Money Laundering and Terrorist Financing Prevention Program

It is the policy of the company to strictly adhere to the Anti-Money Laundering and Counter Terrorism Financing (AML/CTF) rules, laws and regulations of the Anti-Money Laundering Council (AMLC). The Company hereby establishes a comprehensive and risk-based Money Laundering and Terrorism Financing Prevention Program (MTPP) in accordance with Republic Act (RA) No. 11521 (AN ACT FURTHER STRENGTHENING THE ANTI-MONEY LAUNDERING LAW, AMENDING FOR THE PURPOSE REPUBLIC ACT NO. 9160, OTHERWISE KNOWN AS THE “ANTI-MONEY LAUNDERING ACT OF 2001”, AS AMENDED) which was signed into law on 29 January 2021, which took effect on 30 January 2021. RA 11521 amended Section 3 of RA 9160 to include real estate developers as covered persons. SM Prime Holdings, Inc. being a real estate developer, is now a covered person by virtue of this law.

The MTPP aims to:

- Protect SM Prime and its employees from being used for Money Laundering and Terrorist Financing activities of criminals;
- Understand obligations and responsibilities to promote consistent compliance with the AML/CTF rules;
- Articulate the corresponding rules and principles of the law; and
- Provide updates with the AML laws, rules and internal policies and procedures.

The MTPP embodies the governing principles and provisions stated in the Anti-Money Laundering Act (RA 9160), as amended, the Terrorism Financing Prevention and Suppression Act (RA 10168), their respective Implementing Rules and Regulations, the 2021 AML/CTF Guidelines for Designated Non-Financial Businesses and Professions, and other existing guidance and directives of the AMLC and other relevant government agencies.

The MTPP is updated regularly to reflect significant regulatory updates and changes in consideration of latest trends and techniques applied by money launderers and terrorist financiers to ensure employees are more effective in preventing money laundering/terrorism financing activities.

Fight against Money Laundering and Terrorism Financing

SM Prime applies the following principles to combat money laundering and terrorism financing:

- Conform with high ethical standards and observe good corporate governance and standards to protect the integrity of the Company;
- Know sufficiently the customers and clients to prevent criminal elements and suspicious individuals or entities from transacting with, or establishing or maintaining relationship;
- Adopt and effectively implement an appropriate AML/CTF risk management system that identifies, understands, assesses, monitors, and controls risks associated with money laundering and terrorism financing (ML/TF);
- Comply fully with existing laws and regulations aimed at combating money laundering and terrorism financing by making sure that the officers and employees are aware of their respective responsibilities and carry them out in accordance with a superior and principled culture of compliance; and
- Cooperate fully with the AMLC for the effective implementation of the AMLA, RA No. 10168, otherwise known as the Terrorism Financing Prevention and Suppression Act of 2012 (TFPSA) and RA No. 10697 also known as the Strategic Trade Management Act (STMA), their respective implementing rules and regulations, and amendments thereto, and directives and guidance from the AMLC and relevant government agencies.

SM Prime is committed to ensure that the Company is not used as a conduit for the proceeds of an unlawful activity and to help prevent the country from being used as a money laundering/terrorism financing site. SM Prime recognizes its obligation to cooperate and support regulators and law enforcement agencies in their efforts to prevent, detect and control financial crime, and to comply with AML laws and regulations to close off the financial channels that money launderers and terrorist organizations use for illicit purposes.