



Revised Succession Planning Policy

Purpose:

SM Prime Board of Directors ensures and adopts an effective succession planning for SM Prime Property Group. To ensure stability and continuity of the SM Prime mission and goals, this policy is created to address human resource requirements to fill senior and key leadership positions. This is marked by early planning and mentoring to allow smooth organizational and operational transitioning.

The Company's Succession Planning Policy is underpinned by the SM Prime Competency Framework, which serves as the primary reference for defining role requirements, assessing talent readiness, and developing future leaders. The framework establishes a standardized and enterprise-wide basis for identifying, evaluating, and preparing successors for key and critical positions.

The Competency Framework articulates the functional, behavioral, and leadership competencies required at each job level and across job families, supported by clearly defined approved proficiency levels. This ensures consistency, objectivity, and transparency in succession planning decisions.

Principles:

This policy is guided by the following principles:

- The Company recognizes and supports the continual development of its internal talent pools and ensures that the leadership pipeline shall embody appropriate competencies, stature and qualifications needed for the mission critical positions. Furthermore, the maturity of character and ability to effectively assimilate into the SM culture are critical.
- Succession Planning Program is one of the top priorities on the Human Resources (HR) agenda by ensuring that the right leaders and talents are in place to drive business plans.
- Human Resources ensures that there are sufficient qualified internal candidates that will be given priority to provide value to employee development efforts.
- SM Prime recognizes and upholds diversity and inclusion across its workforce which includes age, ethnicity, culture, and gender, among others. The Company ensures that identification of successor candidates is made on merit, skills, experience, knowledge, and other attributes required for each specific position.

Policy Guidelines:

- In consultation with Top Management, the Human Resources monitors the talent management implementation focused on identified Mission Critical Positions across the Property Group to sustain the Company's long-term goals.
- Each officer in mission critical positions shall nominate high potential successors and determine their readiness to assume greater responsibilities within 5 years from his / her mandatory retirement from the Company. In this manner, the senior officer will have the opportunity to guide, mentor, and assess the best person to assume the post amongst the pool of possible successors as part of the succession planning and development process.
- As part of the organization's Talent Review, identified successor candidates shall undergo a formal Leadership Assessment to provide an objective, evidence-based evaluation of performance and potential, including a competency-based assessment and a multi-rater (360-degree) feedback. This step includes candidates who are ready to take on the role immediately and candidates who will be ready with further development.
- A Talent Review shall be conducted at the Senior Management level two (2) years prior to retirement to identify the most qualified successor, subject to Executive Committee approval. Upon approval, the incumbent key officer shall assume a senior advisory role to support transition and development until separation from the Company.
- Human Resources in coordination with the outgoing officer shall adopt learning and training programs and oversee that these are appropriate and responsive to the professional development needs of the successor. The learning program shall be guided by this 70-20-10 model as follows:
 - 70% - On the Job learning
 - 20% - Cross-functional or social learning
 - 10% - Formal training or education

The Company, when necessary, may also subject the successor to external training, which forms part of the formal training / education pillar, to infuse fresh ideas and augment gaps in the required competencies to continually evolve and adapt to remain ahead of the strategic, market, technology and regulatory shifts.

- Successors shall possess a high level of integrity, competency and appropriate qualifications required for the role of the identified positions, including qualifications and expectations required by regulatory agencies for certain key positions. Successors to certain MCPs shall require approval by the Board of Directors.

- The Corporate Governance and Sustainability Committee and the Human Resources Council shall be responsible for implementing the policy and evaluating gaps and shall make recommendations to improve the succession planning process.

Monitoring and Review:

The Board, through the Corporate Governance and Sustainability Committee, shall oversee the implementation of this policy. The Committee shall also conduct a review and propose changes from time to time or as needed, to ensure the adequacy of this policy.

Amendment Record

Document Reference No.	Date of Approval	Highlights of Amendment	Reference Page/s
00	November 14, 2022	New issue	N/A
01	May 11, 2026	<p>Key Policy Amendments</p> <ul style="list-style-type: none">- Adoption of the existing SM Prime Competency Framework- Clear Articulation of Competencies and Proficiency Levels- Strengthened Commitment to Diversity and Inclusion- Introduction of Formal Leadership Assessment and 360 Feedback- Institutionalization of the 70-20-10 Learning Model- Clarification on External Training- Regulatory and Board Approval Requirements	1-3