

Revised Code of Ethics

SM Prime Holdings, Inc. (SMPH) is fully committed to doing business in accordance with long held values and ethical standards that have been the foundation for the growth and success of the SM Group.

I. Coverage of the Code of Ethics

This Code of Ethics states the principles that guide the Company's directors, officers, and employees in the performance of their duties and responsibilities, and in their transactions with investors, creditors, customers, contractors, suppliers, regulators, and the general public.

Vendors, suppliers, contractors, business partners, customers, and shareholders should align their dealings with the Company's Code of Ethics.

II. Compliance with Laws

A. SMPH business dealings shall be compliant with all applicable laws in the countries, districts, and communities in which its companies operate. This includes legislation and regulation pertaining to financial reporting, upholding fair trade and competition, pricing, employment, protection of the environment and other regulations.

B. Insider Trading

All directors, officers, and employees are prohibited from trading shares of stock of publicly listed SM Companies using material information that has not been disclosed to the public. They are also prohibited from passing on such information to someone else who then buys or sells the Company's stock. (Please refer to Annex 1 for the revised Insider Trading Policy).

Material information is non-public information that is significant enough to affect the value of the Company's stock, or to influence someone to buy or sell stock. Public information is that which is available in a Securities and Exchange Commission (SEC) filing or press release in major media communications channels.

C. Public Disclosures

SMPH shall maintain accurate and complete records of all financial and business transactions in accordance with laws and regulations governing financial reporting and generally accepted accounting principles. These provide the basis for the report it discloses to the public and its shareholders regarding the Company's results of operations and financial position. The Company also ensures that an independent audit of its financial statements is conducted by external auditors.

D. Related Party Transactions

Full disclosure of the details, nature, extent, and all other material information on transactions with related parties shall be observed in the Company's financial statements, and in its quarterly and annual reports to the SEC and the Philippine Stock Exchange (PSE).

SMPH Management shall present the details of transactions entered into by the Company with related parties to the Related Party Transactions Committee for review and approval. This is to ensure that the Company conducts all related-party transactions at arm's length.

III. Ethical Practices

In addition to compliance to laws and regulations, SMPH also supports ethical practices in the way it conducts business, as follows:

A. Support for Diversity and Non-Discrimination

Whether in selection of the countries and markets where the Company operates, hiring and promotion of employees, selection of suppliers and contractors – the company decides on the basis of merit and value to shareholders and does not discriminate on the basis of race, ethnicity, religion, or gender.

All board members, officers, and employees are prohibited from practicing any form of discrimination or harassment in the workplace. This obligation to refrain from such behavior extends to contractors, vendors, suppliers, or visitors, to the extent that their conduct affects the work environment.

B. Respect for Confidentiality and Privacy of Information

Employees and officers are expected to safeguard Company information relating to SMPH. Financial reports, strategies, and plans shall not be disclosed unless authorized by the Company or required by law. Information regarding individuals working for the Company shall also be treated as private information and shall not be divulged to other parties except when required by legal processes or with the consent of the employee.

C. Customer Welfare

SMPH recognizes that the core of its business is its customers, and values customer satisfaction and loyalty. Thus, all directors, officers and employees shall be guided by fairness, professionalism, courtesy and respect when dealing with customers, and shall endeavor to provide

excellent and diligent service at all times. No false or misleading information shall be provided to customers.

Likewise, SMPH is committed to protect the safety and security of its customers. Accordingly, the Company shall undertake to keep its premises well-secured, and continuously implement ways to eliminate hazards that would pose threats to the safety of its customers.

D. Employee Welfare

All officers and employees are to be selected, engaged, and compensated based on qualification and performance. They shall be treated fairly and accorded respect and dignity. Their individual and collective rights shall not be violated.

The Company shall maintain a safe, productive and conducive workplace and comply with all applicable health, safety and environmental laws. In this regard, company employees are covered by rules against the use of prohibited drugs and working under the influence of liquor.

Opportunities for career advancement shall be provided based on clear performance and qualifications criteria, which shall include both financial and non-financial measures. The Company shall also provide learning and development opportunities for professional growth.

E. Corporate Social Responsibility

SMPH shall initiate and participate in charitable causes and community organizations to improve the quality of life of the communities where it operates, through education, health care and livelihood programs.

F. Environmental Sustainability

SMPH shall endeavor to adhere to sustainable practices that ensure the protection of the environment, and shall seek to deliver maximum growth with minimal and responsible consumption of natural resources.

G. Avoiding Conflicts of Interest

All business decisions and actions must be based on the best interests of the Company and the value to shareholders, and should not be motivated by personal considerations or relationships which may interfere with the exercise of independent judgment.

All directors, officers and employees are required to disclose any financial or personal interest or benefit in any transaction involving SMPH to ensure that potential conflicts of interest are immediately brought to the attention of Management. Even the appearance of impropriety and the potential for

conflict should be disclosed and avoided. Such may include but need not be limited to the following:

1) Interest in businesses of suppliers, competitors, or customers

This refers to any financial interest in the business of a supplier, competitor, or customer, whether publicly listed or privately held. Financial interest or management participation by an immediate family member needs to be disclosed as well.

2) Employment or analogous service in the business of a supplier, contractor, or customer

Engagement by such entities as a director, adviser, officer, employee, or consultant needs to be disclosed and requires approval by the Company. Engagement in such capacity of an immediate member of the family (parent, brother, sister, spouse, child) needs to be disclosed as well.

3) Engagement by other commercial enterprises or in a political office

Engagement in another occupation or provision of service to any other commercial enterprise, as well as holding of a concurrent position in government in addition to one's position in SMPH needs to be disclosed and requires approval by the Company.

4) Acceptance of gifts and entertainment

Gifts, entertainment, and travel of significant value may not be accepted from any supplier or customer of the company. Neither can an immediate family member or representative be designated to accept such on behalf of the employee. See attached Annex 2 (Guidelines on Acceptance of Gifts) and Annex 3 (Guidelines on Travel Sponsored by Business Partners).

5) Political activities

Active involvement in any political party or political campaign should be disclosed and requires permission from the Company.

6) Relatives in the same company

Disclosure should be made when an employee has a relative that is employed by the same company. Management may exercise its discretion on such disclosure, but should avoid as much as possible situations where there will be relatives with a superior-subordinate relationship or in a control function exercised over the department of a relative.

In addition to the presence of relatives in such situations, employees should disclose any personal relationship when such begins to exist with another employee where one exercises a superior-subordinate relationship or control relationship with the employee.

IV. Reporting Ethics Violations

Directors, officers, and employees may report in writing any violations of this code to report.corpgov@smprime.com.

Management has a commitment to handle such reports with strict confidentiality and discretion, and protect the identity of the person making such a report. Such persons shall be granted protection from any retaliation that may come from the parties being reported.

V. Accountability for Ethics Code Implementation

The office of the Head of the Human Resources Department shall be accountable for the publication of this code and shall ensure that all directors, officers, and employees receive a copy.

For reports on violations, the office of the Human Resources Department head shall ensure a confidential investigation is immediately undertaken to determine the veracity of the report, gather pertinent data, and recommend appropriate sanctions which may lead to separation from the service of the Company and may include filing of legal suits on behalf of the company.

All Managers are responsible for the proper dissemination and implementation of the provisions of this Code in their respective work units and shall strive to be role models of the Code's provisions.

INSIDER TRADING POLICY (Annex 1)

This policy is intended to implement the prohibitions on insider trading in the Securities Regulation Code and to comply with best practices on corporate governance.

1. Policy

Directors, officers and employees of SM Prime Holdings, Inc. who know material and confidential information (i.e., facts in the business operations of SMPH that have not been disclosed to the public) are prohibited from buying or selling (trading) share of stock of SMPH, except in accordance with this policy.

2. Material Information

All information that is likely to affect the market price of SMPH's shares is deemed to be material. Such material information includes, but is not limited to, financial results, mergers and acquisitions, significant investments and litigations, major changes in key senior management positions, and the like.

3. Trading Restriction Period

Directors, officers and employees are strictly prohibited from trading in SMPH shares five (5) trading days before and two (2) trading days after the disclosure of quarterly and annual financial results and any other material information.

This is in pursuant to Section 13.2 of the PSE Disclosure Rules –
“13.2 A Director or Principal Officer of an Issuer must not deal in the Issuer’s securities during the period within which a material non-public information is obtained and up to two full trading days after the price sensitive information is disclosed.”

4. Reporting Requirements

Directors and executive officers are required to report to the Compliance Officer all dealings in SMPH shares within three (3) business days from the date of trading.

5. Penalties

Any person who violates this policy shall be subject to disciplinary action, without prejudice to any civil or criminal proceedings which may be filed against him. Under the law, insider trading may be subject to penalty for damages or fine and/or imprisonment.

GUIDELINES ON ACCEPTANCE OF GIFTS (Annex 2)

The SM Group is committed to strengthen its corporate governance practices with the end in view of increasing shareholder value over time.

In line with this, SM hereby expressly prohibits the solicitation or acceptance of gifts from business partners. Please be reminded of the following guidelines:

1. The company prohibits the solicitation or acceptance of gifts in any form from a business partner (i.e., contractors, suppliers, banks and other entities engaged in business with SM), directly or indirectly, by any director, officer or employee of the company.
2. The term “gift” covers anything of value, such as but not limited to cash or cash equivalent, loan, fee, reward, commission, allowance, employment, travel, entertainment, sponsorship of personal events (like birthday, wedding, baptism, etc.), the use of property owned by business partners (like vehicles, beach houses, resorts, restaurants, bars, sports or recreational facilities), whether for personal or business use.
3. However, a director, officer or employee may accept corporate give-aways, tokens or promotional items of nominal value (pens, mugs, notebooks, and the like), provided that the gift is voluntarily given by a third person without suggestion or solicitation, as a souvenir or out of courtesy, and provided further that the approximate value of the gift does not exceed Two Thousand Pesos (Php2,000.00). If the approximate value of the gift exceeds Two Thousand Pesos (Php2,000.00), it should not be accepted and returned to the giver immediately.
4. In situations where it is deemed improper to refuse a gift, the issue shall be referred to the management for proper disposition.

The policy is intended to ensure integrity in procurement practices and the selection of the most appropriate business partner in each instance.

GUIDELINES ON TRAVEL SPONSORED BY BUSINESS PARTNERS (Annex 3)

Under the SM Group's Guidelines on Acceptance of Gifts dated December 15, 2008, all officers and employees are prohibited from accepting gifts in any form valued more than P2,000 from business partners. The term "gift" covers anything of value and includes travel sponsored by business partners. The term "business partners" refers to contractors, suppliers, banks and other entities engaged in business with SM.

These guidelines are being issued to clarify the prohibition on travel sponsored by business partners.

1. Travel sponsored by a business partner is prohibited. Where a business partner invites SM officers or employees to travel for the purpose of attending trade shows or exhibits where the business partners' products will be featured, or for exposure to new techniques, products and innovations, among similar purposes, officers and employees are prohibited from accepting such sponsored travel. If the SM management deems that such travel is necessary for the business and for the development and training of officers and employees, SM will pay for the cost of the travel.
2. Where a project or transaction has been awarded to a business partner and SM officers or employees travel at the expense of SM to inspect the business partners' project or product not found in Metro Manila or the Philippines to determine its quality, condition or design, such travel shall not be deemed as travel sponsored by a business partners as it is SM that shoulders the cost for this travel.
3. In no case shall any SM officer or employee accept any travel sponsored by any current or prospective business partner which is participating in any on-going bidding or selection process for any SM project or transaction.
4. Any exception from the foregoing should be authorized by the President or the Chairman of the respective companies.

These guidelines are intended to ensure integrity in procurement practices and the selection of the most appropriate business partner for all SM projects and transactions.