



**ASEAN CORPORATE GOVERNANCE SCORECARD (ACGS)  
SELF-ASSESSMENT  
AS OF 15 APRIL 2015**

Question	Answer
<b>LEVEL 1</b>	
<b>PART B: EQUITABLE TREATMENT OF SHAREHOLDERS</b>	
<b>B.1 Shares and Voting Rights</b>	
B.1.1	<p>Do the company's ordinary or common shares have one vote for one share?</p> <p>YES, as stated in the Definitive Information Statement, each common share is entitled to one vote. This is also disclosed in the Annual Report.</p> <p><b>References:</b></p> <ul style="list-style-type: none"> <li>• [Amended] 2014 SEC Form 20-IS Definitive Statement (March 20, 2015) ITEM 4, (3) Manner of Voting and Election of Directors <a href="http://www.smprime.com/annual-financials">http://www.smprime.com/annual-financials</a></li> <li>• 2014 Annual Report, Voting Right, page 46 <a href="http://www.smprime.com/annual-reports">http://www.smprime.com/annual-reports</a></li> </ul>
B.1.2	<p>Where the company has more than one class of shares, does the company publicise the voting rights attached to each class of shares (e.g. through the company website / reports/ the stock exchange/ the regulator's website)?</p> <p>NOT APPLICABLE. The Company only has common shares.</p>
<b>B.2 Notice of AGM</b>	
B.2.1	<p>Does each resolution in the most recent AGM deal with only one item, i.e., there is no bundling of several items into the same resolution?</p> <p>YES, each agenda item during the Annual Stockholders' Meeting is discussed individually.</p>

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		<p><b>References:</b></p> <ul style="list-style-type: none"> <li>• Results of Annual or Special Stockholders' Meeting (April 14, 2015) <a href="http://www.smprime.com/sites/default/files/reports/SMPH_results">http://www.smprime.com/sites/default/files/reports/SMPH_results</a></li> <li>• 2015 ASM Minutes <a href="http://www.smprime.com/overview-0">http://www.smprime.com/overview-0</a></li> </ul>
B.2.2	Is the company's notice of the most recent AGM/circulars fully translated into English and published on the same date as the local-language version?	<p>YES, the Notice of Regular Annual Stockholders' Meeting is stated in English.</p> <p><b>References:</b></p> <p>2015 ASM Notice of Meeting and Agenda <a href="http://www.smprime.com/overview-0">http://www.smprime.com/overview-0</a></p>
<b><i>Does the notice of AGM/circulars have the following details:</i></b>		
B.2.3	Are the profiles of directors/commissioners (at least age, academic qualification, date of first appointment, experience, and directorships in other listed companies) in seeking election/re-election included?	<p>YES, the profiles of the directors are included in the Definitive Information Statement attached to the Notice of the Annual Stockholders' Meeting.</p> <p><b>Reference:</b></p> <p>[Amended] 2014 SEC Form 20-IS Definitive Statement (March 20, 2015) <a href="http://www.smprime.com/annual-financials">http://www.smprime.com/annual-financials</a></p>
B.2.4	Are the auditors seeking appointment/re-appointment clearly identified?	<p>YES, details about the external auditing firm seeking reappointment are disclosed in the Definitive Information Statement attached to the Notice of the Annual Stockholders' Meeting.</p> <p><b>Reference:</b></p> <p>[Amended] 2014 SEC Form 20-IS Definitive Statement (March 20, 2015) ITEM 7. Independent Public Accountants <a href="http://www.smprime.com/annual-financials">http://www.smprime.com/annual-financials</a></p>
B.2.5	Has an explanation of the dividend policy been provided?	<p>YES, the Company's dividend policy is that it targets a dividend payout of 30 to 35 percent of previous year's net income, as explained in the Definitive</p>

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		<p>Information Statement attached to the Notice of the Annual Stockholders' Meeting.</p> <p><b>Reference:</b></p> <p>[Amended] 2014 SEC Form 20-IS Definitive Statement (March 20, 2015) ITEM 20. Market for Registrant's Common Equity and Related Stockholder Matters <a href="http://www.smprime.com/annual-financials">http://www.smprime.com/annual-financials</a></p>
B.2.6	Is the amount payable for final dividends disclosed?	<p>YES, the Company declared a Php 0.21 cash dividend.</p> <p><b>References:</b></p> <ul style="list-style-type: none"> <li>• Declaration of Cash Dividends (April 14, 2015) <a href="http://www.smprime.com/sites/default/files/reports/SMPH_results">http://www.smprime.com/sites/default/files/reports/SMPH_results</a></li> <li>• Results of Annual or Special Stockholders' Meeting (April 14, 2015), Item I.A <a href="http://www.smprime.com/sites/default/files/reports/SMPH_results">http://www.smprime.com/sites/default/files/reports/SMPH_results</a></li> <li>• 2015 ASM Minutes, Sec 7. Announcement of Cash Dividend <a href="http://www.smprime.com/overview-0">http://www.smprime.com/overview-0</a></li> </ul>
B.2.7	Were the proxy documents made easily available?	<p>YES, the Proxy Form was attached to the Notice of the Annual Stockholders' Meeting along with the Definitive Information Statement.</p> <p><b>Reference:</b></p> <p>[Amended] 2014 SEC Form 20-IS Definitive Statement (March 20, 2015) <a href="http://www.smprime.com/annual-financials">http://www.smprime.com/annual-financials</a></p>
<b>B.3 Insider trading and abusive self-dealing should be prohibited.</b>		
B.3.1	Does the company have policies and/or rules prohibiting directors/commissioners and employees to benefit from knowledge which is not generally available to the market?	<p>YES, the Company has an Insider Trading Policy.</p>

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		<p><b>References:</b></p> <ul style="list-style-type: none"> <li>• Code of Ethics, Sec II.B. Insider Trading <a href="http://www.smprime.com/code-business-conduct-and-ethics">http://www.smprime.com/code-business-conduct-and-ethics</a></li> <li>• 2014 Annual Report, Insider Trading, page 47 <a href="http://www.smprime.com/annual-reports">http://www.smprime.com/annual-reports</a></li> <li>• Company Website <a href="http://www.smprime.com/company-policies">http://www.smprime.com/company-policies</a></li> </ul>
B.3.2	Are the directors / commissioners required to report their dealings in company shares within 3 business days?	<p>YES, directors are required to report any change in their shareholdings in accordance with the Insider Trading Policy.</p> <p><b>References:</b></p> <ul style="list-style-type: none"> <li>• Code of Ethics, Sec II.B. Insider Trading and Annex 1 <a href="http://www.smprime.com/code-business-conduct-and-ethics">http://www.smprime.com/code-business-conduct-and-ethics</a></li> <li>• 2014 Annual Report, Insider Trading, page 47 <a href="http://www.smprime.com/annual-reports">http://www.smprime.com/annual-reports</a></li> <li>• Company Website <a href="http://www.smprime.com/company-policies">http://www.smprime.com/company-policies</a></li> </ul>
<b>B.4 Related party transactions by directors and key executives.</b>		
B.4.1	Does the company have a policy requiring directors /commissioners to disclose their interest in transactions and any other conflicts of interest?	<p>YES, the Company has a Conflicts of Interest Policy.</p> <p><b>References:</b></p> <ul style="list-style-type: none"> <li>• Code of Ethics, Sec III.G. Avoiding Conflicts of Interest <a href="http://www.smprime.com/code-business-conduct-and-ethics">http://www.smprime.com/code-business-conduct-and-ethics</a></li> <li>• 2014 Annual Report, Conflict of Interest, page 47 <a href="http://www.smprime.com/annual-reports">http://www.smprime.com/annual-reports</a></li> </ul>

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		<ul style="list-style-type: none"> <li>Company Website <a href="http://www.smprime.com/company-policies">http://www.smprime.com/company-policies</a></li> </ul>
B.4.2	Does the company have a policy requiring a committee of independent directors/commissioners to review material/significant RPTs to determine whether they are in the best interests of the company and shareholders?	<p>YES, as disclosed in the Company's website and the ACGR, Management shall present the details of all transactions entered into by the Company with related parties to the Audit and Risk Management Committee for review. In addition, material transactions shall be reviewed and approved by all the independent directors. This is to ensure that the Company conducts all related-party transactions on an arms' length basis.</p> <p><b>References:</b></p> <ul style="list-style-type: none"> <li>2015 Annual Corporate Governance Report, Sec. B.4.a, page 18 <a href="http://www.smprime.com/annual-corporate-governance-report">http://www.smprime.com/annual-corporate-governance-report</a></li> <li>Company Website <a href="http://www.smprime.com/company-policies">http://www.smprime.com/company-policies</a></li> </ul>
B.4.3	Does the company have a policy requiring board members (directors/commissioners) to abstain from participating in the board discussion on a particular agenda when they are conflicted?	<p>YES, in compliance with Philippine laws, conflicted directors are required to inhibit themselves in relevant meetings. In particular, as regards the Annual Stockholders' Meeting, conflicted directors are specifically identified in the Definitive Information Statement.</p> <p><b>Reference:</b></p> <p>[Amended] 2014 SEC Form 20-IS Definitive Statement (March 20, 2015) ITEM 3. Interest of Certain Persons in or Opposition to Matters to be Acted Upon <a href="http://www.smprime.com/annual-financials">http://www.smprime.com/annual-financials</a></p>
B.4.4	Does the company have policies on loans to directors and commissioners either forbidding this practice or ensuring that they are being conducted at arm's length basis and at market rates?	<p>YES, loans to directors and commissioners are covered by the Related Party Transactions Policy, which states that all related party transactions are subject to the review of the Audit and Risk Management Committee to ensure that these are conducted at arm's length and based on market rates.</p>

	Question	Answer
		<p><b>References:</b></p> <ul style="list-style-type: none"> <li>• Code of Ethics, Sec II.D. Related Party Transactions <a href="http://www.smprime.com/code-business-conduct-and-ethics">http://www.smprime.com/code-business-conduct-and-ethics</a></li> <li>• 2014 Annual Report, Related Party Transactions, page 47 <a href="http://www.smprime.com/annual-reports">http://www.smprime.com/annual-reports</a></li> <li>• Company Website <a href="http://www.smprime.com/company-policies">http://www.smprime.com/company-policies</a></li> </ul>

### **B.5 Protecting minority shareholders from abusive actions**

B.5.1	Were there any RPTs that can be classified as financial assistance to entities other than wholly-owned subsidiary companies?	<p>NO. All of the Company's related party transactions are conducted at arm's length in the normal course of business. Details of these transactions are disclosed in the Notes to Consolidated Financial Statements.</p> <p><b>References:</b></p> <p>2014 Annual Report, Note 22. Related Party Transactions, page 98 <a href="http://www.smprime.com/annual-reports">http://www.smprime.com/annual-reports</a></p>
B.5.2	Does the company disclose that RPTs are conducted in such a way to ensure that they are fair and at arms' length?	<p>YES. All of the Company's RPTs are conducted at arm's length basis, as stated in the Report of the Audit and Risk Management Committee. Nature of RPTs is disclosed in the Notes to Consolidated Financial Statements.</p> <p><b>References:</b></p> <p>2014 Annual Report</p> <ul style="list-style-type: none"> <li>• Report of the Audit and Risk Management Committee, page 59</li> <li>• Note 22. Related Party Transactions, page 97-98</li> </ul> <p><a href="http://www.smprime.com/annual-reports">http://www.smprime.com/annual-reports</a></p>

<b>Question</b>		<b>Answer</b>
B.5.3	In case of related party transactions requiring shareholders' approval; is the decision made by disinterested shareholders?	NOT APPLICABLE. All of the Company's RPTs are conducted as part of normal course of business and at arm's length basis as stated in the Report of the Audit and Risk Management Committee; hence, these do not require shareholder approval.