

RELATED PARTY TRANSACTIONS POLICY

All transactions between the Corporation and related parties shall be entered into under terms which are “fair and at arm’s length”, and for the benefit and best interest of the Corporation and its shareholders as a whole. All related party transactions shall be conducted with transparency and fairness, and shall be subject to approval. There shall be timely and appropriate disclosure of related party transactions.

“Fair and at arm’s length” refers to transactions in an open and unrestricted market between willing parties who are knowledgeable, informed, and who act independently of and without regard to any relationship with each other.

Related party refers to a person or entity that is related to the entity that is preparing its financial statements (in International Accounting Standards (IAS) referred to as the ‘reporting entity’).

Related Party Transaction (RPT) refers to a transfer of resources, services or goods between a reporting entity and a related party, regardless of whether a price is charged. Under IAS 24, the following are considered as RPTs when performed with a Related Party:

1. Purchase or sales of goods;
2. Purchases or sales of property and other assets;
3. Rendering or receiving of services;
4. Lease;
5. Transfer of research and development;
6. Transfers under license agreements;
7. Transfers under finance arrangement (including loans and equity contributions in cash or in kind);
8. Provisions of advances, donations, guarantees or collateral; and
9. Settlement of liabilities on behalf of the entity or by the entity on behalf of that related party.

In the review, approval and disclosure of RPTs, the relevant provisions of the Corporation Code, other relevant laws, rules and regulations, and the Corporation’s articles of incorporation, by-laws, and Manual of Corporate Governance shall be observed.

An ad hoc committee composed of independent directors shall be constituted to review all material or significant RPTs. Material or significant RPTs shall be endorsed by said committee for Board approval.

In the review of RPTs, the approving authority shall ensure that RPTs are for the best interest of the Corporation, and consider all of the relevant facts and circumstances available.