



RELATED PARTY TRANSACTIONS (RPT) POLICY

1. Policy and Scope

All transactions between the company (including subsidiaries and joint ventures where the company has significant influence) and any Related Party must be identified early, evaluated on commercial and legal merits, approved through the prescribed governance route, documented, and disclosed in accordance with applicable law and this policy. Transactions that are not at arm's length require independent review and additional approvals.

This Policy applies to:

- Entities: the parent company, all subsidiaries, associates, joint ventures where the company has significant influence.
- Persons: directors, officers, key management personnel, substantial shareholders (as defined by SEC/PSE), their immediate family members, and entities controlled by or related to any of the foregoing.
- Transactions: any sale/purchase of goods or services, leases, loans, guarantees, management/service agreements, asset transfers, or other economic exchanges with a Related Party.

2. Definitions and Materiality

- Related Party: directors, officers, key management personnel, substantial shareholders, their immediate family, and entities under common control or significant influence.
- Related Party Transaction (RPT): any transfer of resources, services, or obligations between the company and a Related Party.
- Materiality thresholds (baseline).
- SEC MRPT baseline: transactions equal to or exceeding 10% of the company's total assets (based on the latest audited financial statements) are treated as material under
- Internal thresholds: the company may adopt lower internal thresholds for recurring, high-risk, or reputationally sensitive transactions (for example, 5% of assets or any transaction involving a director/officer). These internal thresholds must be set by the Board and published in the policy.

3. Roles and Responsibilities

- Board of Directors: adopt and periodically review the RPT policy; approve material RPTs; ensure non-interested director oversight and shareholder approval where required.
- Audit Committee / Related-Party Committee: perform detailed review of RPT filings, request independent valuations or fairness opinions, recommend Board/shareholder action, and oversee disclosure compliance.
- Management / Business Unit Heads: identify potential RPTs early; prepare commercial justification, supporting documents, and the RPT Notification Form; implement approved terms.
- Compliance / Legal: maintain the Related-Party Register; perform conflict checks; prepare SEC/PSE filings and ensure timely disclosures.



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- Finance: ensure accounting treatment and financial statement disclosures (PAS 24) are correct.
- Internal Audit: perform periodic compliance testing and report findings to the Audit Committee.

4. Procedures – Step-by-Step

4.1. Pre-transaction identification and filing

- **RPT Notification Form (pre-deal):** Initiating unit completes and submits the form to Compliance/Legal before negotiations begin. The form must list parties, relationship, estimated value, commercial rationale, and proposed terms.
- **Related-Party Register update:** Compliance logs the transaction and flags materiality against SEC and internal thresholds.

4.2 Commercial justification and independent review

- **Commercial memo and supporting documents:** Business unit provides a memo explaining business rationale, alternatives considered, pricing basis, and supporting quotes/contracts.
- **Valuation / fairness opinion:** For material or non-arm's-length transactions, obtain an independent valuation or fairness opinion; document methodology and assumptions.

4.3 Conflict management and approvals

- **Disclosure and recusal:** Any director, officer, or employee with an interest must disclose it in writing and recuse from deliberations and voting.
- **Committee review and recommendation:** Audit/Related-Party Committee reviews and issues a recommendation (approve, approve with conditions, reject).
- **Board / non-interested director approval:** Material RPTs require Board approval by non-interested directors; where SEC MRPT rules or the company charter require shareholder approval, the company must obtain it.

4.4 Disclosure, filing, and execution

- **Regulatory filings and public disclosure:** Prepare and file required MRPT disclosures with the SEC and PSE and include RPT details in the annual report and financial statements. Ensure timing and content meet SEC/PSE rules.
- **Contract execution and repository:** Execute contracts only after approvals and store executed documents, minutes, valuations, and disclosure filings in a centralized repository.

4.5 Post-approval monitoring

- **Performance monitoring:** Business unit reports performance against agreed terms; Compliance compiles quarterly RPT monitoring reports for the Audit Committee.
- **Internal audit:** periodic or annual audits of RPT compliance; findings reported to the Audit Committee and Board.



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5. Controls, Sanctions, and Disclosure Checklist

Controls

- **Preventive:** ERP/finance system flags for payments to Related Parties; approval workflow that blocks execution without required approvals.
- **Detective:** periodic reconciliation of Related-Party Register to general ledger and vendor/customer master files.
- **Corrective:** remediation plans for policy breaches.

Sanctions for non-compliance. Disciplinary action, contract rescission, restatement of financials, regulatory reporting, and referral to regulators where appropriate.

Minimum disclosure checklist (for filings and annual report)

- **Parties and relationship.**
- **Nature and terms** (price, payment terms, duration).
- **Commercial rationale and alternatives considered.**
- **Valuation/fairness evidence** (if applicable).
- **Approvals obtained** (committee, Board, shareholders).
- **Financial statement impact** and accounting treatment. **Approval matrix**

(example)

Transaction value (% of assets)	Approving Authority
<5% (internal)	Business Head; Compliance sign-off
5%–10% (internal)	Audit Committee recommendation; Board approval
≥10% (SEC MRPT)	Audit Committee recommendation; Board approval by non-interested directors; shareholder approval if required by SEC rules.

6. Annexes and Implementation

Annexes to attach to the policy (templates)

- RPT Notification Form (pre-deal) — fields: initiator, related party, relationship, estimated value, commercial rationale, supporting docs checklist, required approvals.
- Related-Party Register template — party name; relationship; transaction type; date; value; approval status; disclosure status.
- Valuation / Fairness Opinion Request template.
- Disclosure checklist for SEC/PSE filings.
- Board/Committee minutes template for documenting recusal and approvals.



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Implementation roadmap (first 90 days)

- Day 0–14: Board adopts policy; appoint Related-Party Committee.
- Day 15–45: Deploy RPT Notification Form and central repository; configure ERP flags.
- Day 46–75: Train management, legal, finance, procurement.
- Day 76–90: Pilot reviews of recent RPTs; internal audit performs first compliance check and reports to the Audit Committee.