

## RELATED PARTY TRANSACTIONS POLICY

### I. Policy Statement/Principles

- a. **Arms' Length** – related party transactions (RPTs) must be fair to all parties and are independently assessed.
- b. **Approvals** – RPTs are duly approved by the Related Party Transactions Committee as required under the Manual on Corporate Governance and good governance practices.
- c. **Disclosures** – RPTs are appropriately disclosed in accordance with prevailing disclosure standards, relevant laws, rules and regulation.
- d. **Interdependence** – that certain degrees of reliance are accorded to the judgement of the respective Related Party Transactions Committees of the Company's publicly-listed subsidiaries and associates.

### II. Related Parties

For the purposes of this policy, related party transactions are between the Company and the following:

- a. **Associated companies** (whereby the Company's effective ownership is greater than 20%, but less than controlling).
- b. **Significant shareholders** (individuals and/or their controlled corporations owning at least 5% of the Company's outstanding shares).
- c. **Directors and/or Officers as named in the Company's General Information Sheet.**

*For covered individuals, the policy covers relatives up to the second degree of consanguinity and affinity.*

### III. Approvals

The Company's Board of Directors has delegated authority to the Executive Committee to exercise certain powers on their behalf<sup>1</sup>. As such, the Executive Committee may approve related party transactions that are considered in the ordinary course of business, including but not limited to rentals, management fees, services fees, royalties, loans and advances, guarantees and the purchase and sale of properties.

RPTs that have been approved by the Company's Related Party Transactions Committee and the Related Party Transactions Committees of the respective publicly listed subsidiaries and associates are deemed approved. The Related Party Transactions Committee may, at any time ask for a review of any transaction.

Prior approval of the Related Party Transactions Committee is required for material transactions as follows:

- a. Transactions involving significant shareholders and directors and/or officers of the Company, and;
- b. Transactions that are not considered in the ordinary course of business.

*Transactions are deemed material if the said transaction exceeds Php 500 million.*

### IV. Review and Disclosures

A review of related party transactions will be done at least annually by the Related Party Transactions Committee. Related party transactions will be disclosed in the Company's Annual Report in accordance with the prevailing standards, relevant laws, rules and regulation.

---

<sup>1</sup> Except as provided under Sec. 35 of the Corporation Code.