



APC GROUP INC.

RELATED PARTY TRANSACTIONS COMMITTEE CHARTER

This Charter establishes the purpose, composition, authority, responsibilities and operations of the Related Party Transactions Committee (the “Committee”).

1. PURPOSE

The Committee assists and advises the Board of Directors (the “Board”) in assessing material agreements with related parties to ensure that the Related Party Transactions (“RPT”) are conducted at market rates and on an arm’s length basis. For this purpose, transactions considered material are subject for review by the RPT Committee prior to Board approval and Management execution.

2. COMPOSITION

The Committee shall consist of at least three (3) non-executive directors, two of whom shall be independent, including the Chairman.

3. MEETINGS

The Committee shall meet at least two (2) times a year. The Committee may invite members of Management or others to attend meetings and provide pertinent information, as necessary.

4. RESPONSIBILITIES

4.1 Evaluates regularly business relations between counterparties to ensure that all related parties are continuously identified, RPTs are monitored, and subsequent changes in relationships with counterparties (from non-related to related and vice versa) are captured. Related parties, RPTs and changes in relationships should be reflected in the relevant reports to the Board and regulators;

4.2 Assesses all material RPTs to ensure that these are not embarked upon on more favorable economic terms (e.g., price, commissions, interest rates, fees, tenor, collateral requirement) to such related parties than comparable transactions with non-related parties under similar circumstances and that no corporate or business resources of the company are misappropriated or misapplied, and to ascertain any potential reputational risk issues that may emerge as a product of or in connection with the transactions;

4.3 Develops and reviews the Company’s policy and procedure on assessment of material RPTs and make recommendations to the Board. In evaluating RPT’s, the Committee takes into account, among others, the following:

4.3.1 The related party’s relationship to the company and interest in the transaction;

- 4.3.2 The material facts of the planned RPT, including the suggested aggregate value of such contract;
- 4.3.3 The benefits to the corporation of the recommended RPT;
- 4.3.4 The availability of other sources of similar products or services; and
- 4.3.5 An estimation of whether the proposed RPT is on terms and conditions that are commensurate to the terms generally available to an unrelated party under similar circumstances. The company shall have an effective price discovery system in place and exercise due diligence in deciding a fair price for RPTs.

4.4 Makes certain that relevant disclosure is made to regulatory bodies on the company's RPT exposures and policies on conflicts of interest or potential conflicts of interest, approach to managing such conflicts and conflicts that could arise as a result of the company's affiliation or transactions with other related parties;

4.5 Apprises the Board of Directors on a regular basis, the status and aggregate exposures to each related party, as well as the total amount of exposures to all related parties;

4.6 Establishes that dealings with related parties, along with write-off of exposures are subject to a periodic independent review or audit process;

4.7 Directs the implementation of the system for identifying, monitoring, measuring, controlling, and reporting RPTs, including a periodic review of RPT policies and procedures;

4.8 Perform other activities related to this Charter as requested by the Board;

4.9 Review and assess the adequacy of the Committee Charter annually, requesting Board approval for any proposed changes, and ensure appropriate disclosure as may be required by law or regulation; and

4.10 Evaluate the Committee's and individual members' performance on a regular basis.

5. REPORTING RESPONSIBILITIES

5.1 Regularly report to the Board the Committee's activities, findings, decisions, deliberations and recommendations.

5.2 Management presents material RPTs at regular meetings of the Audit Committee and the Risk Management Committee. The nature, extent and all other material details of transactions with related parties are disclosed in the Company's financial statements, quarterly/annual reports to the SEC and the PSE. These financial statements and relevant reports are also available on the corporate website and readily accessible to the public

6. ANNUAL REVIEW OF CHARTER

The Committee shall conduct an annual review of this Charter and propose any enhancements as may be deemed necessary for Board approval.

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