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## MATERIAL RELATED PARTY TRANSACTIONS POLICY

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<b>Overarching Policy</b>	<p><b>MJC Investments Corporation</b> (the “<b>Company</b>”) recognizes that transactions between and among related parties create financial, commercial and economic benefits to parties and to the entire group where the parties belong.</p> <p>In this regard, all related party transactions of the Company shall be conducted on an arm’s length basis; in compliance with existing laws, rules and regulations and the requirements set forth in this Policy; and inure to the best interest of the Company where no stakeholder is unduly advantaged.</p>
<b>Definition of Terms</b>	<p>For the purposes of this Policy, the following definitions shall apply:</p> <ol style="list-style-type: none"> <li>1. <b>Abusive Material RPT</b> – refer to any Material RPT that are not entered into on an arm's length basis and which unduly favor a Related Party;</li> <li>2. <b>Affiliate</b> – refers to an entity linked directly or indirectly to the Company through any one or a combination of any of the following:             <ol style="list-style-type: none"> <li>(i) ownership, control, or power to vote, whether by permanent or temporary proxy or voting trust, or other similar contracts, by a Company of at least ten percent (10%) or more of the outstanding voting stock of the Company, or vice-versa;</li> <li>(ii) interlocking directorship or officers, except in cases involving Independent Directors as defined under existing regulations;</li> <li>(iii) common stockholders owning at least ten percent (10%) of the outstanding voting stock of the Company and the entity; or</li> <li>(iv) management contract or any arrangement granting power to the Company to direct or cause the direction of management and policies of the entity, or vice-versa;</li> </ol> </li> <li>3. <b>Associate</b> – refers to an entity over which the Company holds twenty percent (20%) or more of the voting power, directly or indirectly, or which the Company has Significant Influence;</li> </ol>

4. **Control** – a person or an entity controls the Company if and only if the person or entity has all of the following: (i) power over the Company; (ii) exposure, or rights to variable returns from involvement with the Company; and the ability to use such power over the Company to affect the amount of the Company's returns;
5. **Material Related Party Transaction or Material RPT** – any RPT, either individually, or in aggregate over a twelve (12)-month period with the same Related Party, amounting to ten percent (10%) or higher of the Company's total consolidated assets based on its latest audited financial statements;
6. **Materiality Threshold** –shall mean ten percent (10%) of the Company's total consolidated assets based on its latest audited financial statement;
7. **Related Parties** - cover the following:
  - (i) The Company's directors, officers, Substantial Shareholders and their spouses and relatives within the fourth civil degree of consanguinity or affinity, legitimate or common-law, if these persons have Control, joint Control or Significant Influence over the Company; and
  - (ii) The Company's subsidiaries, fellow subsidiaries, Associates, Affiliates, joint ventures or an entity that is controlled, jointly controlled or significantly influenced or managed by a person who is a Related Party;
8. **Related Party Registry** - the record of the organizational and structural composition, including any change thereon, of the Company and its Related Parties;
9. **Related Party Transaction or RPT** - a transfer of resources, services or obligations between the Company and a Related Party, regardless of whether a price is charged. It should be interpreted broadly to include not only transactions that are entered into with Related Parties, but also outstanding transactions that are entered into with an unrelated party that subsequently becomes a Related Party;
10. **Significant Influence** - the power to participate in the financial and operating policy decisions of the Company, but having no control, or joint control, of those policies;



	<p>11. <b>Substantial Shareholder</b> - any person who is directly or indirectly the beneficial owner of more than ten percent (10%) of any class of the Company's equity security.</p>
<p><b>Roles and Responsibilities of the Board of Directors</b></p>	<p>The Board shall ensure that the all Related Party Transactions are handled in a sound and prudent manner, with integrity, and in compliance with applicable laws and regulations to protect the interest of the Company's shareholders and other stakeholders. Towards this end, the Board shall carry out the following duties and responsibilities:</p> <ol style="list-style-type: none"> <li>1. Institutionalize an overarching policy on the management of Material RPTs to ensure effective compliance with existing laws, rules, and regulations at all times, and that Material RPTs are conducted on an arm's length basis, and that no shareholder or stakeholder is unduly disadvantaged;</li> <li>2. Approve all Material RPTs that cross the Materiality Threshold and write-off material exposures to Related Parties, as well as any renewal, or material changes in the terms and conditions of Material RPTs previously approved in accordance with this Policy. Material changes in the terms and conditions of the Material RPT include, but not limited to, changes in the price, interest rate, maturity date, payment terms, commissions, fees, tenor, and collateral requirement of the Material RPT;</li> <li>3. Establish an effective Audit, Risk and Compliance System to: (a) determine, identify and monitor Related Parties and Material RPTs; (b) continuously review and evaluate existing relationships between and among businesses and counter-parties; and (c) identify, measure, monitor, and control risks arising from Material RPTs.</li> </ol> <p>The system shall be able to: (i) define the Related Parties' extent of relationship with the Company; (ii) assess situations in which a non-related party (with whom a Company has entered into a transaction) subsequently becomes a Related Party and vice versa; (iii) generate information on the nature and amount of exposures of the Company to a particular Related Party; and (iv) facilitate submission of accurate reports to the regulators or supervisors;</p> <ol style="list-style-type: none"> <li>4. <b>Whistleblowing Oversight Functions:</b> (a) Oversee the integrity, independence, and effectiveness of the policies and procedures for whistleblowing; (b) Ensure that senior management addresses legitimate issues on Material Related</li> </ol>



	<p>Party Transactions that are raised by the stockholders or stakeholders of the Company; and (c) Be responsible for ensuring that stockholders or stakeholders who raise concerns are protected from detrimental treatment or reprisals.</p>
<b>Roles and Responsibilities of Senior Management</b>	<p>The Senior Management of the Company shall implement appropriate controls to effectively manage and monitor Material RPTs on a per transaction and aggregate basis. Exposures to Related Parties shall also be monitored on an on-going basis to ensure compliance with the Company's Policy and the Commission's regulations.</p>
<b>Identification and Review of Related Parties</b>	<p>The list of persons and companies that are considered as the Company's Related Parties are set forth in the Related Party Registry. The Company's Management and Board shall review and update quarterly the Related Party Registry to capture organizational and structural changes in the Company and its Related Parties.</p>
<b>Identification and Review of Material RPTs</b>	<p>This Policy shall cover all Related Party Transactions meeting the Materiality Threshold. Transactions meeting the Materiality Threshold that were entered into with an unrelated party that subsequently becomes a Related Party are excluded from the limits and approval process required in this Policy. However, any alteration to the terms and conditions, or increase in exposure level, related to these transactions after the non-related party becomes a Related Party shall subject the same to the requirements of the Material RPT. The prospective treatment shall be without prejudice to regulatory actions that may be enforced for transactions noted to have not been conducted on an arm's length basis.</p>
<b>Adjusted Threshold</b>	<p>The Company may set the Materiality Threshold at a lower threshold upon determination by the Board of the risk of the RPT to cause damage to the Company and its shareholders.</p>
<b>Identification and Prevention or Management of Conflicts</b>	<p>Directors and/or officers with personal interest in the Material RPT shall: (a) fully and timely disclose to the Company any and all material facts, including their respective interests in the Material RPT; and (b) abstain from the discussion, approval, and management of such Material RPT or matter affecting the Company.</p> <p>In case the conflicted Director refuses to abstain, his/her attendance shall not be counted for purposes of assessing the quorum, and his/her vote shall not be counted for purposes of determining majority approval of the Material RPT.</p>




<b>Guidelines in Ensuring Arm's Length Terms</b>	<p>The Company shall ensure that in Material RPTs, no preferential treatment shall be given to Related Parties that are not extended to non-related parties under similar circumstances, at terms that promote the best interest of the Company and its shareholders.</p> <p>Before the execution of a Material RPT, and to ensure the protection of the rights of shareholders and other stakeholders, the Board shall (i) appoint an external independent party to evaluate the fairness of the terms of the Material RPT. An external independent party may include, but is not limited to, auditing/accounting firms and third-party consultants and appraisers, and (ii) require price discovery mechanism, which may include, but is not limited to, acquiring the services of an external expert, opening the transaction to a bidding process or the publication of available property for sale.</p>
<b>Approval of Material RPTs</b>	<p>Individual Material RPTs shall be approved by at least two-thirds (2/3) vote of the Board, with at least a majority of the independent directors voting to approve the Material RPT. In case the majority of the independent directors' vote is not secured, the Material RPT may be ratified by the vote of the stockholders representing at least two-thirds (2/3) of the outstanding capital stock.</p> <p>For aggregate RPTs within a twelve-month period that breach the Materiality Threshold, the same Board approval would be required for the transaction that meets and exceeds the Materiality Threshold covering the same related party.</p> <p>Directors with personal interest in the Related Party Transaction subject to Board approval should abstain from participating in discussions and voting on the same. In case they refuse to abstain, their attendance shall not be counted for the purposes of assessing the quorum and their votes shall not be counted for purposed of determining approval.</p>
<b>Self-Assessment and Periodic Review</b>	<p>The Company's internal audit shall conduct a periodic review of the effectiveness of the Company's system and internal controls governing Material RPTs to assess consistency with the board-approved policies and procedures. The resulting audit reports, including exceptions or breaches in limits, shall be communicated directly to the Company's Audit Committee.</p> <p>The Company's Compliance and Information Officer shall ensure that the Company complies with relevant rules and regulations and is informed of regulatory developments in areas affecting Related Parties. He/she shall aid in the review of the Company's transactions</p>



	<p>and identify any potential Material RPT that would require review by the Board. He/she shall ensure that this Policy is kept updated and is properly implemented throughout the Company.</p> <p>The members of the Board, substantial shareholders, and officers shall fully disclose to the Board all material facts related to Material RPTs, as well as their direct and indirect financial interest in any transaction or matter that may affect, or is affecting, the Company.</p> <p>Such disclosure shall be made at the Board meeting where the Material RPT will be presented for approval and before the completion or execution of the Material Related Party RPT.</p>
<b>Whistle-Blowing Mechanisms</b>	<p>The Company's Whistle-Blowing Policy is hereby incorporated into this Policy.</p> <p>All stakeholders are encouraged to communicate, confidentially, and without the risk of reprisal, legitimate concerns about illegal, unethical, or questionable Material RPTs.</p>
<b>Remedies for Abusive Material RPTs</b>	<p>Responsible persons found to be in willful violation of this Policy shall be subject to corresponding procedures and penalties. The penalty may include any applicable restitution of actual losses suffered by the Corporation arising from violation of this Policy.</p> <p>Pursuant to Sections 26 and 27 of the Revised Corporation Code, an interested director or officer shall be disqualified from being a director, trustee or officer of any other corporation on the basis of a final judgment rendered by a court of competent jurisdiction against the interested director or officer for abusive Material RPTs.</p>
<b>Disclosure and Regulatory Reporting</b>	<p>The Company shall submit the following to the Commission:</p> <ol style="list-style-type: none"> <li>1. A summary of Material RPTs (the "<b>Summary</b>") entered into during the reporting year, which shall be disclosed in the Company's Integrated Annual Corporate Governance Report that is submitted annually every May 30th;</li> <li>2. An advisement report of any Material RPT (the "<b>Advisement Report</b>") filed by the Company within three (3) calendar days from the execution date of the Material RPT. The Advisement Report shall be signed by the Corporate Secretary, or by an authorized representative appointed by the Board;</li> </ol>

	<p>At a minimum, the Summary and the Advisement Report shall include the following information:</p> <ol style="list-style-type: none"> <li>(1) Complete name of the Related Party;</li> <li>(2) Relationship of the Related Parties;</li> <li>(3) Execution date of the Material Related Party Transaction;</li> <li>(4) Financial or non-financial interest of the Related Parties;</li> <li>(5) Type and nature of transaction and description of the assets involved;</li> <li>(6) Total assets (subject to rule on the definition of total assets if one Related Party is the parent of the other);</li> <li>(7) Amount or contract price;</li> <li>(8) Percentage of the contract price to the total assets of the Company;</li> <li>(9) Carrying amount of collateral, if any;</li> <li>(10) Terms and conditions;</li> <li>(11) Rationale for entering into the transaction; and</li> <li>(12) The approval obtained (i.e., names of the directors that were present, name of directors who approved the Material Related Party Transaction, and the corresponding voting percentage obtained).</li> </ol>
<b>Effectivity</b>	This Policy, approved by the Board of Directors on 14 October 2020, shall be effective immediately.



**ALFONSO R. REYNO, JR.**  
 Chairman of the Board



**LEMUEL M. SANTOS**  
 Corporate Information Officer and  
 Compliance Officer