

RELATED PARTY TRANSACTIONS POLICY

The Board of Directors of **OCEANAGOLD (PHILIPPINES), INC.** (the “Company”) hereby adopts this **Related Party Transactions Policy** (“RPT”, and this policy, “RPT Policy”) to promote good corporate governance and the protection of minority investors.¹

The Company shall ensure that this RPT Policy is disclosed in its Manual of Corporate Governance or otherwise publicly disclosed, such as in the Company’s website.²

1. POLICY STATEMENT

This RPT Policy aims to ensure that all RPTs are transacted at arm’s length, especially those which breach the Materiality Threshold (as defined below). It stipulates the proper review, approval, and disclosure of RPTs in accordance with corporate governance standards and best practices and regulatory requirements.

2. DEFINITION OF TERMS³

In addition to the defined terms found elsewhere in this RPT Policy, when used in this document and unless the context otherwise requires:

“**Affiliate**” — refers to an entity linked directly or indirectly to the Company through any one or a combination of any of the following:

- a. 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;
- b. Interlocking directorship or officership, except in cases involving independent directors as defined under existing regulations;
- c. Common stockholders owning at least ten percent (10%) of the outstanding voting stock of the Company and the entity; or
- d. 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*.

“**Associate**” — means 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.

“**Control**” — means person or an entity controls the Company if and only if the person or entity has all of the following:

- a. Power over the Company;
- b. Exposure, or rights, to variable returns from its involvement with the Company; and
- c. The ability to use its power over the Company to affect the amount of the Company’s returns.

“**Material Related Party Transactions**” — means any related party transaction/s, either individually, or in aggregate over a twelve (12)-month period of the Company with the same related party, amounting to ten percent (10%) or higher

¹ SEC Memorandum Circular No. 19, s. 2016 (“**Code of Corporate Governance for Publicly-Listed Companies**”), Recommendation 2.7.

² *Id.*, Recommendations 8.5 and 8.7.

³ The following definitions are based on SEC Memorandum Circular No. 10, s. 2019 (“**Rules on Material Related Party Transactions for Publicly-Listed Companies**”) and the Code of Corporate Governance for Publicly-Listed Companies.

of a company's total assets based on its latest audited financial statements.

"Materiality Threshold" — means ten percent (10%) of the Company's total assets based on its latest audited financial statements.

"Related Parties" — covers 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. It also covers the Company's parent, subsidiary, fellow subsidiary, associate, affiliate, joint venture or an entity that is controlled, jointly controlled or significantly influenced or managed by a person who is a related party. This shall also include such other person or juridical entity whose interest may pose a potential conflict with the interest of the Company.

"Related Party Registry" — means a record of the organizational and structural composition, including any change thereon, of the Company and its related parties.

"Related Party Transactions" or "RPTs" — means 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.

"Significant Influence" — means the power to participate in the financial and operating policy decisions of the company but has no control or joint control of those policies.

"Substantial Shareholder" — means any person who is directly or indirectly the beneficial owner of more than ten percent (10%) of any class of its equity security.

3. ADOPTION OF MATERIALITY THRESHOLD

- (a) For purposes of this RPT Policy, the Materiality Threshold shall be ten percent (10%) of the Company's total assets based on its latest audited financial statements.
- (b) The Board of Directors may set a lower Materiality Threshold based on its assessment of the risk posed by its Related Party Transactions. The adjusted threshold, when applicable, shall be reflected in the Company's RPT Policy.

4. COVERAGE OF RPT POLICY⁴

- (a) This RPT policy shall cover all RPTs meeting the Materiality Threshold.
- (b) Transactions amounting to ten percent (10%) or more of the total assets of the Company that were entered into with an unrelated party that subsequently becomes a related party may be excluded from the limits and approval process required in this RPT 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 Material Related Party Transaction to the requirements of this RPT Policy. The Company shall abide by all regulatory actions in respect of its Material Related Party Transactions.

5. GUIDELINES IN ENSURING ARM'S LENGTH TERMS⁵

- (a) The Company shall ensure that no preferential treatment shall be given to Related Parties that are not extended to non-Related Parties under similar circumstances.
- (b) In evaluating a Material Related Party Transaction, the Committee shall determine whether the Company should engage an external independent party to evaluate the fairness of the terms of the Material Related Party Transaction. An external independent party may include, but is not limited to, auditing/accounting firms and third-party consultants and appraisers.

⁴ Rules on Material Related Party Transactions for Publicly-Listed Companies, Section 3(b).

⁵ Rules on Material Related Party Transactions for Publicly-Listed Companies, Section 3(e).

6. IDENTIFICATION AND PREVENTION OR MANAGEMENT OF POTENTIAL OR ACTUAL CONFLICTS OF INTEREST WHICH MAY ARISE OUT OF OR IN CONNECTION WITH MATERIAL RELATED PARTY TRANSACTIONS⁶

The directors and officers with personal interest in a Material Related Party Transaction shall abstain from the discussion, approval and management of such transaction or matter affecting the Company. In case the directors and officers refuse to abstain, their attendance shall not be counted for purposes of assessing quorum and their votes shall not be counted for purposes of determining approval in the meeting where the Material Related Party Transaction is presented.

7. DISCLOSURE REQUIREMENT OF MATERIAL RELATED PARTY TRANSACTIONS⁷

Directors and officers with personal interest in a Material Related Party Transaction shall fully and timely disclose any and all material facts, including their respective interests, such as any direct or indirect financial interest in the Material Related Party Transaction. 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 Transaction.

8. APPROVAL OF MATERIAL RELATED PARTY TRANSACTIONS⁸

- (a) All individual Material Related Party Transactions shall be approved by at least 60% vote of the board of directors, with at least one independent director voting to approve the Material Related Party Transaction. For aggregate RPTs within a twelve (12)-month period that breaches the Materiality Threshold, the same board approval would be required for the transaction/s that meets and exceeds the Materiality Threshold covering the same related party.
- (b) A director with material personal interest in any transaction affecting the corporation should abstain from taking part in the deliberations of the same.⁹

9. SELF-ASSESSMENT AND PERIODIC REVIEW OF THE POLICY¹⁰

The Company's Compliance 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 and identify any potential Material Related Party Transaction that would require review by the Company's Corporate Governance, Nominations, and Related Party Transactions Committee, and the Board of Directors. He/she shall ensure that the Company's RPT Policy is kept updated and is properly implemented throughout the Company.

10. WHISTLE-BLOWING MECHANISMS¹¹

The Company adopts its whistleblower policy, as may be established by the Board of Directors, in all concerns relating to Material RPT and this RPT Policy.

11. RESTITUTION OF LOSSES AND OTHER REMEDIES FOR ABUSIVE RPTS

Abusive Material Related Party Transactions refer to Material Related Party Transactions that are not entered at arm's length and unduly favor a related party.¹² The Company shall impose the appropriate administrative penalties on the personnel, officers, or directors, who have been remiss in their duties in handling Material Related Party Transactions in accordance with company policies.

The Company shall also institute appropriate legal actions and remedies against personnel, officers, or directors, who have been remiss in their duties in handling Material Related Party Transactions.

12. DISCLOSURE AND REGULATORY REPORTING

⁶ *Id.*, Section 3(d).

⁷ *Id.*, Section 3(h).

⁸ *Id.*, Section 3(f).

⁹ Code of Corporate Governance for Publicly-Listed Companies, Recommendations 5.6.


¹⁰ Rules on Material Related Party Transactions for Publicly-Listed Companies, Section 3(g).

¹¹ Rules on Material Related Party Transactions for Publicly-Listed Companies, Section 3(i).

¹² Rules on Material Related Party Transactions for Publicly-Listed Companies, Section 3(j).

- (a) The Company shall comply with the disclosure requirements for RPTs under SEC Memorandum Circular No. 10, s. 2019 or the Rules on Material Related Party Transactions for Publicly-Listed Companies, including all amendments thereto.
- (b) In accordance with the Rules on Material Related Party Transactions for Publicly-Listed Companies, the Company shall submit to the Securities and Exchange Commission of the Philippines:
 - (i) A summary of Material Related Party Transactions entered into during the reporting year which shall be disclosed in the Company's Integrated Annual Corporate Governance Report (I-ACGR) to be submitted annually every May 30;¹³ and
 - (ii) An Advisement Report (attached as Annex "A" to the Rules on Material Related Party Transactions for Publicly-Listed Companies) of any Material Related Party Transaction filed within three (3) calendar days from the execution date of the transaction. The Advisement Report shall be signed by the Company's Corporate Secretary or authorized representative.

Reviewed by:



Atty. Dyann C. Rabaya
Compliance Officer

Approved by:



Mr. Peter John Sharpe
Chairman

¹³ Also required under the Code of Corporate Governance for Publicly Listed Companies, Recommendation 8.5.