

Atlas Consolidated Mining and Development Corporation  
Carmen Copper Corporation  
And their Subsidiaries

## RELATED PARTY TRANSACTION POLICY

### 1. Purpose

The purpose of the Policy is to ensure that the Corporation conducts all Related-Party Transactions (RPTs) at an arms' length basis and market price in order to avoid conflict of interests, lopsided and disadvantageous transactions and draw proper checks and balances in its dealings and to ensure adherence to the principle of Corporate Governance and with legal and regulatory requirements.

### 2. Related Parties and RPTs

- 2.1 Related party relationship exists when one party has the ability to control, directly or indirectly through one or more subsidiaries, the other party or significant influence over the other party in making decisions. It also exists between and/or among entities which are under common control with the Corporation or between and/or among the Corporation and its Key Management or Executive Officers, Directors or Shareholders.
- 2.2 A RPT is a transaction involving the transfer of resources, services or obligations between Related Parties, regardless of whether a price is charged.
- 2.3 RPT is a transaction or series of transactions, to which the Corporation is to be a party, in which any of the following persons is to have a direct or indirect material interest:
  - a. Any Director and Officer whose name appears in the Corporation's General Information Sheet (GIS).
  - b. Any Shareholder and/or their Controlled Corporations which own at least 5% of the Company's outstanding shares.
  - c. Any affiliate of the Corporation.

For the covered individuals, the Policy covers their spouses and relatives up to the second degree of consanguinity and affinity.

- 2.4 Transactions considered in the usual course of business, regardless of amount are not covered by the review and approval process of RPTs provided that such transactions are on substantially the same terms and conditions with those prevailing at the time for comparable products and services with unrelated parties.

### 3. Disclosures

- a. RPTs are appropriately disclosed in accordance with prevailing disclosure standards, relevant laws, rules and regulation.
- b. Directors and Key Executive Officers are required to report to the Compliance Officer/Legal Department all RPTs for eventual disclosure compliance and reporting.
- c. RPTs will be disclosed in the Company's Annual Report in accordance with the prevailing laws, rules and regulation.

#### 4. *Approvals*

- a. All material RPTs, excluding those considered in the usual course of business, are referred to the Compliance Officer (CO) and/or Chief Risk Officer (CRO) for review prior to endorsement to the Related Party Transaction Committee (RPT Com) for approval.

The Board of Directors (BOD) reviews and approves all material RPTs endorsed by the RPT Com.

- b. The BOD through the RPT Com, has the overall responsibility to ensure that that the herein group-wide Policy and the systems governing RPTs and other unusual or infrequently occurring transactions including determination and application of their thresholds for disclosure and approval are faithfully implemented and complied consistently.
- c. Pursuant to the Corporation's Board delegated authority to the Executive Committee (ExCom) to exercise certain powers on their behalf, the ExCom may approve RPTs 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.
- d. The Corporation shall see to it that a majority of non-related party Shareholders approve specific types of RPTs during Shareholders' meetings.
- e. Prior approval of the RPT Com and BOD is required for material transactions as follows:
  - (i) Transactions involving significant or Substantial Shareholders and Directors and/or Officers of the Corporation and;
  - (ii) Transactions that are not considered in the ordinary course of business. Transactions are deemed material if the said transaction exceeds Php100 million.

#### 5. *Evaluation and Review*

- a. The RPT Committee may, at any time ask for a review of any transaction.
- b. A review of RPTs shall be done at least annually by the RPT Committee.
- c. The RPT Committee shall evaluate on an ongoing basis the existing businesses and counterparties to ensure that all related parties are identified, RPTs are monitored and subsequent change in relationships with counterparties (from non-related to related and vice versa) are captured

#### 6. *Miscellaneous*

This Policy has been adopted by the BOD of AT/CCC and any material amendment to the terms of this Policy must be approved by the BOD. This Policy shall take effect upon approval by the latter and shall apply prospectively. The same shall be reviewed by the BOD annually.