

# ALPHALAND CORPORATION

## RELATED PARTY TRANSACTIONS POLICY

### POLICY STATEMENT

This policy ensures that all transactions by and between a related party (as defined below) of Alphaland Corporation (the "Company") and its affiliates are properly identified and reviewed to ensure that Related Party Transactions (as defined below) are properly approved and disclosed. Such transactions are appropriate only if the best interest of the Company and its stockholders are secured.

### DEFINITIONS

For the purpose of this policy, the following definition of terms shall apply:

**Related Party** means a person or entity that is related to the entity that is preparing its financial statements (referred to as the 'reporting entity'). Refer to **Annex A** for instances of a related party.

**Related Party Transactions** means a transfer of resources, services or obligations between a reporting entity and a related party, regardless of whether a price is charged.

**Material Related Party Transaction** means any related party transactions determined by the Audit Committee to be potentially or actually significant to the Company.

**Close members of the family** of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity and include:

- a. that person's children and spouse or domestic partner;
- b. children of that person's spouse or domestic partner; and
- c. dependents of that person or that person's spouse or domestic partner.

**Fair and at arm's length term** refers to transactions in an open and unrestricted market and between willing parties who are knowledgeable, informed, and who act independently of and without regard to any relationship with each other.

### GUIDELINES

1. In accordance with Securities Regulation Code (SRC) Rule 68, details of the Company's Related Party Transactions shall be disclosed in the Company's Financial Statements and Annual Reports.

2. All proposed Related Party Transactions will be disclosed to the Audit Committee of the Board and all transactions will be reviewed and approved by the committee to ensure that a conflict of interest does not exist or that an improper assessment of such transaction is not made and that all information necessary is properly documented.

3. Review, approval and disclosure of Related Party Transactions are required to ensure that they are fair, on "arm's length" terms, and in the best interest of the Company and its shareholders, as a whole. Material Related Party Transactions are reviewed by the Audit Committee, which is composed of the Chairman and two (2) members, all of whom are independent directors, and subject to the approval by the Board and, as applicable, the shareholders.

4. Each director and officer shall promptly notify the Audit Committee of any potential Related Party Transactions involving the Company and a Related Party. The notice shall include a complete description of the Related Party Transaction including:

- the name of the Related Party and the basis on which the person is a Related Person;
- the Related Party's interest in the Related Party Transaction with the Company, including the Related Party's position(s) or relationship(s) with, or ownership in, a firm, corporation, or other entity that is a party to, or has an interest in, the Related Party Transaction;
- the parties to the Related Party Transaction, and if the Company is not a party, then the nature of the Company's participation in the Related Party Transaction;
- the approximate value or the amount involved in the Related Party Transaction and terms and conditions;
- the approximate value or the amount of the Related Party's interest in the Related Party Transaction, which shall be computed without regard to the amount of profit or loss;
- the purpose and timing of the Related Party Transaction; and any other information regarding the Related Party Transaction or the Related Party in the context of the transaction that could be material to investors in light of the circumstances of the particular transaction.

5. Whenever applicable, the concerned director and/or officer inhibits himself from voting on the approval/consideration of the Related Party Transactions.

6. The Board has the duty to formulate and implement policies and procedures that would ensure the integrity and transparency of Related Party Transactions between and among the Company and its joint ventures, subsidiaries, associates, affiliates, major stockholders, officers and directors, including their spouses, children and dependent siblings and parents, and of interlocking director relationships by members of the Board.

7. A director/officer should not use his position to profit or gain some benefit or advantage for himself and/or his related interests and avoid situations that may compromise his impartiality. If an actual or potential conflict of interest may arise on the part of a director/officer, he shall fully and immediately disclose it and shall not participate in the decision making-process. A

director/officer who has a continuing material conflict of interest shall seriously consider resigning from his position.

## **EFFECTIVITY**

This policy supersedes any and all previous policies or policy directives concerning related party transactions and is effective 31 July 2014.

## **END OF POLICY**

## **ANNEX A: IAS 24 DEFINITIONS AND EXAMPLES OF RELATED PARTY TRANSACTIONS**

A **related party** is:

- a. A person or a close member of that person's family is related to a reporting entity if that person:
  - i. has control or joint control over the reporting entity;
  - ii. has significant influence over the reporting entity; or
  - iii. is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.
  
- b. An entity is related to a reporting entity if any of the following conditions applies:
  - i. The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
  - ii. One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
  - iii. Both entities are joint ventures of the same third party.
  - iv. One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
  - v. The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.
  - vi. The entity is controlled or jointly controlled by a person identified in (a).
  - vii. A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

## **Examples of the kinds of transactions that are disclosed if they are with a related party**

- a. Purchases or sales of goods
- b. Purchases or sales of property and other assets
- c. Rendering or receiving of services
- d. Leases

- e. Transfers of research and development
- f. Transfers under license agreements
- g. Transfers under finance arrangements (including loans and equity contributions in cash or in kind)
- h. Provision of guarantees or collateral
- i. Commitments to do something if a particular event occurs or does not occur in the future, including executory contracts (recognized and unrecognized)
- j. Settlement of liabilities on behalf of the entity or by the entity on behalf of another party