

MEGAWORLD CORPORATION

RELATED PARTY TRANSACTION COMMITTEE CHARTER

This Related Party Transaction Committee Charter (the "Charter") is promulgated by the Related Party Transaction Committee (the "Committee") of Megaworld Corporation (the "Corporation") and adopted by the Board of Directors ("Board") of the Corporation to provide for the purpose, membership structure, operations, duties and responsibilities of the Committee, including the procedures which shall guide the conduct of its functions.

Section 1. Purpose

Pursuant to the Revised Manual of Corporate Governance of the Corporation (the "Manual"), the Committee shall be tasked with reviewing all material related party transactions ("MRPTs") of the Corporation as defined by the pertinent laws, rules and regulations of the Securities and Exchange Commission.

Section 2. Structure

2.1 Composition

The Committee shall be composed of at least three (3) members of the Board, two (2) of whom should be independent directors, including the Chairperson.

2.2 Qualifications

Each member of the Committee shall have all of the qualifications and none of the disqualifications of a director provided under the Manual, and the Corporation's By-Laws.

2.3 Term

The Board shall appoint the members of the Committee during its annual organizational meeting. Each member shall serve for a period of one (1) year until his/her successor shall have been duly appointed in the next organizational meeting of the Board, unless removed or replaced by the Board.

2.4 Vacancy

Any vacancy in the Committee caused by the death, resignation, removal or disqualification of a member, or by any other cause, may be filled by the Board. The member appointed to fill the vacancy shall hold office for the remainder of the unexpired term of his predecessor, or until his successor shall have been duly appointed and qualified.

2.5 Compensation

Each committee member shall receive such emolument or compensation as may be fixed by the Board pursuant to the By-laws.

2.6 Committee Secretary



The Corporate Secretary or in his absence, the Assistant Corporate Secretary, shall act as the Committee Secretary who shall prepare the minutes of the meetings and keep the records of the Committee with confidentiality, unless required to be disclosed pursuant to law, rules or regulations, or lawful orders issued by competent government authorities.

Section 3. Operation

3.1 Meetings

The Committee may meet and vote in person or through teleconference, video conferencing facility or other similar means, at such times and places as it considers appropriate, at least once a year. The Chairperson of the Committee, any Committee member, or the Committee Secretary, may call a meeting of the Committee.

The Chairperson shall preside at all meetings. In the absence of the Chair, any member may preside.

Meetings may be held, and the members can participate in meetings of the Committee, through teleconference, video conference or other similar means.

3.2 Quorum

Attendance of at least two (2) Committee members shall constitute a quorum for all meetings.

3.3 Voting

The affirmative vote of a majority of such quorum shall be required to authorize any corporate action.

3.4 Notices

A notice of each meeting of the Committee specifying the place, date, and time thereof, but need not state the agenda and matters to be discussed during the meeting, unless provided by the person who called the meeting, and shall be given to each member of the Committee personally, in writing or orally, or sent to him by mail, facsimile, electronic mail or other similar means at least two (2) days prior to the date of the meeting. Each member shall give the Committee Secretary his address, facsimile number and electronic mail address for the service of notices of meetings. A member may waive notice of any meeting of the Committee and may consent to shorter notice of any meeting. Any Committee meeting called by shorter notice shall be deemed to have been duly convened if it is so agreed by the members present in the meeting at which there is a quorum.

Section 4. Duties and Responsibilities

4.1 The Committee shall have the following powers, duties and responsibilities: 



- A. Evaluate, on an ongoing basis, existing relations between and among business and counterparties to ensure that all Related Parties¹ 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/supervisors;
- B. Evaluate all material RPTs to ensure that these are within market standards and are not undertaken on more favorable economic terms (e.g., price, commissions, interest rates, fees, tenor, collateral requirement) to such Related Parties than similar transactions with non-related parties under the same or similar circumstances and that no corporate or business resources of the Corporation are misappropriated or misapplied, and to determine any potential reputational risk issues that may arise as a result of or in connection with the transactions. In evaluating RPTs, the Committee takes into account, among others, the following:
- i. The Related Party's relationship to the Corporation and interest in the transaction;
 - ii. The material facts of the proposed RPT, including the proposed aggregate value of such transaction;
 - iii. The benefits to the corporation of the proposed RPT;
 - iv. The availability of other sources of comparable products or services; and
 - v. An assessment of whether the proposed RPT is on terms and conditions that are comparable to the terms generally available to an unrelated party under similar circumstances. The Corporation will put in place an effective price discovery system in place and exercise due diligence in determining a fair price for RPTs;
- C. Ensure that timely and appropriate disclosure is made, and/or information is provided to regulating and supervising authorities relating to the Corporation's RPT exposures, and policies on conflicts of interest or potential conflicts of interest. The disclosure should include information on the approach to managing material conflicts of interest that are inconsistent with such policies, and conflicts that could arise as a result of the Corporation's affiliation or transactions with other Related Parties. The Committee shall ensure that the Corporation's Chief Financial Officer ("CFO") is provided with a summary of all RPTs for full and timely disclosure in the Corporation's quarterly and annual financial reports;

¹ Related Party/ies – refers to the following person/s or entity/ies:

- a. The Company's directors, Officers or key management personnel, Substantial Shareholder ("DOS") and related interests ("DOSRI"); or
- b. The Company's DOS's spouse and relative within the fourth civil degree of consanguinity or affinity, legitimate or common-law, who have Control or joint control or Significant Influence over the Company. Dependents of the DOS or the DOS's spouse or domestic partner are included.
Legitimate or common-law relatives within the fourth civil degree of consanguinity or affinity are anyone of the persons' or of the spouses' (legitimate or common-law): children and parents (first degree); siblings, grandchildren, grandparents (second degree); nephews and nieces, uncles and aunts, great grandchildren, great grandparents (third degree); first cousins, great uncles and aunts, great-great grandparents, great-great grandchildren (fourth degree).
- c. The Company's parent, Subsidiaries, Associates, Affiliates, fellow subsidiary, or joint venture (including all these entities' own Subsidiaries, Associates, Affiliates, special purpose entities, and DOSRI), or
- d. An entity that is controlled, jointly controlled or significantly influenced or managed by a person who is a Related Party.

- D. Report to the Board of Directors, quarterly or as often as necessary, the status and aggregate exposures to each Related Party, as well as the total amount of exposures to all Related Parties;
 - E. Endorse MRPTs for approval to the Board before such RPTs are executed;
 - F. Ensure that transactions with Related Parties, including write-off of exposures are subject to a periodic independent review or audit process;
 - G. Oversee the implementation of the system for identifying, monitoring, measuring, controlling, and reporting RPTs, including a periodic review of RPT policies and procedures; and
 - H. Maintain a Related Party Registry which, with the assistance of the Corporation's CFO, Corporate Secretary and Legal Counsel, shall be subject to quarterly review and update in order to capture organizational and structural changes in the Corporation and its Related Parties.
- 4.2 The Committee shall be guided by the Corporation's mission and vision in the fulfillment of its functions.

Section 5. Reporting

The Chairperson of the Committee or his designate shall report directly to the Board all actions of the Committee at the meeting of the Board following such actions.

Any act of the Committee which is within the scope of its duties and responsibilities shall not require ratification or approval by the Board for its validity. However, such acts shall be subject to revision or alteration by the Board, provided that no rights or acts of third parties shall be affected by such revision or alteration.

Section 6. Resources and Authorities

The Committee shall have full access to all relevant information, data, records and personnel of the Corporation or such resources and authorities appropriate to discharge its function, duties and responsibilities including the authority to obtain advice from external consultants and functional specialists within the Corporation.

Section 7. Effectivity

This Charter shall take effect immediately upon approval by the Board. 

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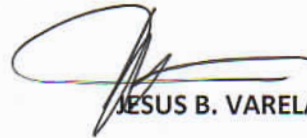


APPROVED BY:


The undersigned members of the Board of Directors of Megaworld Corporation:



DR. ANDREW L. TAN



JESUS B. VARELA



CRESENCIO P. AQUINO



KATHERINE L. TAN



ENRIQUE SANTOS L. SY



KINGSON U. SIAN



ROBERTO S. GUEVARA

