

SOLID GROUP INC.
AMENDED RELATED PARTY TRANSACTIONS POLICY

SECTION 1. INTRODUCTION

It is the policy of Solid Group Inc. (the “Company”) that transactions with related parties 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.

The Board of Directors adopted this group-wide Related Party Transactions Policy encompassing all entities within the group taking into account its size, structure, risk profile and complexity of operations.

SECTION 2. PURPOSE

The purpose of this policy is to ensure the proper review, approval, and reporting of related party transactions between and/or among Solid Group Inc. (“Parent”) and its subsidiaries, associates, affiliate, joint ventures, directors, officers, substantial shareholders, or certain entities or persons related to them.

SECTION 3. DEFINITION OF TERMS

For the purposes of this policy, the following definitions shall apply:

Affiliate - refers to an entity linked directly or indirectly to the company through any one or a combination of any of the following:

- 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;
- Interlocking directorship or officership, except in cases involving independent directors as defined under existing regulations;
- Common stockholders owning at least ten percent (10%) of the outstanding voting stock of the Company and the entity; or
- 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 - 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 - A person or an entity controls a company if and only if the person or entity has all of the following:

Power over the company;

- Exposure, or rights, to variable returns from its involvement with the Company; and
- The ability to use its power over the Company to affect the amount of the company's returns.

Material Related Party Transaction – means any related party transaction/s, either individually, or in aggregate over a twelve (12)-month period with the same related party, amounting to no less than One Billion Pesos (Php1,000,000,000.00) or ten percent (10%) of a company's total consolidated assets based on its latest audited financial statement, whichever is lower.

Related Parties - cover 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.

Related Party Transaction (“RPT”) – 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.

Related Party Registry - A record of the organizational and structural composition, including any change thereon, of the company and its related parties.

Related Party Transactions Committee (“the Committee”)– is the Board Committee tasked to review and evaluate Related Party Transactions.

Significant Influence - 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 - any person who is directly or indirectly the beneficial owner of more than ten percent (10%) of any class of its equity security.

SECTION 4. GENERAL PRINCIPLES

4.1 All Related Party Transactions shall be made in compliance with existing laws, rules and regulations at all times and are conducted on terms equivalent to those that prevail in an arm’s length transactions, and that no preferential treatment shall be given to related parties that are not extended to non-related parties under similar circumstances.

- 4.2 The RPT Committee shall assist in the review of the propriety of Related Party Transactions, ensure that all transactions are with sufficient documentation, and coursed through all appropriate levels of approval as provided in this RPT Policy.
- 4.3 Transactions that will fall within the definition of Material Related Party Transactions shall be governed by the Material Related Policy guidelines.
- 4.4 Related Party Transaction before its commencement or if the same is not identified beforehand shall be approved in accordance with the Threshold policy.
- 4.5 The Director or Officer may participate in any discussion or approval of a Related Party Transaction for which he/she or any member of his/her relatives within the fourth degree of consanguinity or affinity is a Related Person provided any damages/loss incurred by Company related to his/her action/inaction detrimental to the Company shall be borne by him/her.
- 4.6 The threshold amount may be adjusted upon the approval of the Board of Directors considering the risk of the RPT to cause damage to the company and its shareholders.
- 4.7 The Compliance Officer shall advise and provide assistance to the Committee in ensuring that RPTs across the Group are reviewed and approved in accordance with this Policy.

SECTION 5. THRESHOLD TRANSACTIONS

The total amount per annum of each related party transactions shall be considered for purposes of applying these thresholds.

Threshold Amount	Required Approval of Authority
Php20 million and below	Local Management
Php20 million up to below Php50 million	Parent's Executive Management
Php50 million and above	Board

SECTION 6. PROCEDURES

6.1 Notification of Related Party Transactions

Each Director, Officer or Substantial Shareholder shall promptly notify respective authority based on threshold policy of any material interest that such person or his/her relatives within the fourth degree of consanguinity or affinity, has or may have in a Related Party Transactions. The notice shall include a description of the transaction and the aggregate amount.

6.2 General Criteria for Review and Approval

During review, the respective authority shall consider whether the terms of the Related Party Transactions are on arms' length and fair to the Company, and such factors as the following:

- Materiality;
 - Type and nature of the transaction;
 - Financial or non-financial interest of the related parties;
 - Rational for entering into the transaction;
 - Conflict of interest, actual or apparent, of the Related Party participating in the transaction; and
 - Any other relevant information regarding the transaction
- 6.2.a To ensure that related party transactions are conducted at arm's length basis and in the ordinary course of business, the terms and conditions of the transaction should not be more favorable than similar transactions with non-related parties. The Company may appoint an external independent party to evaluate the fairness of the terms of the RPTs. An external independent party may include, but is not limited to, auditing/accounting firms and third party consultants and appraisers.
- 6.2.b The price discovery mechanisms used and the results obtained should also be disclosed. The price discovery mechanism may include, but is not limited to, acquiring the services of an external expert, opening the transaction to a bidding process, or publication of available property for sale.

6.3 Approval of Related Party Transactions

If any Director or Officer becomes aware of a Related Party Transaction with a Related Party that has not been approved or ratified prior to its consummation, he/she shall promptly inform the respective authority based on threshold policy for proper review. Such authority shall consider the General Criteria listed above upon review and approval.

If the Related Party Transactions is pending or on-going, the respective authority may ratify, amend, or terminate the transaction; if it has been completed, the respective authority may ratify or rescind the transaction; and in either-case, the respective authority may direct an Officer, Internal Auditors or Independent Auditors to evaluate the internal controls and procedures to determine why the transaction was not submitted for prior approval.

SECTION 7. WHISTLE BLOWING MECHANISMS AND REMEDIES FOR ABUSIVE RPTs

- 7.1 All stakeholders are encouraged to communicate, confidentially and without the risk of reprisal, legitimate concerns about illegal, unethical or questionable RPTs. Legitimate material concerns can be reported through the whistle-blowing hotline of the Company

and will be investigated and addressed accordingly by an objective independent internal or external body, senior management and/or the board itself.

7.2 Officers, directors, and employees who have been remiss in their duties in handling RPTs shall be subject to disciplinary measures in accordance with the Company's Code of Discipline and relevant corporate governance policies, without prejudice to the applicable legal remedies which the Company may avail.

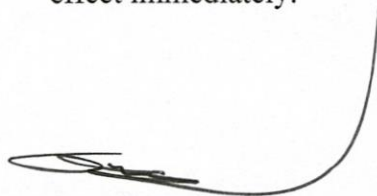
SECTION 8. SELF-ASSESSMENT AND PERIODIC REVIEW OF POLICY

8.1 The Group Internal Audit shall conduct a periodic review of the effectiveness of the company's system and internal controls governing 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 Audit Committee.

8.2 The 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 ensure that the company's RPT policy is kept updated and is properly implemented throughout the company.

SECTION 9. EFFECTIVITY

This Amended Policy approved by the Board of Directors on November 05, 2019 shall take effect immediately.



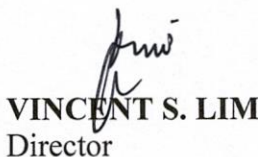
JASON S. LIM
Chairman, Director



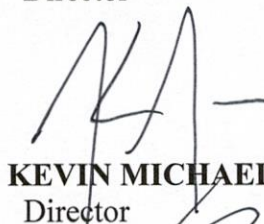
JOSEPH LIM
Director



SUSAN L. TAN
Director



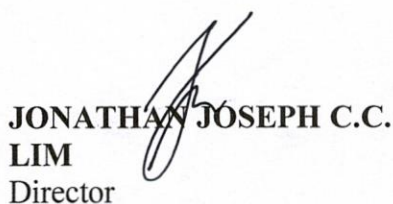
VINCENT S. LIM
Director



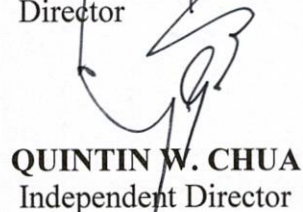
KEVIN MICHAEL L. TAN
Director



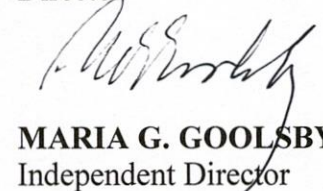
BEDA T. MAÑALAC
Director



JONATHAN JOSEPH C.C. LIM
Director



QUINTIN W. CHUA
Independent Director



MARIA G. GOOLSBY
Independent Director