

FILINVEST REIT CORP.

AMENDED RELATED PARTY TRANSACTIONS POLICY

I. POLICY STATEMENT

The Securities and Exchange Commission (“SEC”) recognizes that transactions between and among related parties may create financial, commercial and economic benefits to individual institutions and to the entire group where said institutions belong. In this regard, related party transactions are generally allowed, provided, that these are done on an arm’s length basis.

This Related Party Transaction Policy (“Policy” or “RPT Policy”) of Filinvest REIT Corp. (the “Company”) aims to ensure that –

1. All Related Party Transactions (“RPTs”) are conducted at arm’s length and entered into on terms no less favorable than any such terms available to unrelated third parties under the same or similar circumstances.
2. All RPTs are managed in a manner that will protect the Company, along with its Affiliates and Subsidiaries (collectively, the “Company Group”) and other stakeholders from conflicts of interest and possible material risks arising from exposures to such transactions; and
3. All RPTs are appropriately reviewed, approved, ratified and disclosed as required, in compliance with legal and regulatory requirements.

II. DEFINITION OF TERMS

1. Abusive Material RPTs - refer to Material RPTs that are not entered at arm’s length and unduly favor a Related Party.
2. Adviser – means a lawyer, accountant, auditor, financial or business consultant and such other persons rendering professional advisory services to the Company.
3. Affiliate – means a corporation that directly or indirectly, through one or more intermediaries, is controlled by, or is under the common control of, another corporation, which thereby becomes its parent corporation.
4. Associate - refers to an entity on which the company holds at least twenty percent (20%) of the total outstanding common shares, directly or indirectly or which the company has Significant Influence as defined in this Policy.
5. Control - exists in favor of a parent corporation when it has the power to direct or govern the financial and operating policies of an enterprise so as to obtain benefits from its activities. Control is presumed to exist when the parent owns, directly or indirectly, through subsidiaries, more than one half (1/2) of the voting power of an enterprise, unless, in exceptional circumstances, it can clearly be demonstrated that such ownership does not constitute control. Control also exists even when the parent owns one half (1/2) or less of the voting power of an enterprise when there is power:

- i. Over more than one half (1/2) of the voting rights by virtue of an agreement with investors;
 - ii. To direct or govern the financial and operating policies of the enterprise under a statute or an agreement;
 - iii. To appoint or remove the majority of the members of the board of directors or equivalent governing body; or
 - iv. To cast the majority votes at meetings of the board of directors or equivalent governing body.
6. Deposited Property – means the total value of the REIT's assets reflecting the fair market value of total assets held by the REIT.
7. Fund Manager – refers to the person engaged by the Company to perform such functions as a Fund Manager as enumerated in Republic Act No. 9856 otherwise known as the Real Estate Investment Trust Act of 2009 (“REIT Act”) and its implementing rules and regulations.
8. Management - refers to persons that have the authority and responsibility for planning, directing and controlling the activities of the Company.
9. Material RPT – any RPT, either individually or in aggregate over a twelve (12)-month period with the same Related Party, that crosses the Materiality Threshold; provided however that the following shall be deemed material and regardless of the amount, and as such if entered into with a Related Party shall be considered a Material RPT:
 - i. Agreements between the Company and Fund Manager;
 - ii. Agreements between the Company and Property Manager;
 - iii. Agreements between and among shareholders relating to the transferability of the shares of stock of the Company, control of the Company and voting rights over shares of stock of the Company, such as but not limited to, voting trust agreements, pooling agreements, joint venture agreements, option agreements, and agreements granting rights of first refusal or conversion rights;
 - iv. Any acquisition or disposition of real estate by the Company;
 - v. Contracts relating to investments of the Company;
 - vi. Any contract creating mortgages, encumbrances, liens or rights on the real estate of the Company;
 - vii. Contract of any nature that limits the declaration or distribution of dividends by the Company;
 - viii. Any contract relating to joint venture, spin off, consolidation or merger, take-over or change in Control involving the Company;
 - ix. Any contract that may be expected to materially affect the market activity and/or the price of the shares of the Company or is determined by Management to be significant;
 - x. Agreements which are not entered into in the ordinary course of business of the Company.
10. Materiality Threshold – ten percent (10%) of the Company’s total consolidated assets based on its latest audited financial statement, or amounting to five percent (5%) of the Deposited Property of the Company.

11. Policy – this Related Party Transactions Policy.
12. Principal Officer – means the chairman of the board of directors, president, chief executive officer, chief operating officer, treasurer, chief financial officer, corporate secretary, vice president, executive vice president, senior vice president, compliance officer, chief accounting officer, chief investment officer and their equivalent positions, including consultants with similar rank or position.
13. Principal Stockholder – means a stockholder who is, directly or indirectly, the beneficial owner of more than ten percent (10%) of the any class of shares of the Company or derivatives thereof.
14. Property Manager - refers to a professional administrator of real properties who is engaged by the REIT to provide the property management services defined under the REIT Act and its implementing rules and regulations.
15. Related Corporation – means the parent, Associate, Subsidiary or Affiliate of the Company.
16. Related Party – includes:
 - i. A director, Principal Officer or Principal Stockholder of the Company or Associate of such persons;
 - ii. The Sponsor/Promoter of the Company;
 - iii. The Fund Manager of the Company;
 - iv. The Adviser of the Company;
 - v. The Property Manager of the Company;
 - vi. A director, Principal Shareholder or Principal Officer of the Sponsor/Promoter of the Company, Fund Manager or Property Manager, or Associate of any such persons; and
 - vii. Related Corporation to the Company, the Fund Manager or the Property Manager.

Associate of a person includes any relative of such person within the fourth (4th) degree of consanguinity or affinity; and any company in which he/she and his/her relative within the fourth (4th) degree of consanguinity or affinity, directly or indirectly, has an interest of twenty-five percent (25%) or more.
17. Related Party Registry – a record of the organizational and structural composition, including any change thereon, of the Company and its Related Parties.
18. Related Party Transaction or RPT – transfer of resources, services or obligations between the Company and a Related Party, with or without underlying monetary consideration. In addition, the RPT scope shall include outstanding transactions that were initially entered into by the Company with an unrelated party that subsequently became a related party.
19. RPT Committee – the Related Party Transactions (RPT) Committee.
20. 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.

21. **Subsidiary** –means a corporation more than fifty percent (50%) of the voting stock of which is owned or controlled, directly or indirectly, through one or more intermediaries, by another corporation, which thereby becomes its parent corporation.
22. **Substantial Stockholder** – any person who is directly or indirectly the beneficial owner of more than ten percent (10%) of any class of its equity security.

III. POLICIES

A. Guidelines on Arm’s Length Terms

Any Related Party Transaction shall be conducted at arm’s length based on transparency and fairness, and in the same way as ordinary transactions undertaken with outsiders, considering the best interests of the Company. This means that transactions with a Company’s Related Party shall be managed in the regular course of the Company’s business and under terms and conditions that are substantially the same as those of similar transactions with non-related parties under comparable circumstances.

B. Conflict of Interest

Members of the Board of Directors, Substantial Stockholders or Principal Officers of the Company with personal interest in a Material RPT shall fully and timely disclose to the Board of Directors any and all material facts, including their respective interests, in the Material RPT. Such disclosure shall be made at the board meeting and RPT Committee meeting, where the Material RPT will be presented for approval and before the execution of the Material RPT.

Directors or Principal Officers or Management with personal interest shall abstain from the discussion and approval of such Material RPT. In case of refusal to abstain, their attendance shall not be counted for purposes of assessing the quorum and their votes shall not be counted for purposes of determining majority approval.

Non-disclosure by the Company’s Directors or Principal Officers of a possible conflict of interest shall be dealt with in accordance with the Company’s Code of Business Conduct and Ethics.

C. Materiality Threshold for Related Party Transactions

All Material RPTs with a transaction value that reaches the Materiality Threshold or those that are deemed as material, as defined in this Policy, shall be subject to the review and approval by the RPT Committee.

Transactions that were entered into with an unrelated party that subsequently becomes a Related Party shall be excluded from the limits and approval of this Policy. However, any renewal, change in the terms and conditions or increase in exposure level, related to these transactions after the non- related party becomes a Related Party, shall subject it to the provisions of this Policy.

In the event wherein there are changes in the RPT classification from non-material to material (e.g. exceeded the Materiality Threshold on an aggregate basis over a period of one year covering the same Related Party), the Material RPT shall be subject to the provisions of this Policy.

D. Review and Approval of Material Related Party Transactions

As a general rule, Related Party Transactions in the ordinary course of business or recurring transactions that do not exceed the Materiality Threshold per transaction shall not require the review by the RPT Committee nor the approval by the Board of Directors, except that RPTs which fall below the Materiality Threshold but determined by Management to be significant shall be presented to the RPT Committee, as provided for in the definition of Material RPT.

In evaluating the Material RPTs, the RPT Committee shall take into account the following:

1. The business purpose, benefits and other details of the RPT, including impact of the transaction on the business, financials and other aspects of the Company.
2. The relationship of the Related Party involved in the transaction in relation to the Corporation.
3. The description of the transaction including the contract price, terms of payment, and rationale for the transaction and other salient terms thereof.
4. An assessment of whether the terms and conditions of the RPT are comparable to the terms generally available to a non-Related Party.
5. If required by the REIT IRR and other applicable laws, any proposal should be accompanied by an appraisal report by an independent appraiser done in accordance with the valuation methodology prescribed by the SEC, in the acquisition or disposition of real estate assets and property, and a fairness opinion in the case of share swaps or similar transactions, as may be required by the SEC, or the relevant Exchange.

Below is the approval policy structure for Material RPTs:

Approving Authority	Function
RPT Committee	<ul style="list-style-type: none">• Reviews Material RPTs before the same is presented to the Board of Directors for approval• The Material RPT must be approved by the RPT Committee, majority members of which should be independent directors who shall vote unanimously in approving such Material RPTs.• Reports to the Board every 1st half of the year the status and aggregate exposures to each Related Party as well as the total amount of exposures across the Company Group
Board of Directors	<ul style="list-style-type: none">• Approves Material RPTs, as favorably endorsed and approved by the RPT Committee.• The RPTs and Material RPTs must be approved by at least a majority of the entire membership of the Board, including the unanimous vote of all independent directors.
Stockholders	<ul style="list-style-type: none">• In case that the majority of the independent directors' vote is not secured, the Material RPT may be ratified by the vote of the stockholders representing at least two-thirds (2/3) of the outstanding capital stock.

1. The Management shall implement appropriate controls to effectively manage and monitor Material RPTs on a per transaction and aggregate basis. Exposures to Related Parties shall also be monitored on an ongoing basis to ensure compliance with the Company's Policy and SEC's regulations.
2. The RPT Committee is tasked to assist the Board of Directors in ensuring that transactions with Related Parties are handled in a sound and prudent manner, with integrity and in compliance with applicable laws and regulations and that RPTs are conducted on an arm's length basis and that no stakeholder is unduly disadvantaged.
3. All Material RPTs, including renewals and/or material changes in the terms and conditions of the RPTs and subsequent write-off, as applicable, shall be reviewed/vetted by the RPT Committee and presented to the Board of Directors for the latter's approval.
4. Material RPTs shall be approved by (i) the RPT Committee, whose majority membership must be composed of independent directors who shall vote unanimously; and (ii) at least two-thirds (2/3) vote of the Board of Directors, including the unanimous vote of all independent directors. In case that a unanimous vote of the independent directors is not secured, the Material RPT may be ratified by the vote of the stockholders representing at least 2/3 of the outstanding capital stock.
5. Before the execution of the Material RPT, unless otherwise required by the REIT IRR or applicable laws, the Board shall appoint an external independent party to evaluate the fairness of the terms of the Material RPTs. An external independent party may include, but is not limited to auditing/accounting firms and third party consultants and appraisers. The independent evaluation of the fairness of the transparent price ensures the protection of the rights of shareholders and other stakeholders.

E. Identifying and Monitoring Related Parties and Their Transactions

1. The Corporate Secretary, in coordination with relevant departments of the Company, shall maintain a Related Party Registry, which shall be reviewed quarterly by the Management and updated when necessary.
2. Management shall put in place the appropriate systems and procedures to identify, track, monitor and report RPTs to the RPT Committee and the Board. The system must be able to assess situations when a non-related party with whom the Company has entered into a transaction subsequently becomes a Related Party and vice-versa.
3. The CFO shall submit every half of the year to the RPT Committee, and thereafter the RPT Committee shall report to the Board of Directors, the status and aggregate exposures to each Related Party, and the total exposures to all Related Parties.

F. Disclosure and Reporting

1. A summary of Material RPTs reviewed and approved during the year shall be disclosed by the Company in its Integrated Annual Corporate Governance Report.
2. The Corporate Secretary or its Authorized Representative shall file a signed Advisement Report to the SEC within three (3) calendar days after the execution date of the Material RPT.

The disclosures in (1) and (2) above shall contain the information required under the SEC's relevant regulations.

G. Roles of Internal Audit and Compliance

1. The Internal Auditor shall conduct a periodic review of the effectiveness of the system and internal controls governing RPTs to assess consistency with the Board-approved policy and procedures. The audit reports, including exceptions or breaches in limits, shall be communicated to the Audit and Risk Management Oversight Committee.
2. The Management along with the Compliance Officer shall ensure the Company's compliance with relevant rules and regulations on Related Parties. They shall assist the RPT Committee in the review of RPTs and identify any potential Material RPT that would require review and approval by the RPT Committee and the Board of Directors. They shall ensure that the Policy is kept updated and properly implemented throughout the Company.

H. Whistle Blowing Mechanism

In furtherance of the Company's commitment to carry out the regulations on Material RPTs, the Company shall adopt the Board-approved whistle-blowing policy to promote the cooperation of all stakeholders in reporting, confidentially and without the risk of reprisal, legitimate concerns about illegal, unethical or questionable Material RPTs.

I. Restitution of Losses and Other Remedies for Abusive Material Related Party Transactions

1. Any finding of Abusive Material RPTs shall be referred to the following for immediate restitution:
 - 1.1 Management for the determination of actual loss incurred from the Material RPT in question as well as any probable and imminent financial loss that may result therefrom.
 - 1.2 Legal Department for the recommendation of appropriate legal action to recover loss incurred or to prevent any further incurrence of losses.
2. Any breach of this Policy by the Company's Director may be a ground for his removal in accordance with the Revised Corporation Code of the Philippines and other related laws and regulations, after compliance with due process has been served and evaluation by the Board of Directors has been completed.
3. Any breach of this Policy by a Company employee shall be considered a violation of the Company's Code of Business Conduct and Ethics and shall be sanctioned accordingly after due process has been served.

All aforementioned findings and recommendations shall be forwarded to the Compliance Officer for consolidation and reporting to the Board of Directors, through the RPT Committee, for proper disposition.

J. Policy Review

The Policy shall be reviewed at least annually and amended when necessary by the internal audit and the RPT Committee. Any changes or amendments in the Policy and procedure shall be approved by Board of Directors.

K. Effectivity

This Policy shall take effect upon approval by the Board of Directors and shall continue to be in full force unless amended or superseded.

Pursuant to the requirement of the Securities and Exchange Commission, this Policy is signed on behalf of Filinvest REIT Corp. this 07 June 2024.

FILINVEST REIT CORP.

By:

(Signed)
JOSEPH M. YAP
Chairman of the Board

(Signed)
MARIA VICTORIA M. REYES-BELTRAN
Compliance Officer