



110282019000655

**SECURITIES AND EXCHANGE COMMISSION**

SEC Building, EDSA, Greenhills, Mandaluyong City, Metro Manila, Philippines
Tel: (632) 726-0931 to 39 Fax: (632) 725-5293 Email: mis@sec.gov.ph

Barcode Page

The following document has been received:

Receiving Officer/Encoder : Mary Irish Ortiz De Castro - COS

Receiving Branch : SEC Head Office

Receipt Date and Time : October 28, 2019 11:30:55 AM

Received From : Head Office

Company Representative

Doc Source

Company Information

SEC Registration No. 0000040621

Company Name APEX MINING CO. INC.

Industry Classification

Company Type Stock Corporation

Document Information

Document ID 110282019000655

Document Type LETTER/MISC

Document Code LTR

Period Covered October 28, 2019

No. of Days Late 0

Department CED/CFD/CRMD/MRD/NTD

Remarks MATERIAL RELATED PARTY TRANSACTIONS POLICY

COVER SHEET

SEC Registration Number

4	0	6	2	1						
---	---	---	---	---	--	--	--	--	--	--

COMPANY NAME

[illegible]

PRINCIPAL OFFICE (No. / Street / Barangay / City / Town / Province)

[illegible]

Department requiring the report

--	--	--	--

Report type

Material Related Party

Transactions Policy

Secondary License Type, If Applicable

Page 10

COMPANY INFORMATION

Company's Email Address

rnmigrino@apexmining.com

Company's Telephone Number

706-2805

Mobile Number

N/A

No. of Stockholders

--

Annual Meeting (Month / Day)

6/28

Fiscal Year (Month / Day)

12/31

CONTACT PERSON INFORMATION

The designated contact person **MUST** be an Officer of the Corporation

Name of Contact Person

Renato N. Migriño

Email Address

rnmigrino@apexmining.com

Telephone Number/s

8706-2805

Mobile Number

N/A

CONTACT PERSON'S ADDRESS

3304B West Tower, PSE Centre, Exchange Road, Ortigas Center, Pasig City

NOTE 1: In case of death, resignation or cessation of office of the officer designated as contact person, such incident shall be reported to the Commission within thirty (30) calendar days from the occurrence thereof with information and complete contact details of the new contact person designated.

2: All Boxes must be properly and completely filled up. Failure to do so shall be considered as non-compliance.

2: All Boxes must be properly and completely filled-up. Failure to do so shall cause the delay in updating the corporation's records with the Commission and/or non-receipt of Notice of Deficiencies. Further, non-receipt of Notice of Deficiencies shall not excuse the corporation from liability for its deficiencies.

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-C

CURRENT REPORT UNDER SECTION 17 OF THE SECURITIES REGULATION
CODE AND SRC RULE 17.2(B) THEREUNDER

1. Date of report: **October 28, 2019**
2. Commission Identification Number: **40621**
3. BIR Tax Identification No.: **000-284-138**
4. Exact Name of Registrant as specified in its charter: **APEX MINING CO., INC.**
5. Province, country or other jurisdiction of incorporation or organization: **PHILIPPINES**
6. Industry Classification Code: (SEC Use Only)
7. Address of registrant's principal office: **3304B West Tower PSE Centre, Exchange
Postal Code: 1605 Road, Ortigas Center, Pasig City,**
8. Telephone number, including area code: **Tel. # (02) 8706-2805 Fax # 8706-2804**
9. Former name, former address and former fiscal year, if changed since last report. **N/A**
10. Securities registered pursuant to Sections 8 and 12 of the SRC, or Sections 4 and 8 of the Revised Securities Act (RSA)

<u>Title of Each Class</u>	<u>Number of Shares of Common Stock Outstanding or Amount of Debt Outstanding</u>
Common shares	6,227,887,491
Debt outstanding	₱4,432,000,651

11. Indicate the item numbers reported herein: **Item 9.B Other Events**

APEX MINING COMPANY INC.

RELATED PARTY TRANSACTIONS (RPT) POLICY (Including Material RPT Policy)

A. PURPOSE

This policy is intended to:

1. Ensure that every related party transaction (RPT) is conducted on an arm's length basis or for the financial, commercial or economic benefit of the Corporation and will protect the Corporation from prejudice arising from conflict of interest, which may arise between the Corporation and its Related Parties.
2. Ensure proper review, approval, ratification and disclosure of transactions between the Corporation and any of its Related Party as required to comply with legal and regulatory requirements.

B. SCOPE

This policy covers related party transactions between the Corporation and a Related Party or between a Subsidiary or Affiliate of the Corporation and a Related Party as defined below.

C. DEFINITION OF TERMS

1. **Related Party** – a person or entity that is related to the Apex Mining Company Inc. (hereinafter the "Corporation") or any of its subsidiaries or affiliates, who has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. This includes:
 - a. Individuals owning directly or indirectly through one or more intermediaries, control or are controlled by, or under common control with the Corporation.
 - b. Individuals owning, directly or indirectly, an interest in the voting power of the corporate shareholder of the Corporation that give them significant influence over the corporate shareholder of the Corporation and close members of the family of any such individual.
 - c. Members of the board of directors of the Corporation or of the board of any of its subsidiaries or affiliates.
 - d. Officers and members of senior management of the Corporation or of any of its subsidiaries or affiliates.
 - e. Any manager or individual involved in deciding on contracts or transactions in which they are involved or have an interest in.
 - f. A subsidiary or affiliate of the Corporation.
2. **Significant influence** – the power to participate in the financial and operating policy decisions of an entity or control over policies. Significant influence may be gained by share ownership, status or agreement.
3. **Subsidiary** - a corporation more than 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.
4. **Affiliate** – a corporation that directly or indirectly, through one or more intermediaries, is controlled by, or is under the common control of, another corporation, where such ownership in shares is less than 50% of the voting stock.
5. **Close members of the family** of a person – family members who may be expected to have control, joint control or significant influence, or be influenced by that person in their dealings with the entity and include:
 - i. That person's children and spouse or domestic partner;
 - ii. Children of that person's spouse or domestic partner;
 - iii. Dependents of that person or that person's spouse or domestic partner
 - iv. Relatives within the fourth civil degree of consanguinity or affinity, legitimate or common-law
6. **Related Party Transaction** – a transfer of resources, services or obligations between a related party and the Corporation or any of its subsidiaries and affiliates.

7. **Material RPTs** – are those transactions that meet the threshold values as defined in SEC MC No. 10 Series of 2019, dated April 25, 2019 which is 10% of the Corporation's total consolidated assets based on its latest audited financial statements.
8. **Related Party Registry** – A record of the persons and corporations who are considered Related Party to the Corporation. Non-inclusion in the Related Party Registry shall not be an excuse from compliance of this RPT Policy by any Related Party.
9. **Related Party Transaction Committee (RPT Committee)** – a board committee established by the Board of Directors to oversee the implementation of this RPT Policy. If no RPT Committee has been established by the Board, the Audit Committee shall act as the RPT Committee.
10. **Significant RPTs** – are RPTs with transactions value exceeding P 5 Million.

D. GUIDELINES

I. Criteria

1. *Material RPT* - Any transaction, arrangement or relationship in which the individual or aggregate amount of the transaction as of the reporting period will or may equal or exceed 10% of the Corporation's total consolidated assets based on its latest audited financial statement (SEC MC No. 10 Series of 2019, dated April 25, 2019), where a Related Party has or will have direct or indirect material interest.
2. *Nature* - Any of the following transactions entered into by the Corporation (or any of its Subsidiary or Affiliate) with a Related Party, which includes:
 - Finance (including credit accommodation);
 - Purchases, sales or supply of goods or materials;
 - Rendering or receiving of services;
 - Consulting, professional services;
 - Construction services;
 - Investments and subscriptions of equity, debt or quasi-debt;
 - Agency agreements;
 - Outsourcing arrangements;
 - Leasing of any property of any kind;
 - License agreements;
 - Selling or disposing of, or buying, property of any kind;
 - Guarantees and sureties; and,
 - Management contracts
3. *Circumstances* - The Corporation or its Subsidiary/Affiliate is a participant to an RPT in which a Related Party has the ability to control or to exercise significant influence in the outcome of a proposed RPT and can influence decisions relating to the RPT.

II. General Rule on RPT Transactions

1. RPTs shall be conducted only in the regular course of business. No RPT shall be undertaken on more favorable terms (on price, terms and conditions) to the Related Party than similar transactions with non-related parties under similar circumstances.
2. A Related Party shall be loyal to the Corporation's interest, regardless of his/her own personal interest. Related Parties shall refrain from giving preference to his or her interest when they conflict with the interest of the Corporation.
3. Related Party Transactions shall be disclosed and shall be transparent.
4. A Related Party shall abstain from attending and participating in deliberations that affect matters in which he or she has personal interest.

5. A Related Party Transaction involving a director or officer shall be voidable unless: (a) the contract is fair and reasonable; (b) in case of an officer, the contract has been previously authorized by the board of directors; and (c) the presence of the director or officer was not necessary for quorum or for approval of the contract.

III. Exceptions to the Prior Review and Approval of RPT

Any of the following types of transaction shall not require prior review and approval by the RPT Committee and the Board, respectively:

1. Ordinary Course of Business Transactions

- The sales or services by the Corporation in the ordinary course of business, provided that the transaction has no policy deviations and the goods or services are on substantially the same terms as those prevailing at the time for comparable sales or services provided to unrelated parties (e.g. they are carried out under agreements with standard terms and conditions applicable to other customers/clients/service providers); and
- A transaction where the rates or charges involved in the transaction are determined by competitive bids following company policy or fixed by law or regulated by a governmental authority.
- Transactions which go through market rates set in general by the provider of the goods or services;
- Repeat services or transactions provided by an existing service provider under standard terms and conditions already approved by the Board, the RPT Committee, the CEO, or Management.
- Transactions between the Corporation or any of its subsidiaries or affiliates relating to a transaction or service where the particular subsidiary or affiliate is established or is identified by the Board or Management as the provider of support services for the Corporation or a subsidiary or affiliate.

2. Ordinary Employee Benefits

- Benefits granted with preferential rates or waivers given to all employees (including Senior Officers) as part of employees' incentives or benefits approved by the Remuneration Committee.

IV. Requirements of RPT Transactions

1. Directors, Officers and other Related Parties are required to declare and disclose any RPT and the material interest that they or an immediate family member may have in an RPT transaction.
2. The following information, to the extent relevant, with respect to the proposed RPT should be disclosed in the Report on an RPT Transaction:
 - a. A general description of the transaction/s including the material terms and conditions.
 - b. The name of the Related Party and the basis on which such person or entity is a Related Party.
 - c. The Related Party's interest in the transaction/s including the Related Party's position or relationship with, or ownership of, any entity that is party to or has an interest in the transaction/s.
 - d. The total value of the proposed transaction and the share of the Related Party's interest in the transaction/s.
 - e. Whether the Corporation will be a party to the transaction and if not, the nature of its participation in the transaction/s.
 - f. Whether the proposed transaction includes any potential reputational risk issues that may arise as a result or in connection with the proposed transaction.
 - g. Any other material information regarding the transaction/s or the Related Party's interest in the transaction/s.
3. The Report disclosing the RPT shall be submitted to the CFO, or the Corporate Secretary, or the RPT Committee. Such report shall then be consolidated by the secretariat designated by the RPT Committee as provided under this Policy.
4. An officer who has knowledge of an RPT shall report the same to the RPT Committee if he or she learns that such particular RPT has not been reported to the RPT Committee as required under this

Policy. A person who reports an RPT under this provision shall not be subject to any liability or sanction.

5. Certification is required from all service providers, suppliers and vendors that they do not have a conflict of interest with the Corporation, and if there is such a conflict situation, to disclose the same.
6. Disclaimer is required from all approving officer/s signing contracts, agreements, work orders and purchase orders that they are not related to the counterparties of the proposed transaction.

V. Disclosure and Regulatory Reporting

1. The Corporation shall disclose in its website this RPT policy.
2. Material RPTs shall be reported to regulatory agencies as required. A Report on Material RPT shall be submitted to the SEC.
3. Necessary disclosures of Material RPTs entered into during the reporting year shall be made in the Notes to the Corporation's Audited Financial Statements and referenced to the Integrated Annual Corporate Governance Report (I-ACGR) submitted to SEC.

VI. Review of the Policy

The RPT Committee shall annually review the threshold values and the provisions of this Policy and may recommend to the Board amendments to this Policy as it deems appropriate.

E. REVIEW AND APPROVAL PROCEDURES

1. All RPTs with value exceeding P 5 Million (in a single transaction or in aggregate transactions), (except those exempted under Part III) shall be disclosed to and be evaluated and approved by the RPT Committee. A Report on Significant RPTs and Material RPTs shall be submitted to the Board of Directors
2. Material RPTs shall be evaluated by the RPT Committee, and endorsed to the Board of Directors for approval. Such RPTs shall also be guided by provisions of SEC Memorandum Circular No. 10 Series of 2019, dated April 25, 2019.
3. The RPT Committee will consider the following factors to the extent relevant to the RPT in conducting an independent review:
 - a. The identities of the parties involved in the transaction or relationship;
 - b. The term of the transactions are fair and reasonable;
 - c. The aggregate value of the transaction;
 - d. Purpose and timing of the transaction;
 - e. The extent of Related Party's interest on the transaction; and,
 - f. Whether the RPT would present an improper conflict of interest for the Corporation or any of its Subsidiaries or Affiliates, or the Related Party taking into account the size of the transaction and the overall financial position of the Related Party.
4. RPTs involving directors and officers shall be submitted to the Board of Directors for approval. If for any reason the Board of Directors cannot approve the Material RPT involving directors or officers, such Material RPT shall be submitted to the stockholders for approval.
5. Any member of the Board or RPT Committee who has interest in the transaction must abstain from participation in the review and approval of any RPT.
6. The RPT Committee shall have the authority to inquire into and evaluate any RPT below the P 5 Million threshold at its discretion. The Related Party involved in any such RPT subject to the inquiry of the RPT Committee shall cooperate and disclose the information required by the RPT Committee. The RPT Committee may advise Management to cancel, rescind or nullify any RPT that in its opinion is unfair and prejudicial to the Company (or its subsidiary or affiliate party to the RPT).

F. REGULAR INTERNAL REPORTING AND MONITORING PROCEDURES

On a quarterly basis, the Chief Finance Officer shall prepare and submit a Summary Report of all Related Party Transactions entered into during the period to the RPT Committee.

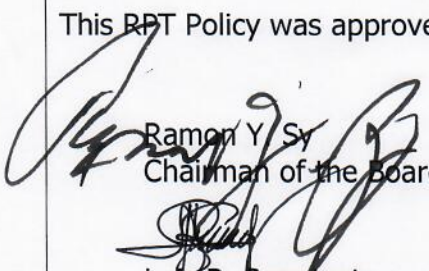
G. POST VERIFICATION OF RPTs

The Internal Audit Department of the Corporation shall perform a periodic post verification of RPTs to ensure that the terms and conditions recommended by the RPT Committee and approved by the Board of Directors are properly and correctly implemented.

H. EFFECTIVITY

This Related Party Transaction Policy (RPT Policy) shall be effective on 28 October 2019.

This RPT Policy was approved by the Board of Directors on 24 October 2019.



Ramon Y. Sy
Chairman of the Board



Luis R. Sarmiento
President and Chief Executive Officer



Renato N. Migrino
Compliance Officer