

# **Premium Leisure Corp.**

## **Related Party Transactions Committee Charter**

This Charter establishes the purpose, composition, authority, responsibilities and operations of the Related Party Transactions Review Committee (the “Committee”).

### **1. PURPOSE**

The Committee assists and advises the Board of Directors (the “Board”) in assessing material agreements with related parties to ensure that the Related Party Transactions (“RPT”) are conducted at market rates and on an arm’s length basis. For this purpose, transactions considered material are subject for review by the RPT Committee prior to the approval of the Board and Management execution.

### **2. COMPOSITION**

The Committee shall consist of at least three (3) Non-Executive Directors, two of whom shall be independent, including the Chairman. The Committee members shall be appointed by the Board.

### **3. MEETINGS**

The Committee shall meet at least two (2) times a year. The Committee may invite members of Management or others to attend meetings and provide pertinent information, as necessary.

### **4. RESPONSIBILITIES**

- 4.1. Evaluates business relations between counterparties to ensure that all related parties 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;
- 4.2. Evaluates all material RPTs to ensure that these 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 similar circumstances and that no corporate or business resources of the company 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;

- 4.3. Develops and reviews the Company's policy and procedure on assessment of material RPTs and make recommendations to the Board. In evaluating RPT's, the Committee takes into account, among others, the following:
  - 4.3.1. The related party's relationship to the company and interest in the transaction;
  - 4.3.2. The material facts of the proposed RPT, including the proposed aggregate value of such transaction;
  - 4.3.3. The benefits to the corporation of the proposed RPT;
  - 4.3.4. The availability of other sources of comparable products or services; and
  - 4.3.5. 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 company shall have an effective price discovery system in place and exercise due diligence in determining a fair price for RPTs.
- 4.4. Makes certain that appropriate disclosure is made to regulatory bodies on the company's RPT exposures and policies on conflicts of interest, approach to managing such conflicts and conflicts that could arise as a result of the company's affiliation or transactions with other related parties;
- 4.5. Reports to the Board of Directors on a regular basis, the status and aggregate exposures to each related party, as well as the total amount of exposures to all related parties;
- 4.6. Ensures that transactions with related parties, including write-off of exposures are subject to a periodic independent review or audit process;
- 4.7. Directs the implementation of the system for identifying, monitoring, measuring, controlling, and reporting RPTs, including a periodic review of RPT policies and procedures;
- 4.8. Perform other activities related to this Charter as requested by the Board;
- 4.9. Review and assess the adequacy of the Committee Charter annually, requesting Board approval for any proposed changes, and ensure appropriate disclosure as may be required by law or regulation; and
- 4.10. Evaluate the Committee's and individual members' performance on a regular basis.

## **5. REPORTING RESPONSIBILITIES**

- 5.1. Regularly report to the Board the Committee's activities, findings, decisions, deliberations and recommendations.

- 5.2. Management presents material RPTs at regular meetings of the Audit Committee and the Risk Management Committee. The nature, extent and all other material details of transactions with related parties are disclosed in the Company's financial statements, quarterly/annual reports to the SEC and the PSE. These financial statements and relevant reports are also available on the corporate website and readily accessible to the public.

## **6. ANNUAL REVIEW OF CHARTER**

The Committee shall conduct an annual review of this Charter and propose any enhancements as may be deemed necessary for Board approval.

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