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**SECURITIES AND EXCHANGE COMMISSION**

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S P C P O W E R C O R P O R A T I O N
(f o r m e r l y S A L C O N P O W E R C O R P .)

(Company's Full Name)

7 t h F l o o r C e b u H o l d i n g s C e n t e r
A r c h b i s h o p R e y e s A v e n u e ,
C e b u B u s i n e s s P a r k , C e b u C i t y

(Business Address: No. Street City/ Town / Province)

Mr. Jaime M. Balisacan

Contact Person

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Company Telephone Number

1 2 3 1

Month Day
Calendar Year

SEC FORM
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FORM TYPE

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Month Day
Annual Meeting

Secondary License Type, If Applicable

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Amended Articles Number / Section

Total No. of Stockholders

Total Amount of Borrowings

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Foreign

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Policy on Material Related Party Transactions ("Material RPT")

Pursuant to SEC Memorandum Circular No. 10 series 2019, the Company hereby adopts a policy on Material Related Party Transactions. This policy shall apply to all Related Parties as herein below defined.

For purposes of consistency, the Company shall use the same "Definition of Terms" under SEC Memorandum Circular No. 10 series 2019, thus:

Section 1 Definition of Terms

For purposes of this Material RPT Rules, the following definitions shall apply:

Related parties - covers the reporting PLC'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 reporting PLC. It also covers the reporting PLC'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.

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.

Affiliate - refers to an entity linked directly or indirectly to the reporting PLC 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 PLC, 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 reporting PLC and the entity; or
- Management contract or any arrangement granting power to the reporting PLC to direct or cause the direction of management and policies of the entity, or vice-versa.

Associate - An entity over which the reporting PLC holds twenty percent (20%) or more of the voting power, directly or indirectly, or which the reporting PLC has significant influence.

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.

Control - A person or an entity controls a reporting PLC if and only if the person or entity has all of the following:

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

Related party transactions - a transfer of resources, services or obligations between a reporting PLC 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.

Material Related Party Transactions - Any related party transaction/s, either individually,

or in aggregate over a twelve (12)-month period with the same related party, amounting to ten percent (10%) or higher of a company's total assets based on its latest audited financial statement.

Materiality Threshold - Ten percent (10%) of the company's total assets based on its latest audited financial statement. If the reporting PLC is a parent company, the total assets shall pertain to its total consolidated assets.

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

Section 2 Coverage

Any related party transaction/s, either individually, or in aggregate over a twelve (12)-month period with the same related party, *amounting to ten percent (10%) or higher of a company's total assets based on its latest audited financial statement*. The Company, upon approval by its Board of Directors, may lower the materiality threshold after determining the risk of the RPT to cause damage to the Company and its shareholders. (SEC MC Cir No. 10 s. 2019)

Transactions amounting to ten percent (10%) or more of the total assets that were entered into with an unrelated party that subsequently becomes a related party may be excluded from the limits and approval process required in the policy. However, any alteration to the terms and conditions, or increase in exposure level, related to these transactions after the non-related party becomes a related party shall subject the material RPT to the requirements of this Material RPT Rules. The prospective treatment should, however, be without prejudice to regulatory actions that may be enforced for transactions noted to have not been conducted on an arm's length basis. (Section 3 SEC MC Cir. No. 10 s 2019)

Section 3 Guidelines in ensuring arm's length terms.

The Company shall not extend preferential treatment to related parties. It shall accord equal treatment to related and non-related parties under similar circumstances.

The Compliance Officer shall work with the Board and Management in identifying the persons and companies that are considered as the Company's related parties. The Board of Directors and the Management shall require a quarterly review and update the Related Party registry to capture organizational and structural changes in the Company and its related parties.

The Board of Directors shall;

1. Subject any material RPT, to an effective price discovery mechanism to ensure that terms of the transaction promote the best interest of the company and its shareholders. 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

Before the execution of the material RPT, the Board of Directors shall:

2. 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.
3. All individual material RPTs shall be approved by at least two-thirds (2/3) vote of the board of directors, with at least a majority of the independent directors voting to

approve the material RPT. In case that a 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. For aggregate RPT transactions within a twelve (12)-month period that breaches the materiality threshold of ten percent (10%) of the company's total assets, the same board approval would be required for the transaction/s that meets and exceeds the materiality threshold covering the same related party.

Section 4 Duty to Disclose/Abstain

The members of the board, substantial shareholders, and officers are required to fully and timely disclose to the Board of Directors all material facts related to material RPTs as well as their direct and indirect financial interest in any transaction or matter that may affect or is affecting the company. Such disclosure shall be made at the board meeting where the material RPT will be presented for approval and before the completion or execution of the material RPT.

It shall be the duty of every board of director with personal interest in the transaction to abstain from participating in discussions and voting on the same. In case of refusal to abstain, his attendance shall not be counted for purposes of determining the quorum and his vote shall not be counted for purposes of determining approval.

Section 5 Duty to Disclose and Report to the SEC

The Company shall submit the following to the SEC:

1. A summary of material related party transactions entered into during the reporting year which shall be disclosed in the company's Integrated Annual Corporate Governance Report (1-ACGR);
2. Advisement Report (attached as Annex "A") of any material RPT filed within three (3) calendar days from the execution date of the transaction. The Advisement Report shall be signed by the Company's Corporate Secretary or authorized representative.

At a minimum, the disclosures in both (1) and (2) above shall include the following information:

- a. Complete name of the related party;
- b. Relationship of the parties;
- c. Execution date of the material RPT;
- d. Financial or non-financial interest of the related parties;
- e. Type and nature of transaction as well as a description of the assets involved;
- f. Total assets or consolidated asset (if reporting as Parent);
- g. Amount or contract price;
- h. Percentage of the contract price to the total assets of the reporting PLC;
- i. Carrying amount of collateral, if any;
- j. Terms and conditions;
- k. Rationale for entering into the transaction; and

- I. The approval obtained (i.e. names of directors present, name of directors who approved the material RPT and the corresponding voting percentage obtained).

Section 6 Whistleblowing

It shall be the duty of all stakeholders to communicate confidentially legitimate concerns of a suspected or actual illegal, unethical and or questionable Material Related Party Transactions.

Stakeholders shall mean the shareholders, members of the Board of Directors, officers and employees of the Company.

A. Protection against Retaliatory Acts:

The whistleblower or any one believed, suspected or intends to be one (the "Whistleblower") shall be protected from retaliatory action or reprisal. Retaliatory action or reprisal refers to negative or obstructive responses or reactions to a disclosure of a suspected or actual illegal, unethical and or questionable Material Related Party Transactions. This includes but is not limited to (1) administrative or criminal proceedings commenced or pursued, reprisals or threats against the Whistleblower or those who support the Whistleblower whether they are employees of the Company, shareholders or the Whistleblower's relatives; (2) forcing or attempting to make the Whistleblower or his supporters in the Company, to resign, retire or transfer; (3) discriminatory actions behind policies and procedures, reprimand, punitive transfers, undue poor performance reviews, withdrawal of essential resources, undue reports and/or the attachment of unfair personnel file notes; workplace ostracism, questions and attacks on motives, accusations of disloyalty and dysfunction, public humiliation, and the denial of work or promotion; (4) any other act, whether attempted or otherwise that may obstruct, mislead, frustrate any investigation.

The aggrieved Whistleblower shall be entitled to the provisional remedy of injunction against any retaliatory action in the workplace, prejudicial conduct or discriminatory treatment by reason of the said Whistleblower's intended or actual disclosure.

B. Bribery

Any act of giving the Whistleblower money or something else of value or any form of enticement, inducement to dissuade the Whistleblower from disclosing, testifying or fully cooperating with the investigation, shall constitute bribery.

Bribery shall be a prohibited act. The Whistleblower shall be encouraged and given full support by the Company in case the Whistleblower takes legal action against one who commits bribery.

The Company reserves its right to pursue any legal action against anyone who commits acts of bribery.

C. Process of Reporting and Investigating

1. Reporting

Any stakeholder has the obligation to report any information, act or omission that in his judgment violates, violated or will violate this policy on material related party transaction. Reporting shall be in the following manner:

- a. For acts involving Directors of the Company, he shall report to any independent director
- b. For acts involving officers of the Company with the rank Vice President or higher, he shall report to the Chairman

- c. For acts involving employees below Vice President level, he shall report to the Compliance Officer of the Company.

The responsible persons to whom the report was made have the duty to act on the report immediately by creating an investigating team. The investigating team shall be guided by the following guidelines in conducting the investigation:

1. It shall procure a Sworn Statement from the Whistleblower who must voluntarily supply the information, facts and attendant circumstances surrounding the reported act or omission. He shall be accorded ample opportunity to accomplish the Sworn Statement.
2. The identity of the Whistleblower and information disclosed by him shall be confidential. Evidence adduced shall be appropriately secured by the Company.

D. Evaluation of Disclosures

1. The Whistleblower should have personal knowledge of facts and information covered by the disclosure;
2. The information given by the Whistleblower contains sufficient particulars including evidence that may be in his possession that is relevant to the matter under investigation.
3. The investigating shall assess the truthfulness of the reports in terms of evaluation of the relevance of the evidence submitted, its truthfulness and veracity and accuracy, whether the disclosure varies or contradicts in material respects the details contained in official information and authentic documents determined to be truthful;
4. Call on other personnel or experts in aid of the investigation;
5. Determine existence of prima facie case before conducting a full blown investigation.
6. Submit a written report with recommendation to the: Board if the subject of the disclosure involves a director; to the Chairman, if an officer with the rank of Vice-President or higher is involved; to the Compliance Officer for employees below the rank of Vice-President is involved.

Section 7 Remedies for Abusive Material RPTs.

1. Disqualification

The Company shall strictly implement applicable laws, rules to address Abusive Material RPTs. Thus it shall disqualify a director or officer found to be involved in abusive material RPTs.

Pursuant to Sections 26 and 27 of the Revised Corporation Code, an interested director or officer of a corporation shall be disqualified from being a director, trustee or officer of any other corporation on the basis of a final judgment rendered by a court of competent jurisdiction against the interested director or officer for abusive material RPTs. The disqualification shall be for a period of at least one (1) year or more, as may be determined by the Commission.

The imposition of the foregoing penalties shall be without prejudice to any other administrative penalties that may be imposed by the Commission, and/or civil or criminal penalties, as may be provided by the Revised Corporation Code of the Philippines, Securities Regulation Code, and other related laws.

2. Nullification, revocation or rescission of any agreement or contract involved in the execution of the Related Party Transaction. Payment of damages suffered by the Company, by those involved in abusive material RPTs.

3. Introduce institutional changes upon Board approval to address particular acts of abusive material RPTs.
4. Conduct information campaign on the changes adopted to prevent abusive material RPTs.

Section 8 Self- Assessment and Periodic Review of Policy

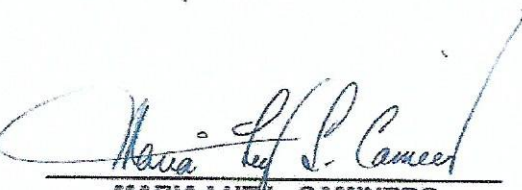
The internal audit shall conduct a periodic review of the effectiveness of the company's system and internal controls governing material RPTs to assess consistency with the board-approved policies and procedures. The resulting audit reports, including exceptions or breached in limits shall be communicated directly to the Audit Committee.

The Company's 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 shall aid in the review of the Company's transactions and identify any potential material RPT that would require review by the Board. He shall ensure that the Company's material RPT policy is kept updated and is properly implemented throughout the Company.

Signed:



ALFREDO L. HENARES
Chairman



MARIA LUZ L. CAMINERO
Compliance Officer