

RELATED PARTY TRANSACTIONS COMMITTEE

1. Purpose

The Related Party Transactions Committee (the “Committee) shall pass upon and provide clearance for related party transactions with material significance taking into consideration the best interest of the Corporation.

2. Membership and Quorum

The Committee shall be composed of at least three (3) non-executive members of the Board of Directors, two (2) of whom shall be independent, including the Chairman.

At its meetings, two (2) directors, one of whom must be an independent director, shall be sufficient to constitute a quorum. All decisions or resolutions of the Committee must have the affirmative vote of at least two (2) members of the Committee.

If the Board decides not to constitute the Committee, the duties and responsibilities of the Committee shall be performed by the Audit Committee, and the quorum requirement shall be the same as that of the Audit Committee.

3. Duties and Responsibilities

The Committee shall meet at as often as possible to decide on proposed related party transactions and make their recommendations to the Board. As a general rule, loans or assistance to a related party shall be prohibited, except when the following conditions are present:

- (a) Management has sufficiently justified the loan or assistance to the related party
- (b) The loan or assistance shall be provided on arm's length basis
- (c) The terms and conditions of the loan do not deviate substantially from market terms and conditions and do not jeopardize the best interest of the company.

Financial assistance shall not be granted to entities other than companies within the Philcomsat Group of Companies.

4. Assessment

The Committee's performance shall be evaluated by assessing its charter, the composition of the Committee, the number of meetings, the duties and responsibilities of the Committee and the performance of each individual member.