

# COVER SHEET

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S.E.C. Registration Number

A P O L L O G L O B A L C A P I T A L ,  
I N C . ( F O R M E R L Y Y E H E Y !  
C O R P O R A T I O N )

(Company's Full Name)

U N I T 5 0 4 G A L L E R I A  
C O R P O R A T E C E N T E R , E D S A  
C O R N E R O R T I G A S , B R G Y . U G O N G  
N O R T E , Q U E Z O N C I T Y 1 1 0 0

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

ATTY. KRISTINA JOYCE C. CARO-GANGAN

Contact Person

88880999

Company Telephone Number

1 2

Month

3 1

Day

Fiscal Year

RPT Policies

FORM TYPE

Month

Day

Annual Meeting

Secondary License Type, If Applicable

Dept. Requiring this Doc.

Amended Articles Number/Section

Total No. of Stockholders

Total Amount of Borrowings

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

STAMPS

Remarks = pls. Use black ink for scanning purposes

18 December 2019

**SECURITIES AND EXCHANGE COMMISSION**  
Secretariat Building, PICC Complex  
Roxas Boulevard, Metro Manila



Attention: **Director Vicente Graciano P. Felizmeno, Jr.**  
Markets and Securities Regulation Department

Re: **APOLLO GLOBAL CAPITAL, INC. (Formerly, YEHEY! CORPORATION)**  
Compliance with SEC Memorandum Circular No. 10-2019

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Gentlemen:

In compliance with SEC Memorandum Circular No. 10-2019 on Rules on Material Related Party Transactions for Publicly-Listed Companies, we submit herewith the Related Party Transactions (RPT) Policy of Apollo Global Capital, Inc.

Very truly yours,

**APOLLO GLOBAL CAPITAL, INC. (Formerly, YEHEY! CORPORATION)**

By:



KRISTINA JOYCE C. CARO-GANGAN  
Corporate Secretary

**APOLLO GLOBAL CAPITAL, INC.**  
**(Formerly, YEHEY! CORPORATION)**

**MATERIAL RELATED PARTY TRANSACTIONS POLICY**

**1. Purpose/Objective**

This Material Related Party Transactions ("Material RPT") Policy intends to:

- a. Ensure that Related Party Transactions are conducted on an arm's length basis for the financial, commercial, and economic benefit of Apollo Global Capital, Inc. (the "Company") and to protect the Company from any conflict of interest which may arise between the Company and its related parties.
- b. Ensure that there are appropriate oversight and effective control systems (e.g., proper review, approval, ratification and disclosure of RPT) for compliance with legal and regulatory requirements and for managing RPT exposures which may be potentially disadvantageous to the Company, its creditors, and other stakeholders.

**2. Scope**

This RPT Policy provides general guidelines to be observed in relation to Material RPTs between the Company and a Related Party.

**3. Definition of Terms**

- 3.1 **"Related Party"** or **"Related Parties"** shall cover the Company's directors, officers, Substantial Stockholders 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 Company. It also covers, when applicable, the Company'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.
- 3.2 **"Substantial Stockholder"** shall mean any person who is directly or indirectly the beneficial owner of more than ten percent (10%) of any class of the Company's equity security.
- 3.3 **"Affiliate"** shall mean any entity linked directly or indirectly to the Company through any one or a combination of the following:
  - (a) 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 Company, or vice versa;
  - (b) interlocking directorship or officership, except in cases involving independent directors;
  - (c) common stockholders representing at least ten percent (10%) of the outstanding voting stock of the Company and the other entity;

(d) management contract or any arrangement granting power to the Company to direct or cause the direction of management and policies of the other entity, or vice-versa.

- 3.4 **"Associate"** shall mean an entity over which the reporting Company holds twenty percent (20%) or more of the voting power, directly or indirectly, or which the Company has significant influence.
- 3.5 **"Significant Influence"** shall mean the power to participate in the financial and operating policy decisions of the Company but has no control or joint control of those policies.
- 3.6 **"Control"** exists when a person or entity has:
- (a) power over the Company;
  - (b) exposure, or rights, to variable returns from its involvement with the Company;
  - (c) and the ability to use its power over the Company to affect the amount of the Company's returns.
- 3.7 **"Related Party Transactions" or "RPTs"** shall mean a transfer of resources, services or obligations between the Company 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.
- 3.8 **"Material RPT"** shall mean any RPT, either individually, or in the aggregate over a twelve (12)-month period with the same Related Party, amounting to at least ten percent (10%) of the Company's total consolidated assets.
- 3.9 **"Materiality Threshold"** shall mean ten percent (10%) of the Company's total consolidated assets.
- 3.10 **"Related Party Registry"** shall mean a record of the organizational and structural composition, including any change/s thereon, of the Company and its Related Parties.
- 3.11 **"SEC"** shall mean the Securities and Exchange Commission.
- 3.13 **"Abusive Material RPT"** refers to Material RPTs that are not entered at arm's length and unduly favor a Related Party.

#### **4. Identification of Related Parties**

The Compliance Officer, in accordance with the Material RPT Policy, shall be in charge of identifying persons and entities that are considered as the Company's Related Parties and shall be in charge of preparing and updating the Related Party Registry. He must present the said Related Party Registry to the Company's management for review on a quarterly basis.

## **5. Coverage of Material RPT Policy**

The Material RPT Policy shall cover all transactions meeting the Materiality Threshold; provided that, this Policy does not apply to transactions amounting to ten percent (10%) or more of the total consolidated assets of the Company that were entered into with an unrelated party that subsequently becomes a Related Party. 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 the SEC on Material RPT.

## **6. Materiality Threshold**

Upon recommendation of the Compliance Officer, the Company, shall from time to time, adjust and set a threshold for materiality which may be lower than the level set by the SEC.

## **7. Identification and Prevention or Management of Potential or Actual Conflicts of Interests Which May Arise Out of or in Connection with Material RPTs**

The members of the Board of Directors, Substantial Stockholders, and management shall disclose to the Board all material facts related to Material RPTs, potential or actual conflicts of interest, 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, in any case, before the completion and execution of the material RPT.

## **8. Guidelines in Ensuring Arm's Length Terms**

RPTs shall be conducted in the regular course of business and not undertaken on more favorable economic terms (e.g. price, commissions, interest rates, fees, tenor, and collateral requirement) to such Related Parties than similar transactions with non-related parties under similar circumstances.

All RPTs should be properly covered by invoices and/or other supporting documents and agreements which show the details of the relevant RPTs.

Prior to execution, all material RPTs, as approved by the Board of Directors, shall be subject to review by an external independent auditing firm, third party consultants, or appraisers, as may be necessary, to evaluate the fairness of the terms of the Material RPTs.

An effective price discovery mechanism shall be put in place to ensure that transactions are at terms that promote the best interest of the Company and its stakeholders. The price discovery mechanism may include, but is not limited to, the validation of the nature and price of the services to be provided, acquiring the services of an external expert, and opening the transaction to a bidding process or publication of available property for sale, if applicable.

## **9. Review and Approval of Material RPTs**

- 9.1 The Compliance Officer of the Company shall set up protocols and practices to ensure that each business unit shall monitor and report RPTs to the Compliance Officer. The Compliance Officer shall be responsible for reporting the Material RPTs to the Audit Committee.

- 9.2 All Material RPTs must be initially reviewed and evaluated by the Audit Committee to ensure that these are not undertaken on more favorable economic terms than similar transactions with non-related parties under similar circumstances, and to determine any potential risk issues that may arise as a result of or in connection with the transactions. In evaluating material RPTs, the Audit Committee may take into account, among others, the following:

- a) The Related Party's relationship to the Company and interest in the transaction;
- b) The aggregate value of such transaction;
- c) The benefits to the Company of the proposed Material RPT; and
- d) The availability of other sources of comparable products or services.

The Audit Committee must provide a report on its recommendation to the Board of Directors.

- 9.3 All reports/recommendations of the Audit Committee must be presented to the Board of Directors for approval. 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 of the Company. For aggregate RPT transactions within a twelve (12) month period that breaches the Materiality Threshold, the same approvals shall be required for the transaction/s that causes the Materiality Threshold covering the same Related Party to be exceeded.

Directors with personal interest in the transaction should abstain from participating in discussions and voting on the same. In case they refuse to abstain, their attendance shall not be counted for the purposes of assessing the quorum and their votes shall not be counted for purposes of determining approval.

## **10. Self-Assessment and Periodic Review of Policy**

- 10.2 The Internal Auditor 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 breaches in limits, shall be communicated directly to the Audit Committee.
- 10.3 The 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/she shall aid in the review of the Company's transactions and identify any potential Material RPT that would require review by the Board of Directors. He/she shall ensure that the Company's Material RPT Policy is kept updated and is properly implemented.

## **11. Whistle-blowing Mechanisms**

Employees and other stakeholders are encouraged to communicate, confidentially and without risk of reprisal, legitimate concerns about illegal, unethical or questionable RPTs. The following numbers may be contacted for such report/communication:

(632) 885328672  
(632) 885328654

The Board of Directors shall designate a board committee to investigate reports on illegal, unethical or questionable RPTs.

## **12. Remedies for Abusive RPTs**

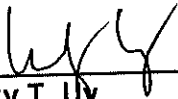
- 12.1 Non-compliance with any provision of this Material RPT Policy may result in the invalidation of the RPT contract, without prejudice to the recovery of damages by the Company.
- 12.2 Officers, directors, and employees who have been remiss in their duties in handling RPTs shall be subject to disciplinary measures in accordance with the Company's internal policies and relevant corporate governance policies, without prejudice to the applicable legal remedies which the Company may avail of.
- 12.3 An interested director or officer of the Company shall be disqualified from being a director or officer of the Company upon final judgment by a court of competent jurisdiction for abusive Material RPTs.


## **13. Disclosure and Regulatory Reporting**

The Company shall adequately disclose the following to the SEC and the Philippine Stock Exchange:

- a) a summary of Material RPTs entered into during the reporting year which shall be disclosed in the Integrated Corporate Governance Report submitted annually every May 30;
- b) The Advisement Report on Material RPTs which shall be filed within three (3) calendar days after the execution date of the Material RPT. The Report shall be signed by the Company's Corporate Secretary or authorized representative.

Approved by:

  
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**Lucky T. Uy**  
Compliance Officer

  
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**Vittorio Paulo Lim**  
Chairman of the Board