Related Party Transaction Policy

A **Related Party Transaction** (RPT) is a transfer of resources, services or obligations between a reporting entity 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.[1] **Related Party** shall cover the Company's subsidiaries, as well as affiliates and any party (including their subsidiaries, affiliates and special purpose entities), that the Company exerts direct or indirect control over or that exerts direct or indirect control over the Company; the Company's directors; officers; shareholders; and related interests (DOSRI), and their close family members, as well as corresponding persons in affiliated companies. This shall also include such other person or juridical entity whose interest may pose a potential conflict with the interest of the Company.[2]

The Board of Directors of **Seafront Resources Corporation** shall have the overall responsibility in ensuring that there is a policy and system governing RPTs and other unusual or infrequently occurring transactions (**RPT Policy**), particularly those which pass certain thresholds of materiality. The RPT Policy includes the appropriate review and approval of **material** or **significant RPTs**, which guarantee fairness and transparency of the transactions.

A RPT is material if its omission or misstatement could influence economic decisions of the users taken on the basis of the financial statements or where omission or misstatement of the transaction could pose a significant risk to the Corporation. Materiality depends on the size of the item or error judged in the particular circumstances of its omission or misstatement. RPTs involving an amount in excess of 5% of the Total Assets should be endorsed by the Audit Committee to the Board of Directors for approval or ratification, as the case may be. RPTs involving an amount in excess of 20% of the Total Assets should be duly approved or ratified by the stockholders.

The Audit Committee (exercising the duties and responsibilities of the RPT Committee) shall be tasked with reviewing all material related party transactions (RPT) of the Company and shall have the following functions in this respect, among others[3]:

a. Evaluate on an ongoing basis existing relations between and among businesses and counterparties to ensure that all related parties are continuously identified, RPTs are monitored, and subsequent changes in relationships with counterparties

[1] Clause 2.11 of the 2017 Manual on Corporate Governance
[2] Clause 2.10 of the 2017 Manual on Corporate Governance
[3] Clause 4.3.1 of the 2017 Manual on Corporate Governance

(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/supervisors;

b. Evaluate 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. The following shall be taken into account in evaluating RPTs, among others:

   i. The related party's relationship to the Company and interest in the transaction;

   ii. The material facts of the proposed RPT, including the proposed aggregate value of such transaction;

   iii. The benefits to the Company of the proposed RPT;

   iv. The availability of other sources of comparable products or services; and

   v. 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;

c. Ensure that appropriate disclosure is made, and/or information is provided to regulating and supervising authorities relating to the Company's RPT exposures, and policies on conflicts of interest or potential conflicts of interest. The disclosure should include information on the approach to managing material conflicts of interest that are inconsistent with such policies, and conflicts that could arise as a result of the company's affiliation or transactions with other related parties;

d. Report 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;

e. Ensure that transactions with related parties, including write-off of exposures are subject to a periodic independent review or audit process; and

f. Oversee the implementation of the system for identifying, monitoring, measuring, controlling, and reporting RPTs, including a periodic review of RPT policies and procedures.

Effectivity

This policy becomes effective upon approval of the Board.[4]

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[4] This Policy will be presented to the appropriate Audit Committee and will then be endorsed to the Board of Directors for Approval / Ratification.