

4) Related Party Transactions

(a) Policies and Procedures

Describe the company's policies and procedures for the review, approval or ratification, monitoring and recording of related party transactions between and among the company and its parent, joint ventures, subsidiaries, associates, affiliates, substantial stockholders, officers and directors, including their spouses, children and dependent siblings and parents and of interlocking director relationships of members of the Board.

Related Party Transactions	Policies and Procedures
<p>(1) Parent Company</p> <p>(2) Joint Ventures</p> <p>(3) Subsidiaries</p> <p>(4) Entities Under Common Control</p> <p>(5) Substantial Stockholders</p> <p>(6) Officers including spouse/children/siblings/parents</p> <p>(7) Directors including spouse/children/siblings/parents</p> <p>(8) Interlocking director relationship of Board of Directors</p>	<p>Every probable Related Party Transaction (RPT) should be reported for evaluation to the Corporation's Board of Directors in consultation with management and with the Corporation's external advisor, as appropriate, to determine whether the transaction or relationship does, in fact, constitute a RPT requiring compliance with this policy. The Audit Committee shall be provided with the material facts of all new, existing, or proposed RPTs including the terms of the transaction, whether those terms are on arm's length basis or if such transaction shall be deemed pre-approved as described below in "Pre-Approved Transactions." It shall also determine whether to refer the RPT to the Board of Directors for consideration.</p> <p>In assessing a RPT, the Board of Directors shall consider such factors as it deems appropriate: including without limitation the following:</p> <ul style="list-style-type: none"> (i) The business reasons for the Corporation to enter into the RPT; (ii) The commercial reasonableness of the terms of the RPT; (iii) The materiality of the RPT to the Corporation; (iv) Whether the terms of the RPT are fair to the Corporation and on the same basis as would apply if the transaction did not involve a Related Party; (v) The extent of the Related Party's interest in the RPT; (vi) If applicable, the impact of the RPT on a non-employee director's independence; and (vii) The actual or apparent conflict of interest of the Related Party participating in the RPT. <p>In the event that the Corporation's Board of Directors becomes aware of a RPT that was not previously approved or ratified under this policy, the Board of Directors will consider whether the RPT should be ratified or rescinded or if any other action should be taken.</p> <p>No director shall participate in the evaluation or approval of any RPT for which he or she is a Related Party and will abstain from voting on the approval of the RPT, except that the director shall provide all material information concerning the RPT to the Board of Directors and may otherwise participate in some or all of the Board of Directors' discussions if so requested by the Board of Directors.</p> <p>If a RPT will be ongoing, the Board of Directors may, in its discretion, establish guidelines for the management of the Corporation to follow in its ongoing dealings with the Related Party. Thereafter, the Board of Directors shall periodically review and assess ongoing relationships with the Related Party to see that they are in compliance with the Board of Directors' guidelines.</p> <p>The following transactions will be deemed pre-approved by the Board of Directors. These transactions will not be reviewed by the Board of Directors and do not require approval or ratification:</p> <ul style="list-style-type: none"> (1) transactions in the ordinary course of business that do not exceed Php 200,000.00 in any fiscal year; (2) transactions in which the Related Party's interest is derived solely from the fact that he or she serves as director or another corporation or organization that is a party to the transaction; (3) transactions in which the Related Party's interest is derived solely from his or her direct or indirect ownership of an entity (other than a general partnership) that is a party to the transaction when such ownership interest is less than ten percent (10%) of the equity interest of such entity; and (4) transactions available to all employees generally.

(b) Conflict of Interest

(i) Directors/Officers and 5% or more Shareholders

Identify any actual or probable conflict of interest to which directors/officers/5% or more shareholders may be involved.

	Details of Conflict of Interest (Actual or Probable)
Name of Director/s Joseph Augustin L. Tanco	Agreement* of the company with Comm & Sense owned by Mr. Joseph Augustin L. Tanco on the overall management for PR consultation and planning of activities and execution strategies, management of all media interview, development of campaign messaging and media monitoring. Comm & Sense is in charge of the Press Releases for the Corporation, development of story angles, writing and editing of articles, media relations and the Corporate Social Responsibility projects of the Corporation. *This agreement was reported to the Audit Committee and approved by the Board of Directors.
Name of Officer/s Yolanda M. Bautista	Retainer Agreement* between the Company and Corporate Reference, Inc. (CRI) on the accounting and finance related work for the Company. Ms. Yolanda M. Bautista is the Chairman/President and Director of CRI. *This agreement was reported to the Audit Committee and approved by the Board of Directors.
Atty. Arsenio C. Cabrera, Jr.	Retainer Agreement* between the Company and Herrera Teehankee & Cabrera as legal counsel and corporate secretary of STI Holdings. Atty. Cabrera is a senior partner of the firm. *This agreement was reported to the Audit Committee and approved by the Board of Directors.
Name of Significant Shareholders STI Education Systems Group, Inc. ("STI ESG")	Consultancy Agreement* between the Company and STI ESG on the rendering of consultancy services by the Company to STI ESG and the payment by STI ESG of the corresponding consultancy fee. *This agreement was reported to the Audit Committee and approved by the Board of Directors.
STI West Negros University	Consultancy Agreement * between the Company and STI WNU on the rendering of advisory services starting 01 January 2015 *This agreement was reported to the Audit Committee and approved by the Board of Directors.

Updated based on SEC Form 17-A for the Fiscal Year Ended 31 March 2015 filed with SEC and PSE on 14 July 2015