

RELATED PARTY TRANSACTIONS FOR 2014

The Company, in the normal course of business, has transactions with related parties. The more significant of these transactions include:

Agreements:

- The Company entered into contracts with DISC Contractors, Builders, and General Services, Inc. (DCBGSI), a wholly-owned subsidiary, as follows:
 - Contract for janitorial services dated March 19, 2014 wherein DCBGSI shall supply one clerk and 10 janitors/janitress, more or less, as maybe necessary depending on the actual need of the Company. For and in consideration of the services rendered, DCBGSI will be paid P18,125.71 per janitor/janitress or P2.393 million from January 01, 2014 to December 31, 2014. The amount billed by DCBGSI for the period ended December 31, 2014 totaled P2.225 million. Outstanding payable as of reporting date amounted to P0.425 million.
 - Supply of three (3) service drivers and one (1) driver/mechanic for the year 2014 is covered by the following contracts: December 01, 2013 to April 30, 2014 dated March 27, 2014; May 01, 2014 to September 30, 2014 dated July 22, 2014; and October 01, 2014 to December 31, 2014 dated December 02, 2014. All contracts provide that in consideration for the services rendered, the Company shall pay DCBGSI the following amounts: P18,125.69 /driver/month and P23,549.52/driver-mechanic/month. Total billings from January 2014 to December 2014 amounted to P3.108 million, of which P0.2 million remained unpaid as of reporting date.

In the Performance Agreement executed between the Company and the Governance Commission for GOCCs (GCG) for the FY 2015-2016, the functions of the DCBGSI will be transferred to the Company, which is targeted within the calendar year 2015.

- The Company, lawful owner and possessor of a real property situated at the Financial Center Area (as lessor), entered into a Contract of Lease with AHEAD-Operations and Nutritional Enterprises, Inc.. (as lessee), incorporators and stockholders of which are executives and officers of the Company. The parties mutually agreed to and accepted the terms and conditions specifically provided for in the Contracts of Lease, as follows:

	Particulars	Date of Contract	Lease Period	Area in Sq.M.	Rate/ Sq.M.	Monthly Rental
1	Contract of Lease (CL)	05/27/13	06/01/13 to 12/31/13	200	100	20,000
2	Amendment to CL	07/01/13	06/01/13 to 05/31/14	200	100	20,000
3	Addendum to CL	07/01/13	07/01/13 to 05/31/14	100	100	10,000
				300		30,000
4	Amendment/Extension to CL	01/23/14	06/01/14 to 05/31/15	300	100	30,000
5	Contract of Lease	05/20/14	05/01/14 to 04/30/15	170	112	19,040
				470		49,040

For the year ended December 31, 2014, the Company billed the lessee the amount of P0.512 million, which amount was fully collected as of reporting date.

The Board of Directors of the Company decided, however, not to renew the Contract of Lease after its expiration in April 2015.