



“Efficiently providing you with the most reliable source of energy”



I. POLICY STATEMENT

Consistent with the key mandates of the Board of Directors of King Energy Generation Inc. ("KEGI" or the "Company"), the Company hereby formalizes the Related Party Transactions Policy ("Policy").

Part of the Company's commitment is to ensure compliance with the Securities and Exchange Commission ("SEC"), the Securities Regulations Code ("SRC"), all applicable laws, rules, and regulations.

SEC per its Memorandum Circular No. 10, Series of 2019, recognizes that transactions between and among related parties may create financial, commercial, and economic benefits to individual institutions and to the entire group where said institutions belong. In this regard, Related Party Transactions ("RPTs") are generally allowed provided, that when RPTs amount to ten percent (10%) or higher of a company's total assets, it shall be considered as material related party transactions subject to these rules.

II. SCOPE AND COVERAGE

This policy shall cover all RPTs including the material Related Party Transactions ("MRPTs") meeting the materiality threshold as defined in this policy.

III. DEFINITION OF TERMS

1. Abusive Material Related Party Transactions – refers to MRPTs that are not entered at arm's length and duly favor a Related Party.
2. Affiliate – refers to an entity 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 as defined under existing regulations;
 - c. Common stockholders owning at least ten percent (10%) of the outstanding voting stock of the Company and the entity; or
 - d. Management contract or any arrangement granting power to the Company to direct or cause the direction of management and policies of the entity, or vice-versa.