

I-REMIT, INC.

POLICY ON RELATED PARTY TRANSACTIONS

A. POLICY

It is the policy of I Remit, Inc. (the Company) that all transactions with Related Parties, as those defined in this policy, shall be subject to approval of the Board Committee of the Company in accordance with the procedures set forth below.

B. BACKGROUND

Since 2003, companies have been required to comply with Philippine Accounting Standard (PAS) 24, Related Party Disclosures. This standard seeks to ensure that related party transactions and balances are properly disclosed, as they may affect an entity's financial position and results of operation.

In addition to the requirements of PAS 24, the Securities and Exchange Commission (SEC) also issued amendments to Securities Regulation Code (SRC) Rule 68 that are effective for audited financial statements covering periods ending December 31, 2011 and onwards, and for interim financial statements starting the first quarter of 2012, and thereafter.

One requirement is to disclose the balances and volumes during a particular period and the specific terms of the payables and receivables to each related party, even if these amounts are eliminated during consolidation.

Even while the consolidated statement of financial position does not reflect balances from related parties, affected companies are now required to provide this information in the schedules submitted to the Securities and Exchange Commission, together with the Consolidated Financial Statements, to allow the readers of the financial statements to have an idea of the magnitude of eliminated related party transactions. This was further clarified by the Securities and Exchange Commission in Financial Reporting Bulletin No. 003, indicating that the information previously mentioned need not be comparative and shall cover only those transactions eliminated at the reporting entity's level.

This policy is intended to provide guidance and direction on Related Party Transactions.

C. DEFINITION OF TERMS

Related Party Transactions

PAS 24 defines a Related Party Transaction as "a transfer of resources, services or obligations between a reporting entity and a related party, regardless of whether a price is charged.

Related Party

SRC Rule 68,1.b.(viii) Related parties exists when one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions.

To avoid differing interpretations, the International Accounting Standards Board issued amendments and clarifications to the Related Party Disclosures standard. The amendments were approved and adopted in the Philippines and became effective for annual periods beginning on or after January 1, 2011, and will be applied retrospectively. Among others, these amendments clarify the broad definition of a related party as follows:

When an investor has control over an entity (subsidiary) and has significant influence over another entity (associate), the investor, the subsidiary and the associate are related parties to each other;

When a person (or a close member of that person's family) has significant influence over two associates, these associates are not related parties due to insufficient influence;

Where the key management personnel of an entity hold an investment which result in control or joint control of an investee, the entity and the investee are related parties to each other;

When a person has joint control over an entity and a close member of that person's family has joint control or significant influence over another entity, both entities are related to each other.

D. APPROVAL REQUIREMENT AND LIMITATION

The Board clearly defines the threshold for disclosure and approval of RPTs and categorizes such transactions according to those that are considered *de minimis* or transactions that need not be reported or announced, those that need to be disclosed, and those that need prior shareholder approval. The aggregate amount of RPTs within any twelve (12) month period should be considered for purposes of applying the thresholds for disclosure and approval.

The Board Committee of the Company shall be provided by the management of the Company with the details of each new, existing or proposed Related Party Transactions including the *term, business purpose, and the benefit to the Company and to the Related Party*. In approving a Related Party Transaction, the Board shall consider among other things the following:

1. whether the term of the Related Party Transaction is fair to the Company on the same basis as would apply if the transaction does not involve a related party transaction
2. whether there is a business consideration for the Company to enter into the Related Party Transaction
3. whether the Related Party Transaction would pose a conflict of interest for any director or executive officer of the company.

E. DISCLOSURE

A Related Party Transaction required to be disclosed in filing the annual Audited Financial Statements of the company with the Securities and Exchange Commission under SRC Rule 68 and related rules and regulations shall be so disclosed in accordance with such law, rules and regulations.