



INTERNAL

BPI MS

Related Party Transactions Committee (RPTC) Charter

Version 3.0
Effective

Revision History

Version	Effective date	Description of Change
1.0	Dec. 14, 2017	Initial issue. Adapted from BPI's RPTC Charter
2.0	Nov. 12, 2019	Revisions in the terms on RPT Approval
3.0	Dec. 6, 2022	Revisions in the terms on Section 7. Meetings

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I. PURPOSE OF THE CHARTER

This Related Party Transaction Committee Charter sets out the authority, responsibility, membership and operation of the RPTC of BPI/MS Insurance Corporation.

II. AUTHORITY

This Committee is appointed and authorized by the Board of Directors to assist the Board in fulfilling its responsibility to strengthen corporate governance and practices particularly on related party transactions (RPTs). The authority of the Committee is taken from the Company's By-Laws, this Charter and from separate Board delegations, resolutions and approvals that may be granted by the Board from time to time.

- A. Approve and/or review and endorse for approval of the appropriate approving authority all RPTs that are considered material, based on the Company's internal regulations.
- B. Formulate, revise and approve policies on related party transactions;
- C. Conduct any investigation required to fulfill its responsibilities on RPTs;
- D. Consult or retain at the Company's expense such as outside legal counsel, accounting or other advisers, consultants or experts as the Committee may consider necessary from time to time to carry out its duties;
- E. Access all the Company's records in order to perform its responsibilities.

III. RESPONSIBILITIES

The Committee is responsible for the following:

- 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 shall 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. In evaluating RPTs, the Committee shall take into account, among others, the following:
 - a. The related party's relationship to the Company and interest in the transactions;

- b. The material facts of the proposed RPT, including the proposed aggregate value of such transaction;
- c. The benefits to the CI of the proposed RPT;
- d. The availability of other sources of comparable products or services; and
- e. 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 CI shall have in place an effective price discovery system and have exercised due diligence in determining a fair price for RPTs.

All RPTs that are considered material based on the Company's internal policies shall be endorsed by the RPT Committee to the appropriate approving authority.

- 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 shall 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 periodic independent review or audit process.
- F. Oversee the implementation of the system for identifying, monitoring, measuring, controlling, and reporting RPTs, including the periodic review of RPT policies and procedures.
- G. Assist the Board in assessing material agreements of any kind with a related party in determining whether to approve, ratify, disapprove or reject a Related Party Transaction. The Committee shall take into account whether the RPT is entered into on terms no less favorable to the Company than terms generally available to an unaffiliated third-party under the same or similar circumstances.
- H. For transaction involving a sale of the Company's assets, review results of the appraisal, valuation methodology used as well as alternative approaches to valuation.
- I. Assess the extent of the Related Party's interest in the transaction:
 - Term of the transaction;
 - The Related Party's interest in the transaction;
 - The purpose and timing of the transaction;
 - Whether the Company is a party to the transaction and if not, the nature of the Company's participation in the transaction;

- If the transaction involves the sale of an asset, a description of the asset including date acquired and costs basis;
 - Information concerning potential counterparties in the transactions;
 - The approximated value of the transaction and the approximated value of the Related Party's interest in the transaction;
 - Description of any provisions or limitations imposed as a result of entering into the proposed transactions;
 - Whether the proposed transaction includes any potential reputational risk issues that may arise as a result of or in connection with the proposed transaction; and
 - Purpose of the transaction and potential benefits to the Bank.
- J. Require adequate and accurate information from the Management.
- K. Review the adequacy of Management's monitoring and reporting systems on RPTs.
- L. Oversee the implementation of the system for identifying, monitoring, measuring, controlling and reporting RPTs.
- M. Review and assess the adequacy of this Charter at least annually and obtain approval of any revisions to this Charter from the Board of Directors.
- N. Evaluate annually the performance of the Committee as a body (using the Standard Board Committee Assessment Form) and report the results to the Board or to such committee that may be appointed by the Board for review.

IV. MEMBERSHIP

The Committee shall be composed of at least three (3) members of the Board of Directors, two (2) of whom shall be Independent Directors, including the Chairperson.

The Committee shall at all times be entirely composed of independent directors and non-executive directors, with independent directors comprising majority of the members. In case a member has conflict of interest in a particular RPT, he should refrain from evaluating that particular transaction.

V. TERM

Each member will be appointed on an annual basis.

VI. CHAIRMAN

The Chairman of the Committee will be appointed by the Board of Directors and must be an Independent Director of the Board.

VII. MEETINGS

The committee shall convene regularly every Q2 and Q4 of the year. Special meetings may be called if required.

Committee members may attend meetings in person or by video communication means. Majority of the members, regardless of position, shall constitute a quorum.

Endorsements and approvals via email may be resorted to for urgent matters which shall be confirmed/ ratified in the Committee's next meeting.

Agenda shall include the following:

- 1) Approval of the Minutes of the Meeting
- 2) Related Party Transaction for vetting
- 3) Other items for information and approval (i.e. related party transactions, charter / policy revision)
- 4) Other matters