

## **Related Party Transactions Committee Charter**

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## **1.0 GENERAL PURPOSE AND AUTHORITY**

For purposes of ensuring transparency and fairness for all stakeholders, the Related Party Transactions Committee (the “Committee”) is constituted by the Board of Directors (the “Board”) to review proposed Related Party Transactions for the purpose of determining whether or not the transaction is on terms no less favorable to the Bank than terms available to any unconnected third party under the same or similar circumstances.

## **2.0 COMPOSITION**

- 2.1 The committee shall be composed of at least three (3) members of the Board of Directors, including the chairman, who shall be an independent director and who must not be a member of the Audit Committee. The other members shall be directors with the least number of directorships or officerships with companies within the conglomerate. .
- 2.2 The chairman and the members of the Committee shall be appointed by the Board. The chairman of the Committee or any of its members may be removed from office only by the Board. If the office of the member is vacated, the Board shall appoint a new member in order to meet the required composition of the Committee.
- 2.3 The Corporate Governance Department of the Compliance Office shall serve as secretariat of the RPT Committee.

## **3.0 MEETINGS**

- 3.1 The Committee shall meet every third Tuesday of the month and as frequently as considered necessary by the Committee.
- 3.2 A quorum will comprise of majority of the members of the Committee. Voting on Committee matters shall be on one member – one vote basis. Majority vote of all members present shall constitute an official action of the Committee, provided that all RPTs shall be approved by a majority of all members of the Committee, including the vote of the independent director members who are not disqualified by conflict of interest and/or interlock. Any member of the Committee who has an interest in the transaction under discussion shall not participate in discussions and shall abstain from voting on the said transaction. .
- 3.3 The members of the Committee shall attend its meetings in person or through teleconferencing and videoconferencing conducted in accordance with the rules and regulations of the SEC in such a manner that will allow the member who is taking part in said meetings to actively take part in the deliberations on matters taken up therein, except when justifiable causes prevent his attendance to ensure that the quorum requirement will be met. Justifiable causes include, but are not limited to, grave illness or death of an immediate family or serious accidents.
- 3.4 The notice and agenda of the meeting shall be furnished to the members prior to each meeting and will include relevant supporting papers as appropriate.

3.5 Minutes of the meeting shall be submitted to the Board of Directors.

#### **4.0 DUTIES AND RESPONSIBILITIES**

4.1 The Committee shall review proposed Related Party Transactions. In its analysis and evaluation of the proposed transaction, the Committee shall consider:

- (a) The report of the proponent on the following:
  - i. Identity of the parties to the transaction;
  - ii. Nature/basis for the related party relationship;
  - iii. Interlocking officerships/directorships;
  - iv. Description of the transaction;
  - v. Benefit and purpose of the transaction;
  - vi. Value of the transaction;
  - vii. Pricing method used and the rationale;
  - viii. Documented benchmarks/comparable pricing of similarly situated unrelated transactions, where applicable;
  - ix. Potential risks that may arise as a result of or in connection with the Related Party Transaction; and
  - x. Any other relevant information regarding the transaction.
- (b) whether the Related Party Transaction would impair the independence of an outside director;
- (c) whether the Related Party Transaction would present an improper conflict of interests for any director or executive officer of the Bank, taking into account the size of the transaction, the overall financial position of the director, executive officer or related party, the direct or indirect nature of the director's, officer's or related party's interest in the transaction and the ongoing nature of any proposed relationship;
- (d) any other relevant information regarding the transaction.

4.2 The Committee shall be provided with adequate resources and shall have the authority to procure the services of independent experts in carrying out its mandate.

**5.0 REPORTING**

The Committee shall report proposed Related Party Transactions, together with all information, as well as the action taken by the Committee thereon, to the Board for approval.

**6.0 CHARTER AMENDMENTS**

- 6.1 The Committee shall from time to time assess the adequacy of the Charter and recommend changes thereto to the Board.
- 6.2 The Committee charter shall be approved by the Board of Directors and reviewed and updated at least annually or whenever there are significant changes therein.