



**TERMS OF REFERENCE
RELATED PARTY TRANSACTIONS COMMITTEE
BDO UNIBANK, INC.
(as of September 28, 2024)**

PURPOSE

The Related Party Transactions Committee (RPTC) assists the Board in overseeing the conduct of all Related Party Transactions in accordance with regulatory requirements, standards and practices. It reviews all material related party transactions to ensure that they are conducted at arm's length and protect the Bank, its clients and stakeholders from abuses.

DUTIES & RESPONSIBILITIES

The Committee shall perform the following, among others:

1. Ensures that the appropriate policy is in place to identify related parties (RPs), Related Party Transactions (RPTs) are monitored, and changes in relationship are captured and reflected in reports to the Board and regulators.
2. Reviews all material credit and non-credit RPTs to ensure that these are not undertaken on more favorable terms to related parties than similar transactions with non-related parties under similar circumstances.
3. Endorses all vetted material RPTs to the Board for approval.
4. Ensures that proper disclosure mechanisms are in place for all approved RPTs in accordance with applicable legal and regulatory requirements including policies on conflicts of interest.
5. Reports periodically to the Board the status and aggregate RPT exposures to each related party and aggregate exposures to all related parties
6. Ensures the annual independent review/audit by Internal Audit and Compliance Office of RPT exposures, write-offs, and implementation of RPT policies and procedures.
7. Oversees the periodic review, as the need arises, of RPT policies and procedures including the system for identifying, monitoring, measuring, controlling, and reporting RPTs.
8. Reviews and assesses annually the adequacy of the Committee's Terms of Reference (TOR) including significant updates to it, and ensures that the revised TOR is approved by the Board of Directors.
9. Performs an annual review of the Committee's performance.



MEMBERSHIP

The Committee shall be composed of at least 3 members of the Board of Directors, two (2) of whom must be Independent Directors and one (1) non-executive director. The Chair should be an Independent Director.

The Board of Directors may appoint the Advisors of the Related Party Transactions Committee. Their primary role is to provide independent and/or expert advice on matters that concern the Related Party Transactions Committee. The appointment of a Committee Advisor must consider competence (i.e., must have relevant education, competencies, skills, financial literacy, training, experience) that is relevant and will add value to the work of Related Party Transactions Committee to which such Advisor is appointed. Advisors shall have no voting rights and shall inhibit from participating in discussions that may pose a potential conflict of interest.

MEETINGS

The Committee shall meet every month with the presence of at least 2 members, with additional meetings at the discretion of the Committee Chairman. Meetings may be in person, by telephone, web, or other electronic means agreeable to the Committee and allowed under existing government regulations. Ability to act on matters can be by verbal or written consent by majority of the Committee members.

SECRETARY

The Corporate Secretary, and/or the Asst. Corporate Secretary, and/or designated Secretary of the Meeting shall attend all meetings of the Committee and shall ensure that appropriate records (e.g. minutes of meetings or summary of matters reviewed and decisions taken) of Committee deliberations / decisions are maintained.

REPORTING

The Committee shall report its discussion to the Board by distributing the highlights thereof and where appropriate, by oral report of the Committee Chair at the next Board meeting.

DISCLOSURE

The membership of the Committee and its activities shall be disclosed and published in the Annual Report of the Bank.

COMMITTEE PERFORMANCE EVALUATION

On an annual basis, the Committee shall conduct an assessment of its performance in accordance with the following assessment criteria, as may be amended or supplemented from time to time:



1. The Committee structure and Terms of Reference provide an appropriate framework for the Committee's responsibilities and in accordance with regulatory requirements.
2. The composition of the Committee is based on experience and credentials.
3. The number and length of Committee meetings are appropriate and in accordance with their charter.
4. The meetings are conducted in a manner that ensures open communication and meaningful participation.
5. The amount of information received is appropriate for discussion and decision making purposes.
6. The materials are received in advanced to adequately prepare for meetings.
7. The Committee regularly reviews its mandate and performance.
8. The Committee's reports (oral and written) to the Board reflect an adequate degree of diligence and deliberation and provide the full Board with an adequate understanding at the Committee's rationale for its recommendations.
9. The Committee has access to sufficient resources, both internal and outside advisers, to function effectively.

TENURE OF COMMITTEE MEMBERS

The Committee Members shall serve for a term of one (1) year from date of appointment or re-appointment unless sooner resigned or replaced.