Title:	**RELATED PARTY TRANSACTIONS COMMITTEE CHARTER**
Committee Name:	**Related Party Transactions Committee**
Short Name:	**RPTC**
Nature:	*BSP & SEC-required* Board-level Committee
Responsibility Statement:	The RPTC shall assist the Board of Directors in ensuring that transactions with related parties are conducted at fair/arms-length terms, appropriate restrictions are followed, and that corporate or business resources of the Bank are not misappropriated or misapplied.
Duties & Responsibilities:	In line with the above RPTC responsibility statement: 1. 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 with counterparties (from non-related to related and vice versa) are captured. Related parties, RPTs, and changes in relationships shall be reflected in the relevant reports to the Board and regulators/supervisors. 2. 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 Bank 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 Bank and interest in the transaction; b. The material facts of the proposed RPT, including the proposed aggregate value of such transaction; c. The impact of the proposed RPT to the Bank in terms of its benefits or cost-benefit, as applicable; 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 Bank 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 Bank's internal policies shall be reviewed and endorsed by the RPTC to the Board of Directors for approval.

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	3. Ensure that appropriate disclosure is made, and/or information is provided to regulating and supervising authorities relating to the Bank'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 Bank's affiliation or transactions with other related parties. 4. 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. 5. Ensure that transactions with related parties, including write-off of exposures, are subject to periodic independent review or audit process (i.e. if there are processes for independent compliance testing and internal audits). 6. Oversee the implementation of the system for identifying, monitoring, measuring, controlling, and reporting RPTs. 7. Ensure that the Bank's Board-approved Related Party Transactions (RPT) and Material Related Party Transactions (MRPT) policies are duly implemented and reviewed at least annually (for RPT) and as necessary (for MRPT) to ensure that they remain relevant and aligned vis-à-vis internal policies & procedures of the Bank, recent regulatory updates, industry best practices and parent-Metrobank's latest RPT policies. Any changes/updates proposed to be effected thereof shall be reviewed and endorsed by the RPTC for Board approval. Otherwise if there are no changes/updates, the same shall be approved by the RPTC subject to confirmation of the Board of Directors. 8. Ensure that continuing RPT arrangements (i.e. non-termed or contracts/agreements without expiry dates) undergo Annual Performance Review (APR) as part of the Bank's evaluation in deciding whether or not to continue such arrangements/tie-ups. 9. Ensure the adequacy of the Bank's capital in terms of absorbing losses in case its exposures to related parties turn sour through the regular conduct of RPT exposures stress testing as part of its capital planning process. 10. Conduct an annual performance evaluation of the Chief Compliance & Data Protection Officer (CCDPO) with respect to his role and responsibilities towards ensuring the Bank's compliance with RPT requirements.
Composition:	The RPTC shall be composed of ***at least three (3) members of the Board of Directors, two (2) of whom shall be Independent Directors, including its Chairperson***. The RPTC shall at all times be entirely

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	composed of Independent Directors and Non-executive Directors, with Independent Directors comprising *majority* of the members. The Chief Compliance & Data Protection Officer (CCDPO) and Chief Audit Executive (CAE) shall sit as resource persons with the CCDPO acting as its Secretary. As resource persons, the CCDPO and CAE shall not vet or tell the director-members whether or not an RPT is fair in order to maintain their independence. As a general rule, a member may only serve for a maximum cumulative term of nine (9) years to be reckoned starting 2018. Any extension beyond 9 years shall be duly justified and subject to the approval of the Board of Directors, except for members who are Independent Directors being subject to the regulatory term limit of nine (9) years.[1] The RPTC members shall be appointed ***annually*** by the Board of Directors.
Quorum / Majority Votes:	A majority of the RPTC members present, whether physically in person or, to the extent permitted by law, through electronic medium or telecommunications, such as video or teleconferencing, where the members who are not physically present are located at different local or international places, shall be necessary to constitute a quorum at any meeting. In case a member has conflict of interest in a particular RPT, he/she should refrain from evaluating that particular transaction. When a quorum is present at any such meeting, a majority vote shall decide any matters submitted for the RPTC's disposition. All RPTC members shall have voting rights.
Meeting Schedule:	Except when there is/are no related party transaction/s submitted to Compliance Office for review, the RPTC shall convene and meet on a ***monthly basis*** and as soon as the need arises, either physically in person or through teleconferencing or videoconferencing on such date and venue as may be called for by the Chairperson or upon the request of the majority of the members. As may be deemed necessary by the Chief Compliance & Data Protection Officer (CCDPO), proponent units shall be invited to attend RPTC meetings as resource persons relative to their respective proposals.
Facilitator & Secretariat:	As one of Compliance Office's Board-level reporting line, Compliance Office (CO) shall assist the RPTC in fulfilling its mandate and other related activities. As such, the Chief Compliance & Data Protection Officer (CCDPO) shall conduct preliminary review of Related Party Transaction (RPT) proposals submitted by the proponent-units and regularly report to the RPTC the results of such RPT review and related

[1]Per BSP Memorandum No. M-2021-025 re: Non-Extension of Term Limit for Independent Directors

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	matters. The CCDPO shall verify if the proposed transaction falls under the definition of "Related Party Transaction (RPT)" and if the same is also compliant with existing rules and regulations. If the transaction is RPT, the CCDPO shall endorse the same to the RPTC. The CCDPO shall also serve as the RPTC Secretary and facilitate its meetings. As such, he shall prepare the agenda for each meeting, send out notices to the committee members at least five (5) banking days before the scheduled meeting date and prepare and submit the pertinent reports as may be required by the BOD and/or the RPTC. The CCDPO shall likewise draft and distribute the RPTC Minutes of Meeting for review/approval of the members as well as maintain on file such records e.g. minutes or summary of matters reviewed and decisions taken that document the RPTC's fulfillment of its responsibilities and facilitate the assessment of the effective performance of its functions. The use of e-signatures in signing off the RPTC Minutes of Meeting may be allowed by the RPTC provided that such electronic/digital sign-offs signifying the members' approval thereof are duly supported by the members' approval/clearance either via e-mail or other electronic means.
Performance Assessment:	The RPTC shall evaluate/assess its performance ***at least annually within the first quarter of the year***. The results of which shall be submitted/reported to the CG Committee for its endorsement to the Board for notation during the following month's Board Meeting.
Charter Review:	This RPTC Charter shall be reviewed and/or updated by Compliance Office *at least annually* and as soon as necessary to ensure its continuing effectiveness subject to the RPTC's endorsement for the Board of Directors' approval or, in case there are no changes/updates or if there are changes but are just minor/insignificant, the RPTC's approval subject to confirmation of the Board of Directors.
Reporting to the Board:	The RPTC, on its own or through Compliance Office, shall report to the Board of Directors any significant matters and developments concerning the related party transactions as necessary.
Interaction with Other Board/Management-Level Committees:	The RPTC may interact or coordinate with other Board or Management-level committees on matters concerning related party transactions as necessary.
Last Reviewed and Updated:	**22 October 2026** – via RPTC approval and Board confirmation since no changes effected

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