



CHARTER BOARD OVERSIGHT RPT COMMITTEE (BORC)

I. Mission

The Board Oversight RPT Committee (BORC) is created to assist the Board in performing its oversight functions in monitoring and managing potential conflicts of interest of management, board members and shareholders.

II. Composition of the Committee

1. The Board Oversight RPT Committee shall be composed of at least five (5) regular members which include three (3) independent directors; and the two (2) non-voting members, the Chief Audit Executive, and the Chief Compliance Officer & Secretariat. The Chairman of the Committee must be an Independent Director and appointed by the Board.
2. The Committee may invite any officer to provide management reports, to clarify matters and give information on relevant issues of the Committee and/or invite independent experts to offer professional advice to the Committee on the fairness of the transactions, as needed.
3. The presence of the majority of the members of the committee less 1 member shall constitute a quorum; but the vote of the majority of the quorum which in no case be less than 2 members is required to approve any act in all the meetings of the committee.

III. Authority

The BORC has the authority to:

1. Oversee the evaluation of related party transactions that present the risk of potential abuse and ensure that rules and regulations, accounting standards are considered to properly and effectively implement the bank's RPT policy guidelines;
2. Exercise sound and objective judgment on the related party transactions for the best interest of the bank and that the processes and approvals are conducted at arm's length basis; and
3. RPTs that are considered material based on Bank's internal policies shall be endorsed by the BORC to the Board for approval.

IV. Duties and Responsibilities

The Board Oversight RPT Committee shall:

1. Committee –

- a) Review and approve policy guidelines and implementing procedures in the handling of RPTs by ensuring compliance with existing laws, rules and regulations, accounting standards and global best practices;
- b) 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.
- c) Evaluate all material RPTs to ensure that the terms are no less favorable than the terms generally available to an unrelated third party under the same 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 BORC shall take into account the following:
 - Related party's relationship to the bank and interest in the transaction;
 - Material facts of the proposed RPT, including the proposed aggregate value of such transaction;
 - Benefits to the bank of the proposed RPT;
 - Availability of other sources of comparable products or services; and
 - 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.
- d) Report to the Board 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) Ensure that appropriate public disclosure is made relating to the bank's RPT exposures, policies on conflicts of interest and 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.

2. Committee Chairman –

- To call, convene and preside over all the committee meetings;
- Provide leadership to ensure effective functioning of the committee; and
- Ensure a sound decision making process

3. Committee Resource Persons: Any Officer and/or Independent Experts shall:

- Present Management Reports and clarify matters; and
- Provide information relevant to the decision making.

V. Frequency of Meeting

The BORC shall conduct monthly meeting or whenever necessary to properly discharge its functions.

VI. Secretariat

The Chief Compliance Officer acts as the Committee Secretariat to handle the administrative requirements of the Committee.

VII. Review of the Charter

The Committee shall review and assess the adequacy of this Charter periodically and recommend any proposed changes for approval of the Board of Directors.