



## TERMS OF REFERENCE – RELATED PARTY TRANSACTION COMMITTEE

The Related Party Transaction Committee is one of the four important Committees that is required by the Insurance Commission for the accomplishment of the Annual Corporate Governance Report (ACGR), to be submitted on or before May 30, 2021. In compliance with IC's requirement, CARE MBA, Inc. establish the Related Party Transaction Committee with the following terms of reference:

<b>Mandate</b>	The Related Party Transaction Committee is authorized by the Board to consider, review, evaluate and provide oversight in relation to any Related Party Transaction upon becoming aware of or being referred such transaction or proposed transaction of CARE MBA, Inc.
<b>Roles and Functions</b>	<ol style="list-style-type: none"><li>1. The Related Party Transaction Committee shall assist the Association in handling transactions with related parties.</li><li>2. They review and evaluate each transaction to assess its fairness</li><li>3. The RPT Committee set materiality threshold for each type of transactions to related parties such as investment, financial assistance, contract agreements and others.</li><li>4. The Committee evaluates all material RPTs to ensure that these are not undertaken on more favourable economic terms (e.g., price, commissions, interest rates, fees, tenor, collateral requirement) to such related parties than similar transactions with nonrelated parties under similar circumstances and that no corporate or business</li></ol>
<b>Meetings</b>	<ul style="list-style-type: none"><li>• The Related Party Transaction Committee shall meet quarterly before the regular Board meeting.</li><li>• Notice of meeting shall be sent at least five days before the scheduled meeting.</li><li>• CARE MBA, Inc. will reimbursement the actual travel expenses/communications expenses of the Committee members related to meeting participation.</li><li>• The Secretariat shall provide assistance and support in the conduct of meetings including coordination, preparation of documents and reports, documentation and other needs of members.</li></ul>
<b>Reporting</b>	<ul style="list-style-type: none"><li>• The Related Party Transaction Committee's Chairperson shall make a report to the Board of Trustees during its regular meeting quarterly.</li><li>• The Committee's Chairperson shall report once a year to the General Assembly during its Annual General Meeting.</li></ul>
<b>Composition</b>	<ul style="list-style-type: none"><li>• The Chairman of Related Party Transaction Committee shall be an Independent Trustee as recommended by the Insurance Commission but due to multiple chairmanship of our two Independent Trustee, the Association appointed our new elected Board of Trustee to be the chairperson of the said Committee.</li><li>• The Committee shall be composed of at least three members.</li></ul>
<b>Members 2020-2021</b>	Chairperson: Perseverando Fajardo Members: Ramon Martinez Melody L. Bringel Ma. Caridad Diamante