



Policy on Related Party Transactions

Related Party Transaction is an agreement between two parties who hold a foregoing deal, business, undertaking, and transaction or with common interest. Related Parties shall refer to CARE MBA's affiliates, shareholders, stakeholders, members, Board of Trustees, Officers, other subsidiaries under common control and trusts for the benefit of employees.

Objectives

- To ensure that RPT is consistent to CARE MBA's arm's length principle, the Related Party Transaction Committee shall implement and monitor this policy.
- Transactions between related parties commonly occur in the normal course of Association's business such as:
 - Products and services, sales and purchases
 - Services received or furnished such as accounting, management and legal services
 - Maintenance of compensating bank balances for the benefit of a related party.

Implementation of Related Party Transactions

- Disclosure of Related Party Transactions is important for it may affect the assessments of CARE MBA's operations and the entity's risks and opportunities.
- The Related Party Transaction Committee shall review the RPT Policy annually and evaluate whether it fits the interest of our Association and its Stakeholders.
- They will receive reports on transactions between the Association and its affiliates.
- The Related Party Transaction Committee will order an investigation on documents of related party transactions.
- Finally, the said Committee will recommend to the Board of Trustees to take corrective measures for Related Party Transactions that will violate the Association's regulations.
- In any case that a member of the Related Party Transaction Committee has a conflict of interest in a particular RPT, he/she should abstain from participation in the discussion of the transaction's approval.

The Related Party Transaction Committee has responsibilities in the following areas:

- duty of good faith
- duty to investigate and report to the Board of Directors on finding any related party transaction that is in violation of laws or regulations
- duty to prepare minutes