

 <b>SBS PHILIPPINES</b> CORPORATION	<b>REVISED TERMS OF REFERENCE OF THE RELATED PARTY TRANSACTION COMMITTEE</b>		Approval Date <b>17 December 2024</b>
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The Board of Directors of SBS Philippine Corporation (the “Corporation”) hereby constitutes the Related Party Transaction Committee (the “Committee”) and adopts this Committee Charter:

### **1. Purpose**

This Charter sets out the roles, responsibilities and delegated authorities of the Related Party Transaction (RPT) Committee, including the procedures to guide the Committee in the performance of its functions.

This Charter shall be reviewed by the RPT Committee and/or the Board as and when deemed appropriate. Such review shall take place at least every two (2) years and any changes and/or amendments shall only take effect upon approval by the Board of Directors (the “Board”).

### **2. Mission Statement**

The RPT Committee shall assist the Board in fulfilling its oversight responsibilities for the sound and prudent management of Company’s transactions with its related parties. Towards this end, the Committee shall ensure full transparency in the treatment of related party transactions and shall place utmost importance to the proper examination of such transaction in accordance with the standards and procedures set out in the Company’s RPT Policy (“Policy”) for its approval and control as well as the applicable regulations and statutory provisions.

### **3. Membership**

- 3.1 The members of the Committee shall be appointed by the Board of Directors from among the independent directors during its annual organizational meeting and each shall hold office for one year and until their successors are elected and qualified, unless sooner replaced or removed by the Board.
- 3.2 It shall be composed of at least three (3) members, all of whom shall be independent directors. An Independent Director shall be designated as the Chairman of the Committee and preside over its meetings.
- 3.3 Any vacancy in the Committee shall be filled by the Board of Directors. The member elected to fill a vacancy in the Committee shall serve only the unexpired term of his predecessor in office.

#### **4. Duties and Responsibilities**

##### **4.1 Related Party Transactions (RPT)**

- a. Examine and evaluate all Related Party Transactions subject to the review of the Committee as per the Policy, as amended, as to its qualitative and quantitative aspects in accordance with the criteria set out in the Policy and report to the Board the results of its review and proceedings in the form of observations, recommendations and proposed resolutions and actions for the further consideration, action, approval and/or ratification of the Board;
- b. Issue and make available to the Board a favorable report for the purpose of endorsing for Board approval transactions between the Company and its Related Parties that are carried out in accordance with the corporate interest, on arms'-length terms, and with appropriate protection for the interest of the Company, shareholders and stakeholders;
- c. Regularly monitor and supervise the alignment with the principles and rules established in the Policy of all related party transactions which pursuant to the Policy are considered Exempt Related Party Transactions and do not require individual approvals;
- d. Ensure full transparency in the treatment of Related Party Transactions by ensuring appropriate disclosures of related party transactions to the Board and regulators as well as the RPT policies and procedures for its review and approval;
- e. Review the adequacy of Management's monitoring and reporting systems for RPTs so that relations between and among businesses and counterparties are continuously evaluated to identify all related parties;
- f. Regularly review and, if advisable, update the Company's RPT policies and ensure its dissemination for the proper guidance of all shareholders, directors, officer, employees and stakeholders.

#### **5. Performance Assessment**

- 5.1 The Committee shall conduct an annual evaluation of the performance of the Committee to ensure that the Committee is in compliance with its Charter, the Revised Manual of Corporate Governance, SEC Memorandum Circular No. 4 Series of 2012 and other pertinent regulations. In this connection, it shall cause members of the Committee to complete a self-assessment questionnaire to benchmark its practices against the criteria provided under the SEC Memorandum Circular No. 4 Series of 2012. Based on the results of its self-rating assessment, the Committee shall prepare plans for the continuous improvement of its performance which may include programs and trainings in leading global best practices and other areas of concern. The Committee shall monitor the implementation of such plans from time to time.

## **6. Meetings**

- 6.1 The Committee shall meet on at least twice a year or as often as may be necessary. It shall act on the basis of majority vote of its members. The meeting of the Committee shall be held before the meeting of the Board of Directors.
- 6.2 The regular meetings shall consider, among others, the related disclosures and reportorial requirements as well as updates on audit activities.
- 6.3 Unless otherwise agreed, notice of each meeting confirming the venue, time and date shall be forwarded to each Committee member and to other attendees (as appropriate) in advance of each scheduled meeting date together with an agenda and supporting papers. The Committee Chairman shall report to the Board on its proceedings after each meeting.
- 6.4 Minutes of the Committee meeting will be recorded and maintained by the secretary of the meeting and presented to the Committee at the next Committee meeting for approval. The Corporate Secretary or his designated representative shall act as secretary for the meetings.

## **7. Authorities of the Committee**

- 7.1 The Committee shall have the authority to retain, at the Company's expense, such outside advisors, including legal counsel or other experts, as it deems appropriate, and to approve the fees and expenses of such advisors.
- 7.2 In discharging its oversight role, the Committee shall have full access to all books, records, facilities and personnel of the Company.
- 7.3 No recommendation, resolution, decision or action taken of the Committee will be valid and effective unless and until the Board of Directors approves, confirms or ratifies the decision or action taken by the Committee.

## **8. Adoption and Effectivity**

This Amended Charter was adopted by the Board of Directors of the Corporation with effect January 1, 2025.

Approved on **17 December 2024** by Resolution of the Board of Directors

## Record of Changes

Version Number	Document Title	Approval Date
1.0	TERMS OF REFERENCE OF THE RELATED PARTY TRANSACTION COMMITTEE	Approved by the Board of Directors on August 05, 2020