

## RELATED PARTY TRANSACTIONS COMMITTEE CHARTER

The purpose of the RPT Committee is to ensure that terms and conditions of all RPTs must be equivalent to those that prevail in arm's length transactions and shall be subject to appropriate corporate approvals and actions of the corporation and of related parties, with the best interest of the investing public and the Corporation in mind. Any related-party transactions entered into by the Corporation or its affiliates shall be in accordance with applicable law, rules and regulations and this Charter.

### A. Definition of Terms

**Board of Directors** – the governing body elected by the stockholders that exercises the corporate powers of a corporation, conducts all its business and controls its properties.

**Charter** – refers to this “Related Party Transactions Committee Charter” as may be amended from time to time.

**Committee** – refers to the “Related Party Transactions Committee”.

**Corporate Governance** – the system of stewardship and control to guide organizations in fulfilling their long-term economic, moral, legal, and social obligations towards their stakeholders.

Corporate governance is a system of direction, feedback and control using regulations, performance standards and ethical guidelines to hold the Board and senior management accountable for ensuring ethical behavior – reconciling long-term customer satisfaction with stockholder value – to the benefit of all stakeholders and society.

Its purpose is to maximize the organization's long-term success, creating sustainable value for its stockholders, stakeholders and the nation.

**Independent Director** – a person who is independent of management and controlling stockholder, and is free from any business or other relationship which could, or could reasonably be perceived to, materially interfere with his exercise of independent judgment in carrying out his responsibilities as a director.

**Management** – a group of executives given the authority by the Board of Directors to implement policies it has laid down in the conduct of the business of the Corporation.

**Related Parties** – shall cover the Corporation's directors, officers, substantial shareholders and their spouses and relatives within the fourth civil degree of consanguinity or affinity, legitimate or common-law, if these persons have control, joint control or significant influence over the

corporation. It also covers the corporation's parent, subsidiary, fellow subsidiary, associate, affiliate, joint venture or an entity that is controlled, jointly controlled or significantly influenced or managed by a person who is a related party.

**Related Party Transactions** – a transfer of resources, services or obligations between a reporting entity and a related party, regardless of whether a price is charged. It should be interpreted broadly to include not only transactions that are entered into with related parties, but also outstanding transactions that are entered into with an unrelated party that subsequently becomes a related party.

**The Corporation** – refers to MacroAsia Corporation.

## **B. Rules of Interpretation**

All references to the masculine gender in the salient provisions of this Charter shall likewise cover the feminine gender. Unless the context otherwise requires, words in the singular include the plural, and vice versa.

All doubts or questions that may arise in the interpretation or application of this Charter shall be resolved in favor of promoting transparency, accountability and fairness to the stockholders and investors of the Corporation.

The headings in this Charter are inserted solely for convenience of reference and shall not limit or affect the interpretation of the provisions hereof.

## **C. Committee Structure and Membership**

### ***C.1. Composition***

The Related Party Transactions Committee is composed of at least three (3) non-executive directors, the two of whom shall be independent directors, including the Chairman.

The members of the Related Party Transactions Committee, including the Chairman of the Committee shall be appointed and may be removed from the Committee, with or without cause, by the majority vote of the Board of Directors.

### ***C.2 Qualification of Committee Members/Chairman***

Each Member must be financially literate and the Chairman must have related financial management expertise, as such qualifications are interpreted by the Board in its business judgment. A director with extensive business management experience and with competence

on financial management systems and environment may also be considered.

A Member shall preferably be a Philippine citizen.

### **C.3 Vacancy**

The office of a Member shall ipso facto be vacated:

1. if he resigns his office as a Member;
2. if he is removed by a resolution of the Board;
3. if he becomes of unsound mind; or
4. if he is subsequently disqualified from becoming a Member

A member shall be disqualified from continuing to be such during the remainder of his tenure if, upon determination by the Board or its Nomination Committee, a member ceases to meet any of the independence criteria set forth in this Charter, or any of the qualifications set forth by the Corporation, or he becomes disqualified from directorship based on any grounds for disqualification set forth by the Corporation.

### **C.4 Delegation of Duties**

The Committee may form subcommittees for any purpose that it deems appropriate and may delegate to such subcommittees or to members of the Corporation's management such power and authority as it deems appropriate, provided, however, that any such subcommittees shall meet all applicable independence requirements and that the Committee shall not delegate to persons other than independent directors any functions that are required — under applicable law, regulation, or stock exchange rule — to be performed by independent directors.

## **D. Committee Functions**

The Committee shall have the functions set out hereunder, and such other duties and powers as maybe delegated to the Committee by the Board, subject to such limitations as the Board may determine and notify to the Committee:

1. Review all material related party transactions of the Corporation;
2. Evaluate on an on-going 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 should be reflected in the relevant reports to the Board and regulators/supervisors;

3. 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 Corporation 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 takes into account, among others, the following:
  - a. The related party's relationship to the Corporation and interest in the transaction;
  - b. The material facts of the proposed RPT, including the proposed aggregate value of such transaction;
  - c. The benefits to the Corporation of the proposed RPT;
  - 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 Corporation should have an effective price discovery system in place and exercise due diligence in determining a fair price for RPTs;
4. Ensure that appropriate disclosure is made, and/or information is provided to regulating and supervising authorities relating to the Corporation's RPT exposures, and policies on conflicts of interest or potential conflicts of interest. The disclosure should 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 Corporation's affiliation or transactions with other related parties;
5. 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;
6. Ensure that transactions with related parties, including write-off of exposures are subject to a periodic independent review or audit process; and
7. Oversee the implementation of the system for identifying, monitoring, measuring, controlling, and reporting RPTs, including a periodic review of RPT policies and procedures.
8. Have the resources and authority appropriate to discharge its responsibilities, including the authority to engage external independent party to evaluate the fairness of the terms of the material RPTs, without the need for Board approval.

## **E. Meetings**

A meeting of the Committee may be called by its chairman or any of its members. In every meeting, a quorum shall be observed, which is at least a majority of the Members are present throughout the meeting. A Committee meeting shall be convened upon notice in writing or electronic notice, at least three days prior to the meeting and specifying the place, date and time of the meeting and the matters to be discussed at the meeting. Notice of a meeting shall be deemed to be duly served upon a Member if it is given to him personally, or sent to him by mail, email, short messaging system, or facsimile transmission to his address or facsimile number, as appropriate.

The Committee may request any officer or employee of the Corporation, or any special counsel or advisor, to attend a meeting of the Committee or to meet with any members of, or consultant to, the Committee.

The Committee may retain any independent counsel, expert or advisor (accounting, financial or otherwise) that the Committee believes to be necessary or appropriate. The Committee may also utilize the services of the Corporation's regular legal counsel or other advisors to the Corporation.

The Committee shall appoint a Secretary who shall prepare minutes of the meeting of the Committee. Minutes of its meetings will be approved by the Committee and maintained on behalf of the Committee. Such records shall be open for inspection by any Member or Advisor upon reasonable prior notice during usual office hours of the Corporation.

## **F. Reporting**

To keep the Board apprised on the results of the Committee's activities, the Committee Chairman shall report to the Board following each meeting, significant matters discussed and acted upon.

## **G. Performance Evaluation**

To ensure that the Committee will continue to fulfill its responsibilities in accordance with the global best practices, the Committee shall conduct an assessment of its performance through a self-assessment worksheet that has been prepared based on its responsibilities incorporated in the Revised Manual on Corporate Governance and in this Charter. Related Party Transactions Committee shall formulate and implement plans to improve its performance. These shall include attending trainings/seminars intended for the Committee members to keep them updated with the latest corporate governance best practices,

accounting and auditing standards, as well as other areas of concerns.

**H. Charter Review**

The Committee shall review and assess the adequacy of this Charter annually and recommend changes to the Board of Directors when necessary.

This Charter shall not be amended, altered or varied unless such amendment, alternation or variation shall have been approved by a resolution of the Board.

**I. Effectivity**

This Charter shall be effective upon approval by the Board of the Corporation.

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