



## **RELATED PARTY TRANSACTIONS POLICY OF FIRST PHILIPPINE HOLDINGS CORPORATION**

### Policy Statement

The interests of the Corporation remain paramount in all of its transactions, especially those which may involve related parties. The Corporation shall endeavor to disclose its policies governing related party transactions (“RPTs”) and shall review and approve material or significant RPTs. The material or significant RPTs reviewed and approved during the year should be disclosed as appropriate as provided under this policy. All RPTs should be under such terms and conditions that are at arm’s length and serve the best interests of the Corporation and the shareholders as a whole.

### Board of Directors

The Board of Directors (the “Board”) has overall responsibility in ensuring that there is a policy and system governing RPTs, particularly those which pass certain thresholds of materiality. The Board shall also formulate and implement policies and procedures that would ensure the integrity and transparency of RPTs.

### Committee Responsible

The Audit Committee, or the RPT Committee, if constituted by the Board in accordance with its Manual for Corporate Governance, or an appropriate approving authority or committee to be constituted by the Board (the “Committee”), has the responsibility to evaluate and identify all related parties on a continuing basis in relation to RPTs; evaluate all material RPTs; ensure that appropriate disclosure is made, and/or information is provided to regulating and supervising authorities relating to the Corporation’s RPT exposures, and formulate policies on conflicts of interest or potential conflicts of interest; report to the Board on a regular basis, if necessary, on the status and aggregate exposures relating to RPTs; secure an independent review or audit of RPTs as necessary; and oversee the implementation of the system for monitoring RPTs, including a periodic review of RPT policies and procedures. The Committee’s composition shall, to the extent practicable, be in accordance with the Manual for Corporate Governance as well as with applicable laws, rules and regulations.

### Definition of Related Parties

“Related Parties” shall mean the Corporation and its parent company, joint ventures, subsidiaries, affiliates, major stockholders, officers and directors, including the relatives of such officers and directors up to the fourth degree of affinity or sanguinity.

### Review of RPTs

In reviewing RPTs, the relevant provisions of the Corporation Code, applicable laws, rules and regulations, the Corporation's Articles of Incorporation, By-laws, Manual for Corporate Governance and Corporate Code of Conduct and Ethics should be considered by the Committee.

### Material RPTs

1. Material RPTs are those which involve an amount or value greater than One Hundred Million Pesos (PHP 100MM). Material RPTs shall be reviewed and approved by the responsible Committee.
2. In the review of material or significant RPTs, the Committee shall ensure that said RPTs are in the best interests of the Corporation, and consider all the relevant facts and circumstances available, including but not limited to the following:
  - a. The terms of the transaction;
  - b. The purpose and timing of the transaction;
  - c. The extent of each Related Party's interest in the transaction;
  - d. The aggregate value of the transaction;
  - e. The extent to which the terms of the transaction are less favorable than terms generally available in non-related transactions under similar circumstances;
  - f. The benefits to the Corporation in entering into the transaction;
  - g. Whether the transaction would present an improper conflict of interests or special risks or contingencies for the Corporation or any of its subsidiaries or affiliates, or the Related Party, taking into account the size of the transaction and the overall financial position of the Related Party; and
  - h. Any material information or factor that the Committee may deem relevant.
3. RPTs which are not material or significant are those which involve an amount or value not greater than PHP 100MM. These RPTs shall be reviewed and approved by the relevant members of the Corporation's Management, and, once approved, shall be duly reported to the Board during the board meeting immediately following such approval by Management.