

## **RELATED PARTY TRANSACTION COMMITTEE CHARTER**

### **A. PURPOSE**

The Related Party Transaction (RPT) Committee is constituted by the Board of Directors (the “Board”) of Benguet Corporation (“BC” or the “Company”) and its Subsidiaries for the following purposes:

1. Ensuring transparency and fairness for all stakeholders on matters pertaining to RPTs
2. Making sure RPTs are handled with integrity and in compliance with applicable laws and regulations to protect the interests of stakeholders; and
3. Reviewing RPTs to determine whether or not the transaction is conducted at an arm’s length basis and that no stakeholder is duly disadvantaged.

This Charter is adopted to outline the basic functions, duties and responsibilities of the RPT Committee.

### **B. ORGANIZATIONAL STRUCTURE**

1. Composition - The Committee shall consist of at least three (3) directors of the Board, two (2) of whom shall be independent directors.
2. Chairman – The Chairman of the Committee shall be appointed by the Board and must be an independent director.
3. Members – By majority vote, the Board shall:
  - a. Elect the members of the Committee annually,
  - b. Remove any members for valid reason, and/or,
  - c. Fill-in any vacancies in the Committee.
4. Resources – The Committee may request that any director, corporate officer or employee of the Company, or other persons whose advice and counsel are needed by the Committee to attend its meeting in order to provide such pertinent information as the Committee may require. The Committee may also engage or retain, as it deems

necessary or appropriate, any legal advisor or other consultants to advise and assist the Committee in fulfilling its duties and responsibilities.

### **C. DUTIES AND RESPONSIBILITIES**

The following are the roles and responsibilities of the RPT Committee:

1. Evaluates on an ongoing basis existing relations between and among business and counterparties to ensure that all related parties are continuously identified, RPTs are monitored, and subsequent changes in relationships shall be reflected in the relevant reports to the Board and regulators;
2. Evaluates 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 Company 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 Company 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 Company of the proposed RPT,
  - d. The availability of other sources of comparable products or services,
  - 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,
  - f. An effective price discovery system in place and exercise due diligence in determining a fair price for RPTs,
  - g. RPT materiality based on the Company's internal policies as endorsed by the RPT Committee to the Board and approved by the Board;

5. Ensures that appropriate disclosures are made, and/or information is provided to regulatory and supervisory authorities relating to the Company's RPT exposures, and policies on conflicts of interest or potential conflicts of interest. The disclosure shall 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 Company's affiliation or transactions with other related parties;
6. Reports to the Board 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;
7. Ensures that transactions with related parties, including write-off of exposures are subject to a periodic independent review or audit process; and
8. Oversees the implementation of the system for identifying, monitoring, measuring, controlling, and reporting RPTs, including a periodic review of RPT policies and procedures.

#### **D. MEETINGS AND COMMUNICATIONS**

1. Frequency of Meetings – The Committee shall formally meet at least two (2) times a year to discharge its duties and responsibilities as outlined above. In addition to regular meetings, special meetings can be called by the Chairman of the Committee or any two members as required.
2. Notice of Meetings – The notice of the Committee meetings shall be given at least four (4) weeks prior to the date of meeting.
3. Agenda - The Chairman, in consultation with the other members of the Committee, shall propose a list of agenda/items to be tackled and addressed by the Committee during the meeting. The Chairman shall ensure that the agenda for each Committee meeting is circulated to each member of the Committee at least two (2) weeks prior to the meeting date, and the presentation materials shall be provided five (5) business days prior to the date of actual meeting.
4. Quorum – A majority of the members of the Committee present shall constitute a quorum. Presence may be in person or by means of a video-conference, teleconference,

or other modes of communication.

5. Secretary – The incumbent Corporate Secretary of the Company, or Assistant Corporate Secretary shall act as the secretary of the Committee.
6. Minutes – All Committee meetings must be duly documented and filed, and shall be maintained with the books and records of the Company. The minutes of the Committee meetings must be available for review and approval not more than one (1) week after the meeting and for approval in the next Committee meeting.
7. Per Diems – The Committee members shall be entitled to per diems for every attendance to a Committee meeting.
8. Reports of the RPT Committee – The Chairman of the Committee shall submit to the Board a copy of the minutes of the Committee meeting two (2) weeks prior to meeting of the Board and discuss with the Board the highlights of the matters discussed during the Committee meetings.

#### **E. OTHER RESPONSIBILITIES**

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1. Assessment of the Performance of the Committee – The Board shall provide the standards for evaluating the performance and effectiveness of the Committee in fulfilling its duties and responsibilities as set out in this Charter and in the Company’s Manual on Corporate Governance. The Committee shall conduct a self-assessment of its performance, at least once a year.
2. Review of the Committee Charter – The Committee shall review this Charter at least annually and recommend for Board approval any proposed changes it deems necessary and appropriate in order to comply with the legal needs of the Company and any regulatory bodies.

This Charter is adopted and approved by the Board on March 21, 2018 in compliance with the Philippine Stock Exchange/Securities and Exchange requirement.