

SM Prime Holdings, Inc.

Related Party Transactions Committee Charter

Effective November 7, 2022

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This Charter establishes the purpose, composition, authority and responsibilities of the Related Party Transactions Committee (the “Committee”).

I. PURPOSE AND AUTHORITY

To assist the Board in fulfilling its corporate governance responsibilities to all stakeholders, the Related Party Transactions Committee (the “Committee”) is constituted by the Board of Directors (the “Board”) to review Related Party Transactions. The committee is primarily tasked to determine whether or not the transaction is on terms no less favorable to the company than terms generally available to any unaffiliated third party under the same or similar circumstances.

To allow the Related Party Transactions Committee to discharge its duties and responsibilities, the Committee is authorized to gain access to all relevant data/resources within the Company, obtain professional training, advice or expertise, initiate investigation of any activities within the scope of its responsibilities and may make recommendations to the Board, as it deems appropriate.

II. COMPOSITION AND MEETINGS

1. The Committee shall consist of at least three (3) members of the Board, majority of whom shall be independent directors, including the Chairman. Its members shall have adequate and competent knowledge of the Company’s business and industry in which it operates.
2. Members of the Committee shall be designated by the Board annually and each member shall serve until such member’s successor is duly designated or until such member’s resignation or removal. Any member of the Committee may be removed from the Committee, with or without cause, by a majority vote of the Board.
3. The Committee shall meet regularly and all members are expected to attend each meeting. The Committee may invite the Chief Risk Officer and/or other members of Management, heads of business units, Chief Audit Executive, and the external auditor, to attend meetings and provide pertinent information, as necessary.
4. The Committee Secretary, under the direction of the Committee Chairman, shall prepare and provide in advance to all Committee members the notice of meeting, the meeting agenda, minutes of previous Committee meeting and the appropriate briefing materials.

III. DUTIES AND RESPONSIBILITIES

The Committee is duty-bound to perform and carry out the following responsibilities:

- a. Evaluates on an ongoing basis existing relations between and among businesses and counterparties are continuously identified, RPTs are monitored and subsequent changes in relationships are captured;
- b. Evaluates all material RPTs to ensure that these shall be undertaken upon terms not less favourable to the Company than those offered to any unaffiliated third party;

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- c. Ensures that adequate disclosure is made for RPTs in accordance with applicable legal and regulatory requirements;
- d. Reports to the Board of Directors on a regular basis, the status and aggregate exposures to each related party;
- e. Ensures that transactions with related parties, including write-off of exposures are subject to a periodic independent review or audit process;
- f. Oversees the implementation of the system for identifying, monitoring, measuring, controlling, and reporting RPTs, including a periodic review of RPT policies and procedures; and
- g. Performs other duties and responsibilities as the Committee may deem appropriate within the scope of its primary functions or as may be assigned by the Board.

IV. PERFORMANCE EVALUATION

The Committee shall participate in the annual evaluation of its performance, including the performance of the Chairman and Committee as a whole in accordance with their respective mandates and competencies.

V. CONTINUAL REVIEW OF THE CHARTER

This Charter shall be reviewed on a regular basis or as needed to ensure its adequacy and relevance in consonance with the Board's objectives.