

SBS PHILIPPINES CORPORATION
TERMS OF REFERENCE
OF
THE RELATED PARTY TRANSACTION COMMITTEE

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

The role of the Committee is to assist the Board in fulfilling its oversight responsibilities in the implementation and review of the RPT policy of the Corporation for internal control purposes and in compliance with laws and regulations.

2. Membership

- 2.1 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.
- 2.2 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.
- 2.3 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.

3. Duties and Responsibilities

3.1 Related Party Transactions (RPT)

- a. Review and endorse to the Board the Related Party Transactions Policy and Guidelines of the Company;
- b. Review and endorse for approval the Related Party Transactions of the Company as defined in the approved RPT Policy and Guidelines, whether they are in the best interest of the Company and shareholders and ensure that all RPTs are conducted in fair and at arm's length basis.
- c. Ensure appropriate disclosures of related party transactions to the Board and regulators and periodic review of RPT policies and procedures in accordance with regulations.
- d. All approvals made by the Committee will require a majority vote of its members.

3.2 Compliance

- a. Review the effectiveness of the system for monitoring compliance with laws and regulations and the results of investigation and follow-up of any instances of non-compliance;
- b. Obtain regular updates from Management regarding any auditor observations.

4. Performance Assessment

- 4.1** 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.

5. Meetings

- 5.1 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.
- 5.2 The regular meetings shall consider, among others, the related disclosures and reportorial requirements as well as updates on audit activities.
- 5.3 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.
- 5.4 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.

6. Authorities of the Committee

- 6.1 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.
- 6.2 In discharging its oversight role, the Committee shall have full access to all books, records, facilities and personnel of the Company.

7. Adoption and Effectivity

This Charter was adopted by the Board of Directors of the Corporation on August 5, 2020.