



## **RELATED PARTY TRANSACTION (RPT) COMMITTEE CHARTER**

### **I. PURPOSE**

The Related Party Transaction (RPT) Committee Charter (the “Charter”) sets out the structure, membership, powers and duties of the RPT Committee (the “Committee”) of PARAMOUNT LIFE AND GENERAL INSURANCE CORPORATION (the “Corporation”) for the performance of the Committee’s oversight responsibility mandated by the Code of Corporate Governance and the Corporation’s Manual on Corporate Governance.

The Committee is expected to support the corporate governance process through the provision of checks and balances provided in this Charter.

### **II. STRUCTURE**

#### **A. Membership**

The Committee shall be composed of at least three (3) non-executive directors, majority of whom are independent directors, including the Chairman.

The Committee members appointed by the Board shall serve until the next Board organizational meeting or until their successors shall be duly elected and qualified. Any vacancy in the Committee may be filled by a majority vote of the members the Board, constituting a quorum, during a regular or special meeting.

#### **B. Meetings**

The Committee shall meet as frequently as the circumstances require. The Committee may invite to its meetings members of management, other personnel of the Company, or any third parties such as consultants, as it deems appropriate, in order to carry out its responsibilities.

The Committee shall timely refer to the Board its recommendations or decisions which require ratification or approval by the Board or, if otherwise, as it may deem necessary or proper.

### **III. POWERS AND DUTIES**

The Committee shall provide appropriate oversight for transactions between the Corporation and any of its Related Party/ies in compliance with legal and regulatory requirements. The Committee shall ensure that every Related Party Transaction (RPT) is conducted on an arm’s length basis for the financial, commercial and economic benefit of the Corporation, its subsidiaries and affiliates.

The following are the functions of the Committee:

1. Evaluate on an ongoing 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 shall be reflected in the relevant reports to the board and regulators / supervisors.
2. 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 shall take 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 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 shall have in place an effective price discovery system and have exercised due diligence in determining a fair price for the RPTs.

All RPTs that are considered material based on Corporation's internal policies shall be endorsed by the RPT Committee to the board of directors for approval.

3. 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 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 Corporation's affiliation or transactions with the other related parties.
4. 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.
5. Ensure that transactions with related parties, including write-off of exposures, are subject to periodic independent review or audit process.
6. Oversee the implementation of the system for identifying, monitoring, controlling, and reporting RPTs, including the periodic review of RPT policies and procedures.

7. Secure adequate resources to enable it to effectively discharge its functions. The Committee may retain independent legal, accounting and other advisors to assist it, and may determine the compensation of such advisors, and the Corporation shall be responsible for any costs or expenses so incurred.

The Committee may carry out additional functions and adopt additional policies and procedures as may be appropriate in light of changing business, legislative, regulatory, legal or other conditions. The Committee shall also perform other activities related to this Charter as requested by the Board.

#### **IV. ANNUAL PERFORMANCE EVALUATION**

The Committee shall perform a review and evaluation, at least annually, of its performance and its members, including reviewing the compliance of the Committee with this Charter. In addition, the Committee shall review and reassess, at least annually, the adequacy of this Charter and recommend to the Board any improvements to this Charter that the Committee considers necessary or valuable.

#### **V. AMENDMENT**

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