

	ORGANIZATIONAL CHARTER MERALCO	Rev. Code 1	Page 1 of 4
Section: Board of Directors		Effectivity Date: July 29, 2024	
Subject: Related Party Transactions Committee		Sensitivity Classification: Company Use	

I. General Objectives

The Related Party Transactions (RPT) Committee shall review material/significant RPTs¹, determine whether they are in the best interest of the Company and shareholders, and ensure that all RPTs of the Company are conducted in fair and at arms' length terms. It endorses recommendations to the Board as deemed appropriate or approves actions within its delegated authority.

II. Key Responsibilities

The Committee, assisted by the RPT Review Team composed of the Head of Financial Planning and Reporting, the Head of Legal and Corporate Governance, and the Head of Supply Chain Management, shall have the following duties and responsibilities:

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 with counterparties (from non-related to related and vice versa) are captured. Related parties, RPTs and changes in relationships should be reflected in the relevant reports to the Board and regulators;
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 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 in to account, among others, the following:

¹ Material/Significant RPT - any RPT determined by the RPT Review Team to be potentially or actually significant to the Company. The aggregate amount of RPT under consideration, within the preceding twelve (12) month period, shall be among the aspects considered in determining the materiality of such (i.e., For Material RPTs: Php50 Million and above; For Significant RPTs: Php30 Million but less than Php50 Million)

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	ORGANIZATIONAL CHARTER MERALCO	Rev. Code 1	Page 2 of 4
Section: Board of Directors		Effectivity Date: July 29, 2024	
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- 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 purpose and timing of the proposed RPT;
 - d. The benefits to the Company of the proposed RPT;
 - e. The availability of other sources of comparable products or services; and
 - f. 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 Company should have an effective price discovery system in place and exercise due diligence in determining a fair price for RPTs.
3. Ensure that appropriate disclosure is made, and/or information is provided to regulating and supervising authorities relating to the company's RPT exposures, and policies on conflicts of interest or potential 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;
 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 a periodic independent review or audit process; and
 6. Oversee the implementation of the system for identifying, monitoring, measuring, controlling, and reporting RPTs, including a periodic review of RPT policies and procedures.

III. Composition

The RPT Committee shall be composed of at least three non-executive directors, two of whom are independent directors, including the Chairman.

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	ORGANIZATIONAL CHARTER MERALCO	Rev. Code 1	Page 3 of 4
Section: Board of Directors		Effectivity Date: July 29, 2024	
Subject: Related Party Transactions Committee		Sensitivity Classification: Company Use	

IV. RPT Review Team

The Board RPT Committee shall be supported by the RPT Review Team composed of the Head of Financial Planning and Reporting, the Head of Legal and Corporate Governance and the Head of Supply Chain Management. The RPT Review Team shall review and report Material and Significant RPTs to the Board RPT Committee for review. Reviewed Material RPTs shall be endorsed by the RPT Committee to the Board.

V. Meetings

1. The Committee shall hold not less than two (2) meetings each year. The quorum for a meeting of the Committee shall be a majority of the voting Members of the Committee present throughout the meeting.
2. Meetings of the Committee shall be convened by the Chairman of the Committee as and when he considers appropriate. The Chairman shall convene a meeting upon the request of a majority of the voting Members of the Committee.
3. Notice of Committee meeting shall be provided to the members at least five (5) working days in advance, specifying the place, date and time for the meeting and the general nature of the businesses to be transacted at the meeting.
4. Notwithstanding that a meeting is called by shorter notice, it shall be deemed to have been duly convened if it is so agreed by the Members of the Committee present at the meeting at which there is a quorum. A Member may consent to short notice and may even waive notice of any meeting of the Committee.
5. The quorum for a meeting of the Committee shall be a majority of the Members of the Committee present throughout the meeting.
6. Members and Advisors of the Committee may participate in a meeting of the Committee through teleconference or video conference in accordance with the guidelines set in SEC Memorandum Circular No. 15, Series of 2001.
7. Resolutions at a meeting of the Committee at which there is a quorum shall be passed by a simple majority of votes of the voting Members present at such meeting. Each Member, including the Chairman of the Committee shall have one (1) vote. In case of a tie, the Chairman of the Committee shall not have a second or casting vote.

VI. Remuneration of Members

No fees or other remuneration shall be payable to the Members of the Committee in respect of their services provided in connection with the Committee or their attendance at meetings of the Committee, save and except fees or remuneration authorized and

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	ORGANIZATIONAL CHARTER MERALCO	Rev. Code 1	Page 4 of 4
Section: Board of Directors		Effectivity Date: July 29, 2024	
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approved by the Board and/or any reasonable *per diem* allowance, fees or remuneration such Member would otherwise be entitled to in such capacity.

VII. Minutes and Records

1. The Committee shall appoint a Secretary who shall prepare minutes of meetings of the Committee and keep books and records of the Committee.
2. The Committee shall cause records to be kept for the following:
 - a. appointments and resignations of the Members of the Committee;
 - b. all agenda and other documents sent to the Members of the Committee; and
 - c. minutes of proceedings and meetings of the Committee.
3. Any such books and records shall be open for inspection by any Member of the Committee upon reasonable prior notice during usual office hours of the Company

VIII. Resources and Authorities

The Committee shall have the resources and authorities appropriate to discharge its functions, duties and responsibilities including the authority to obtain advice from advisors, external consultants and functional specialists within the Company.

IX. Committee Reports and Performance Evaluation

1. The Committee shall report its activities to the Board on a regular basis and make such recommendations with respect thereto and other matters as the Committee may deem necessary or appropriate.
2. The Committee shall prepare and review with the Board of Directors an annual performance evaluation of the Committee, which evaluation must compare the performance of the Committee with the requirements of its Charter, set the goals and objectives of the Committee for the ensuing year and include any recommendation to the Board of Directors on any improvements to the Charter.

X. Amendment or Alteration of this Charter

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

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