

## **PILIPINAS SHELL PETROLEUM CORPORATION**

### **RELATED PARTY TRANSACTIONS (RPT) BOARD COMMITTEE CHARTER**

#### **PURPOSE**

The Related Party Transactions Board Committee (“RPT Board Committee”) is a committee under the Board of Directors of Pilipinas Shell Petroleum Corporation who shall have authority over related party transactions of the Company.

#### **COMPOSITION**

The RPT Committee is appointed by the Board and shall be composed of at least three (3) Non-Executive Directors with at least two (2) of them being Independent Directors. The Committee Chairman shall be elected by the members from among the Independent Directors. In the absence of the Chair, the meeting shall be chaired by another non-executive director.

To assist the Committee in its concerns, the Company’s Chief Finance Officer (CFO) shall serve as management representative and committee resource person.

The RPT Committee will be supported by the Secretariat which shall be composed of representatives from Corporate Finance, Corporate Assurance and Audit Department and Corporate Secretariat. It shall be headed by the Committee Secretary appointed by the RPT Committee. The RPT Secretariat shall be the principal support body of the RPT Board Committee and shall serve as the central monitoring and database for RPTs.

The Committee Secretary shall provide assistance to the members of the Committee, including but not limited to assisting the Committee Chair in planning the work of the Committee, formulating meeting agendas, maintenance of committee minutes, collation and distribution of information required by the Committee and provide practical support, as and when needed.

#### **QUORUM, FREQUENCY OF MEETINGS AND VOTING**

The Committee is and acts as a collegial body. Accordingly, a quorum shall be required to pass any action.

A quorum shall consist of at least 2 members:

- a) In attendance, whether in person or by video/teleconferencing facility, or
- b) As evidenced by a paper resolution duly signed by at least 2 members.

Meetings shall be held at least four times each calendar year, usually preceding the meetings of the Board.

Any member of the Committee who has a potential interest in any Related Party Transaction will disclose his interests therein and recuse and abstain from discussions leading to the eventual voting and approval of the Related Party Transaction.

The RPT Board Committee shall consider all relevant facts and circumstances respecting such transaction and shall evaluate all options and avail of such remedies available to the Company under the contract and existing laws, including but not limited to, ratification or revision of the corresponding agreements.

## **DUTIES AND RESPONSIBILITIES**

The RPT Board Committee shall have the following functions and responsibilities, among others:

- a. Assist the Board in the performance of its oversight function in the Company's compliance to pertinent rules, laws, regulations and policies relating to related party transactions;
- b. At the beginning of the calendar year, review and endorse for Board approval changes in the RPT Policy and Guidelines;
- c. Review and approve/endorse material RPTs for approval in accordance with the RPT Guidelines and Procedure;
- d. Review reports on Pre-Cleared RPTs and Non-Material RPTs in view of proposing changes to the RPT Policy and these Guidelines;
- e. Recommend to the Board of Directors any change to the RPT Policy and these Guidelines, including any modification in the list of Pre-Cleared RPTs and the materiality threshold;
- f. Oversee the effective implementation of the RPT Policy and Guidelines; and

## **REPORTING RESPONSIBILITIES**

The RPT Board Committee shall regularly report to the Board of Directors about the Committee's activities and issues that arise with respect to related party transactions.

The Committee, through its Secretariat, shall prepare its Annual Committee report, describing the committee's composition, meeting attendance, responsibilities and how they were discharged, and such other accomplishments or activities.

Review any other report the company issues that relate to the Committee responsibilities on related party transactions.

This charter was reviewed and approved by the Board of Directors on 10<sup>th</sup> of November 2016