

# Bank of Commerce

## Related Party Transactions Committee Charter

**Committee Name** Related Party Transactions Committee

**Short Name** RPTCOM

**Nature** Board Committee

**Responsibility Statement** The Related Party Transactions Committee (RPTCom) shall assist the Board of Directors (BOD) in fulfilling its corporate governance responsibility related to the safety and soundness of the Bank's transactions with Related Parties, and ensure that such are conducted at arm's-length terms and conditions pursuant to relevant laws, regulations and Bank policies.

**Membership** Five (5) Members

Designation	Member
Chairman	Independent Director
Regular Members	Four Directors (two Independent Directors and two Non-Executive Director)

**Support Personnel**

Designation	Designated Officer
Adviser	One (1) Board Adviser
Resource Persons	Chief Compliance Officer
	Chief Audit Executive
	Credit Group Head
Secretary	Designated Officer of Compliance Division

**Composition, Qualifications and Voting**

The members of the CGCOM are appointed annually by the Board. It shall be composed of at least five (5) members of the board of directors, at least three (3) members shall all be non-executive directors, majority of whom shall be independent directors, including the chairperson. All decisions or resolutions of the Committee shall have the affirmative vote of at least a majority of the members of the Committee.

**Duties and Responsibilities**

RPT Committee

1. The Committee shall review and vet proposals of material Related Party Transactions before they are presented to the Board for approval pursuant to the RPT Procedural

Guidelines and following the Related Party Transactions Policy.

2. The Committee shall **confirm** Related Party Transactions below materiality threshold vetted and approved by Designated Approving Committees.
3. The Committee shall confirm FX transactions with Related Parties.
4. The Committee shall confirm specific loan rates granted to Related Parties during drawdown.
5. The Committee shall maintain a record of all Related Party Transactions coursed through it to facilitate verification of such transaction by internal and external auditors and regulators.
6. The Committee shall receive the report on the month-end outstanding balances of the Related Parties Transactions for the Committee to know the overall outstanding transactions and exposure to Related Parties.
7. The Committee shall report monthly to the Board of Directors the status and aggregate exposures to Related Parties.
8. The Committee shall oversee the implementation of the Bank's system for identifying, monitoring, measuring, controlling and reporting Related Party Transactions, including a periodic review of Related Party Transactions' policies and procedures.
9. The Committee shall ensure that all Related Party Transactions undergo periodic audit review including write-off of exposures.
10. The Committee shall vet the Bank's Related Party Disclosures in the Notes to Audited Financial Statement of the Bank.
11. An RPT Committee member who is also a member of the Audit Committee shall abstain from participating in the discussion of control issues or concerns raised that are required by the Audit Committee to be corrected, addressed or investigated. Such director should not be physically present

or should step out of the meeting during the discussion.

#### RPT ADVISER

1. Assist in the evaluation of relationships to ensure that related parties are identified and captured
2. Assist in the evaluation of material related parties
3. Assist the Committee in ensuring that RPTs are done on an arm's length basis
4. Provide advice, guidance and insights to the Committee for a better understanding of the operations, issues or risks attendant to the business or industry segment of the related counter party within his area of expertise or professional involvement.

#### **Meeting Schedule**

The Committee shall meet as often as necessary. Special meetings may also be called by the Chairman as necessary.

The Committee meeting may be conducted through modern technologies such as, but not limited to, teleconferencing and video-conferencing as long as the committee members attending the meeting can actively participate in the deliberations on matters taken up. Notwithstanding, every Committee member shall participate in at least fifty percent (50%) and shall physically or virtually attend at least twenty-five percent (25%) of all Committee meetings every year.

The Committee Secretariat shall prepare the agenda for each meeting and send out notices at least two (2) banking days before the meeting. The Secretariat shall likewise prepare and distribute the minutes of the meeting and prepare other reports as maybe required by the Board.

#### **Evaluation and Reports**

The Committee shall review and assess the adequacy of this charter annually and recommend any proposed changes to the Board for its approval pursuant to this charter.

The Committee shall keep written minutes of meetings, which shall be maintained in the books and records of the Bank and reported to the BOD and Management.