

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, all are Non-Executive directors and majority of whom are independent directors, including the Chairman.

Designation	Member
Chairman	Independent Director
Regular Members	Four (4) Non-Executive Directors, two (2) of whom are Independent Directors

Support Personnel

<u>Designation</u>	<u>Designated Officer</u>
<u>Resource Persons</u>	<u>Chief Compliance Officer</u>
	<u>Chief Audit Executive</u>
	<u>Credit Group Head</u>
<u>Secretary</u>	<u>Designated Officer of Compliance Division</u>

Composition, Qualifications and Voting The members of the RPTCOM are appointed annually by the Board. It shall be composed of at least five (5) 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 shall:

1. Oversee the process by which existing relationship between and among businesses and counterparties are evaluated on an ongoing basis to ensure that all related parties are continually identified, related party transactions are monitored, and subsequent changes in relationships with counterparties (from non-related to related and vice versa) are captured.
2. Evaluate all material related party transactions to ensure that these are undertaken on terms and condition that are comparable to the terms generally available to an unrelated party under similar circumstances, taking into account the following:
 - a) The related party's relationship to the Bank, and interest in the transaction;
 - b) The material facts of the proposed related party transaction including its aggregate value; and benefit to the Bank;
 - c) The availability of other sources of comparable products and services
3. Endorse to the Board of Directors for approval all material related party transactions that have passed the evaluation process under item (2) above.
4. Oversee the process of maintaining a record of all related party transactions coursed through it to facilitate verification of such transaction by internal and external auditors and regulators.
5. Report monthly to the Board of Directors the status and aggregate exposures to each related party, and the total amount of exposure to all related parties.
6. Ensure that transactions with related parties are subjected to periodic independent review or audit process including write-off of exposures as well as the Related Party Disclosures in the Notes to Audited Financial Statements of the Bank.
7. 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.
8. In case a member has conflict of interest in a particular RPT, he/she should abstain from the discussion and evaluation of that particular transaction.

Meeting Schedule

The Committee shall meet monthly. Special meeting 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 attend in at least fifty percent (50%) 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.