



**ALLIEDBANKERS INSURANCE CORPORATION
RELATED PARTY TRANSACTION COMMITTEE
CHARTER**

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I. Purpose

The Related Party Transaction Committee Charter (the “RPTC”) shall assist the Board of Directors (the “Board”) in performing oversight role in the review of all material Related Party Transactions (the “RPTs”). The RPTC shall review RPTs in order to provide reasonable assurance that there is effective compliance with existing laws, rules and regulations at all times, that RPTs are conducted on an arm's length basis, and that no stakeholder is unduly disadvantaged.

II. Membership

1. **Composition** – The RPTC shall be composed of at least three non-executive three (3) members, majority whom shall be independent directors, including the Chairman. The Committee shall elect a Chairman among the members, who shall ensure the effective interaction among Committee members and, as necessary, with relevant members of Management.
2. The RPTC shall at all times be entirely composed of independent directors and non-executive directors, with independent directors comprising majority of the members. In case a member has conflict of interest in a particular RPT, he should refrain from evaluating that particular transaction.
3. **Term** – The Board shall appoint the members of the Committee at its annual organizational meeting and each member shall serve upon his election until the next organization meeting of the Board, unless removed or replaced by the Board.
4. **Vacancy** – any vacancy in the Committee caused by death, resignation, or disqualification of any member, or by any other cause, may be filled by the Board. The member elected to fill the vacancy shall hold office for the remainder of the term, or until his successor shall have been duly elected and disqualified.

III. Schedule and Conduct of Meetings

1. **Frequency** – The RPTC shall meet as deemed necessary. The Chairman of the Committee shall determine the agenda for meetings of the Committee. The agenda shall be sent to members of the Committee at least two (2) business days prior to each meeting, along with supporting materials for each agenda item.

Members may participate in meetings through video/teleconference or any other similar means. Members may give their consent or approval to an item in the agenda in writing or by any electronic means.

A quorum shall be achieved when there are at least two-thirds (2/3) of the RPTC is present during the meeting.

If in case, the Committee Chairman is unavailable, he will delegate his replacement, and may ask another member of the committee to preside over the meeting.

2. **Minutes of Meeting** – Minutes of the Committee meetings shall be kept and members shall be furnished copies thereof and any action taken or resolution decided. The Committee shall also make regular reports of its proceedings to the BOD for notation.

Attendance of members at Committee meetings shall be recorded and properly disclosed for the information of shareholders and other stakeholders through relevant annual reports and the company website.

The designated Corporate Secretary of the Board will be responsible for recording and documenting the minutes of the meeting.

3. The designated Secretariat of the Related Party Transaction Committee will be responsible preparing the materials for the meeting and keeping all relevant records of the RPTC.
4. The Committee may invite such other officers, employees and external parties to its meetings, as it deems necessary.
5. Endorsements and approvals via email may be resorted to for urgent matters which shall be confirmed/ratified in the Committee's next meeting.

IV. Duties, Roles and Responsibilities

The Committee is tasked with reviewing all material related party transactions (RPTs) of the company. The following are the functions of the Committee, among others:

1. Evaluate on an ongoing basis existing relations between and among businesses and counterparties to provide reasonable assurance that all related parties are continuously identified, RPTs are monitored, and subsequent changes in relationships with counterparties (from nonrelated to related and vice versa) are captured;
2. Evaluate all material RPTs to provide reasonable assurance 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 company resources 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 into account, among others, the following:
 - 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 benefits to the company 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.

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

- 6. Oversee the disclosures made, and/or information provided to regulating authorities relating to the company's RPT exposures, and policies on conflicts of interest or potential conflicts of interest are appropriate;
- 7. 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 relative to materiality thresholds levels set;
- 8. Review whether transactions with related parties, including write-off of exposures were subjected to a periodic independent review or audit process; and
- 9. Oversee the implementation of the system for identifying, monitoring, measuring, controlling, and reporting RPTs, including the periodic review of RPT policies and procedures.

V. Performance Evaluation and Continuous Improvement

The RPTC shall conduct an annual self-assessment of its performance that is included in the annual Board self-assessment questionnaire, wherein members of the Board are given a venue to rate and comment on the performance of the Committee and its members. The self-assessment questionnaire shall benchmark the Committee's and its individual members' performance against the expectations set out in this Charter, the records of activities and operation of the Committee.

As necessary, the RPTC may also subject itself to an independent assessment by the Board relative to its performance in accordance with expectations set out in this Charter and its responsibilities.

Based on the results of the self-assessment, the Committee shall formulate and implement plans to improve its performance. All members shall be given the opportunity to attend professional and technical development courses and training programs, as necessary.

All documents and records pertinent to the assessment process shall be kept intact by the Compliance Department, which may be examined by the Board and/or relevant regulatory agencies upon request.

VI. Miscellaneous

The RPTC shall have direct access to, and complete and open communications with senior management, and may obtain advice and assistance from internal legal, accounting, and other advisors to assist it. The Committee shall also have the right to require the management of the Company to furnish all information requested by the Committee as may be required for the purpose of performing its duties.

The RPTC 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 shall be provided with sufficient resources to perform its duties.

This document will be reviewed every two years or more frequently in the event that substantive changes are appropriate.