

## Related Party Checklist

Name of Borrower / Counterparty: \_\_\_\_\_

Date Accomplished: \_\_\_\_\_

	Relationship Disclosed by Borrower / Counterparty	Applicable to:	Yes / No	RP Tag if the answer is YES <sup>1</sup>	Basis for the RP Tag (applicable to items D-H; cite specific relationship)
A.	Is the borrower/counterparty a director of BDO Leasing & Finance (BDOLF) as verified against the List of Directors provided by the Office of the Corporate Secretary and posted in the website?  <i>Note: Chairman Emeritus is not deemed a director.</i>	Individual		Director	
B.	Is the borrower/counterparty an officer of BDOLF as verified against BDOLF HR intranet?	Individual		Officer	
C.	Is the borrower/counterparty a stockholder* of BDOLF as verified against the List of Stockholders provided by the Office of the Corporate Secretary and posted in the website?  *Owning at least 1% of the company's subscribed capital stock	Both individual & non-individual		Stockholder	
D.	Does the borrower/counterparty own at least 1% of the company's subscribed capital stock collectively with any of the following:  a. spouse and/or other first degree relatives by consanguinity, affinity or legal adoption;  b. partnership where the stockholder and/or his spouse and/or other first degree relatives by consanguinity, affinity or legal adoption, is a General Partner;  c. corporation, association or firm 50% of which is owned by the stockholder and / or his spouse and/or other first degree relatives by consanguinity, affinity or legal adoption.	Both individual & non-individual		Stockholder	
E.1	Is the borrower/counterparty a spouse of a BDOLF Director, Officer or Stockholder* (DOS)?  *Owning at least 1% of the company's subscribed capital stock (refer to item D above)	Individual		Related Interest	
	Is the borrower/counterparty a parent, parent-in-law or legally adoptive parent of a DOS?	Individual		Related Interest	
	Is the borrower/counterparty a child (biological or legally adopted) or child-in-law of a DOS?	Individual		Related Interest	
E.2	Is the borrower/counterparty a partnership? If yes, is there a general partner* who is also a director, officer, or stockholder of BDOLF or his spouse or relative within the first degree of consanguinity or affinity, or relative by legal adoption?  <i>*A general partner is one whose liability to third persons extends to his separate property.</i>	Non-individual		Related Interest	
E.3	Is the property/interest/right being mortgaged, pledged or assigned to secure the loan or credit accommodation, co-owned by the borrower with a DOS, his spouse or relative within the first degree of consanguinity or affinity, or relative by legal adoption?  <i>Note: This will not apply if the mortgage, pledge or assignment covers only the borrower's undivided interest.</i>	Both individual & non-individual		Related Interest	

1 RELATED PARTIES (RP) refer to the following: DOSRI, Subsidiaries, Affiliates and Other Related Parties

E.4	Does any or a group of BDOLF Directors, Officers, Stockholders* or their spouses or relatives within the first degree of consanguinity or affinity, or relative by legal adoption directly hold or own at least twenty percent (20%) of the subscribed capital or equity of the borrower/counterparty?  Note: Item E.4 refers to direct ownership of the stockholdings. Thus, beneficial or indirect ownership of the stocks in the borrower corporation/counterparty is not included in the computation.  *Refer only to natural persons	Individual		Related Interest	
E.5	Is the borrowing entity/counterparty wholly or majority-owned (i.e., more than 50%) or controlled* by a Related Interest identified in Items E.2 and E.4?  Note: Item E.5 also refers to direct ownership in the borrower corporation. Thus, beneficial or indirect ownership of the stocks in the borrower corporation/counterparty is not included in the computation.	Non-individual		Related Interest	
E.6	Does the borrowing entity/counterparty own or control <sup>2</sup> directly or indirectly, whether singly or as part of a group of related interest, at least twenty percent (20%) of the subscribed capital of a substantial stockholder* of BDOLF, or that which controls <sup>2</sup> majority interest of the company?  *Substantial Stockholder refers to a person or a group of persons, natural or juridical, whose ownership in a company allows it to elect at least one (1) member of the board of directors; or with stockholdings of at least 10% of any class of equity securities of the company.	Non-individual		Related Interest	
E.7	Is the borrower/counterparty a corporation, association or firm which has an existing management contract or any similar arrangement with BDOLF's parent corporation?  Note: This requires checking if the borrower has an existing management contract with BDOLF's parent corporation.	Non-individual		Related Interest	
E.8	Is the borrowing entity/counterparty a non-governmental organization engaged in retail financing, incorporated by any of the DOS of BDOLF or any related company?	Non-individual		Related Interest	
F.	Does BDOLF directly or indirectly own, control <sup>2</sup> and hold with power to vote, more than 50% of the outstanding voting stock of the borrowing entity/counterparty?	Non-individual		Subsidiary	
G.	Is the borrower/counterparty related to BDOLF by any of the following means:  1.a BDOLF directly or indirectly owns or controls <sup>2</sup> with power to vote, at least 20% of the outstanding voting stock of the borrowing entity/counterparty;  1.b The borrowing entity/counterparty directly or indirectly	Non-individual		Affiliate	

2 Control of an enterprise **exists** when there is:

- a. Power over more than one-half of the voting rights by virtue of an agreement with other stockholders; or
- b. Power to govern the financial and operating policies of the enterprise under a statute or an agreement; or
- c. Power to appoint or remove the majority of the members of the board of directors or equivalent governing body; or
- d. Power to cast the majority votes at meetings of the board of directors or equivalent governing body; or
- e. Any other arrangement similar to any of the above.

Control is **presumed to exist** if there is ownership or holding, **whether direct or indirect**, of 20 percent or more of a class of voting shares of a company. Should BDO choose to disclaim or rebut the presumption, it should provide facts sufficient to show that there is indeed no control. Further, BDO shall submit a written commitment that: (1) shares owned or held are exclusively for investment purposes; (2) BDO's representative will not serve on the board of directors and will not nominate any candidate to serve on the board or otherwise seek board representation; (3) BDO will have only limited contacts with the enterprise/other party that are customary for interested shareholders; (4) BDO will engage only in normal and customary transactions with the other party/enterprise; and (5) BDO will not pledge the shares acquired to secure a loan with any institution.

	<p>owns or controls<sup>2</sup> with power to vote, at least 20% of the outstanding voting stock of BDOLF;</p> <p>2. There is an interlocking directorship or officership, where the concerned BDOLF director or officer directly or indirectly owns or controls<sup>2</sup> with power to vote, at least 20% of the outstanding voting stock of the borrowing entity/counterparty;</p> <p>3. There are common stockholders which own at least 10% of BDOLF directly or indirectly, AND at least 20% of the outstanding voting stock of the borrowing entity/counterparty;</p> <p>4. There is an existing management contract or any arrangement granting power to BDOLF to direct the management and policies of the borrowing entity/counterparty;</p> <p>5.a There is a permanent proxy or voting trusts in favor of BDOLF constituting at least 20% of the outstanding voting stock of the borrowing entity/counterparty;</p> <p>5.b There is a permanent proxy or voting trusts in favor of the borrowing entity/counterparty constituting at least 20% of the outstanding voting stock of BDOLF.</p>				
H.1	<p>Is the borrower/counterparty related to BDOLF by any of the following means:</p> <p>a.1 BDOLF directly or indirectly owns or controls<sup>2</sup> with power to vote, 10% to less than 20% of the outstanding voting stock of the borrowing entity/counterparty;</p> <p>a.2 The borrowing entity/counterparty directly or indirectly owns or controls<sup>2</sup> with power to vote, 10% to less than 20% of the outstanding voting stock of BDOLF;</p> <p>b. There is an interlocking directorship or officership, except in cases involving independent directors or directors holding nominal shares in the borrowing entity/counterparty;</p> <p>c. There are common stockholders which own at least 10% of BDOLF directly or indirectly, AND 10% to less than 20% of the outstanding voting stock of the borrowing entity/counterparty;</p> <p>d.1 There is a permanent proxy or voting trusts in favor of BDOLF constituting 10% to less than 20% of the outstanding voting stock of the borrowing entity/counterparty;</p> <p>d.2. There is a permanent proxy or voting trusts in favor of the borrowing entity/counterparty constituting 10% to less than 20% of the outstanding voting stock of BDOLF.</p>	Non-individual		Other Related Party	
H.2	Does BDOLF exert direct/indirect control <sup>2</sup> over the borrower/counterparty?	Non-individual		Other Related Party	
H.3	Does the borrower/counterparty exert direct/indirect control <sup>2</sup> over BDOLF?	Non-individual		Other Related Party	
H.4	Is the borrower/counterparty a grandparent / grandchild / brother / sister (biological, legally adopted, or in-law) of a Director or a Senior Officer (select SVP or higher who has the ability to exercise significant influence in the outcome of the transaction) of BDOLF?	Individual		Other Related Party	
H.5	Is the borrower/counterparty a DOS of BDOLF's affiliated <sup>3</sup> companies?	Both individual & non-individual		Other Related Party	
H.6	Is the borrower/counterparty a spouse, parent, child,	Individual		Other Related	

<sup>3</sup> As defined in item G.

	grandparent / grandchild / brother / sister (biological, legally adopted, or in-law) of a Director or a Senior Officer of BDOLF's affiliated <sup>3</sup> companies?			Party	
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**Note: If the counterparty is determined to be both a Related Interest and a Subsidiary or Affiliate, the prevailing RP classification / tag will be Related Interest.**

**Accomplished by:**

**Reviewed/Approved by:**

\_\_\_\_\_  
**Name & Designation**

\_\_\_\_\_  
**Name & Designation**