

ANNEX 2: Related Party Checklist (Non-Individual)

Name of Borrower / Counterparty: _____
 Date Accomplished: _____

	Relationship Disclosed by Borrower / Counterparty	Yes / No	RP Tag if the answer is YES ¹	Basis for the RP Tag (cite specific relationship)
1.1	Is the borrower/counterparty a partnership? If yes, is there a general partner* who is also a director, officer, or stockholder of BDO or his spouse or relative within the first degree of consanguinity or affinity, or relative by legal adoption? *A general partner is one whose liability to third persons extends to his separate property.		Related Interest	
1.2	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? Note: This will not apply if the mortgage, pledge or assignment covers only the borrower's undivided interest.		Related Interest	
1.3	Is the borrowing entity/counterparty wholly or majority-owned (i.e., more than 50%) or controlled* by a Related Interest identified in Item 1.1? Note: Item 1.3 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.		Related Interest	
1.4	Does the borrowing entity/counterparty own or control ² 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 BDO, or that which controls ² 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.		Related Interest	
1.5	Is the borrower/counterparty a corporation, association or firm which has an existing management contract or any similar arrangement with BDO's parent corporation? Note: This requires checking if the borrower has an existing management contract with BDO's parent corporation.		Related Interest	
1.6	Is the borrowing entity/counterparty a non-governmental organization engaged in retail financing, incorporated by any of the DOS of BDO or any related company?		Related Interest	
2	Does BDO directly or indirectly own, control ² and hold with power to vote, more than 50% of the outstanding voting stock of the borrowing entity/counterparty?		Subsidiary	
3	Is the borrower/counterparty related to BDO by any of the following means:		Affiliate	

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

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>1.a BDO directly or indirectly owns or controls² with power to vote, at least 20% of the outstanding voting stock of the borrowing entity/counterparty;</p> <p>1.b The borrowing entity/counterparty directly or indirectly owns or controls² with power to vote, at least 20% of the outstanding voting stock of BDO;</p> <p>2. There is an interlocking directorship or officership, where the concerned BDO director or officer directly or indirectly owns or controls² 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 BDO 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 BDO 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 BDO 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 BDO.</p>			
4	<p>Is the borrower/counterparty related to BDO by any of the following means:</p> <p>a.1 BDO directly or indirectly owns or controls² 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 controls² with power to vote, 10% to less than 20% of the outstanding voting stock of BDO;</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 BDO 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 BDO 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 BDO.</p>		Other Related Party	
5	Does BDO exert direct/indirect control ² over the borrower/counterparty?		Other Related Party	
6	Does the borrower/counterparty exert direct/indirect control ² over BDO?		Other Related Party	
7	Is the borrower/counterparty a DOS of BDO's affiliate ³ companies?		Other Related Party	

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

³ As defined in item 3.