

## **I. Guidelines**

1. *Related Party*<sup>1</sup> shall refer to:

### **A. DOSRI**

1. *Directors* of DHI, as defined in MORB Subsec. 141.1

2. *Officers* of DHI, as defined in MORB Subsec. 142.<sup>2</sup>

3. *Stockholder*<sup>3</sup> of DHI owning at least 1% of the company's subscribed capital stock, singly or collectively with: i) spouse and/or relatives within the first degree of consanguinity or affinity, or relative by legal adoption; (ii) a partnership in which the stockholder and/or the spouse and/or any of the aforementioned relatives is a general partner; and (iii) a corporation, association or firm more than fifty percent (50%) of which is owned by the stockholder and/or his spouse and/or other first degree relatives by consanguinity, affinity or legal adoption.

4. *Related Interest* which shall refer to any of the following:

4.1 Spouse or relative within the first degree of consanguinity or affinity, or relative by legal adoption, of a director, officer or stockholder of DHI;

4.2 Partnership of which a director, officer, or stockholder of DHI or his spouse or relative within the first degree of consanguinity or affinity, or relative by legal adoption, is a general partner;

4.3 Corporations where a director or officer or stockholder of DHI, or their spouse or relatives referred to in 4.1 above is also a director or officer of the corporation;

4.4 Corporations where more than twenty percent (20%) of its subscribed capital is owned by a director or officer or stockholder of DHI or their spouse or relatives referred to in 4.1 above; and

4.5 Corporation, association or firm wholly or majority-owned or controlled by any related entity or a group of related entities mentioned in items 4.2, 4.3 and 4.4;

**B. *Subsidiary***<sup>4</sup> shall refer to a corporation or firm more than fifty percent (50%) of the outstanding voting stock of which is directly or indirectly owned, controlled or held with power to vote by DHI.

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<sup>1</sup> **RELATED PARTIES (RP)** refer to the following: DOSRI, Subsidiaries, Affiliates and Other Related Parties acting for themselves, as representative or agent for others, or as guarantors, sureties, endorser, mortgagors, pledgors, assignors, or in any capacity in which (i) they become obligated or may become obligated to DHI to pay money or its equivalent or by any means whatsoever or (ii) there is a transfer of resources, services or obligations between DHI and the RP

<sup>2</sup> BDO officers seconded to subsidiaries shall be classified as Officer of both BDO and the host subsidiary. Checking with BDO-HR shall be required to confirm if an officer of a subsidiary is seconded

<sup>3</sup> Stockholder shall refer to any stockholder of record in the books of BDO, acting personally, or through an attorney in fact; or any other person duly authorized by him or through a trustee designated pursuant to a proxy or voting trust or other similar contracts. Stockholder shall also refer to a juridical person such as corporation, association or firm.

<sup>4</sup> as defined in Section 1 of BSP Circular No. 914, Series of 2016

**C. Affiliates** shall refer to an entity linked directly or indirectly to DHI by means of:

1. Ownership, control as defined under MORB Subsec. X146.1, or power to vote of at least twenty percent (20%) of the outstanding voting stock of the borrowing entity/counterparty, or vice versa;
2. Ownership or control by the borrower/counterparty, either directly or indirectly, whether singly or as part of a group of related interests, of at least twenty percent (20%) of the substantial stockholder in DHI or that which controls the majority interest in DHI.
3. Common stockholders owning at least ten percent (10%) of the outstanding voting stock of DHI and at least twenty percent (20%) of the outstanding voting stock of the borrowing entity/counterparty;
4. Management contract or any arrangement granting power to DHI to direct or cause the direction of management and policies of the borrowing entity/counterparty; or
5. Permanent proxy or voting trusts in favor of DHI constituting at least twenty percent (20%) of the outstanding voting stock of the borrowing entity/counterparty, or vice versa;

*Note: In cases where the borrowing entity/counterparty is linked to DHI both as DOSRI & as a Subsidiary or Affiliate, the DOSRI rules shall apply.*

**D. Other Related Party<sup>5</sup>** which shall refer to any of the following:

1. An entity linked directly or indirectly to DHI by means of:
  - a. Ownership, control or power to vote, of ten percent (10%) to less than twenty percent (20%) of the outstanding voting stock of the borrowing entity/counterparty, or vice versa;
  - b. Common stockholders owning at least ten percent (10%) of the outstanding voting stock of DHI, and ten percent (10%) to less than twenty percent (20%) of the outstanding voting stock of the borrowing entity/counterparty;
  - c. Permanent proxy or voting trusts in favor of DHI constituting ten percent (10%) to less than twenty percent (20%) of the outstanding voting stock of the borrowing entity/counterparty;
2. Second degree relatives by consanguinity (grandparents, grandchildren, brothers and sisters) or affinity (grandparents-in-law, brothers-in-law and sisters-in-law), legitimate or common-law<sup>6</sup>, of Directors and select Senior Officers of DHI (i.e., SVP or higher who has the ability to control or to exercise significant influence on the outcome of the transaction);
3. Directors, Officers<sup>7</sup> and Stockholders<sup>8</sup> (DOS) of the affiliated<sup>9</sup> companies of DHI; and

<sup>5</sup> as defined in Section 1 of BSP Circular No. 914, Series of 2016

<sup>6</sup> relatives arising from a relationship between a man and a woman who live exclusively with each other as husband and wife without the benefit of marriage

<sup>7</sup> "Officer of the affiliated company" shall refer to the President, Chief Executive Officer, Chief Financial Officer, or Treasurer of an affiliated company.

<sup>8</sup> Stockholder of an affiliated company" shall refer to an individual stockholder of an affiliated company and/or his spouse or relatives within the first degree of affinity or consanguinity **holding more than 50%** of the subscribed capital of the affiliated company.

<sup>9</sup> Affiliated companies shall refer to the following: a. juridical/corporate Related Interests (RI); b. subsidiaries & affiliates of DHI; c. any party that DHI exerts direct/indirect control over (as provided in item H.1.a.1 of the RP Checklist), or that exerts direct/indirect control over DHI (as provided in item H.1.a.2 of the RP Checklist)

4. Spouse, and those relatives up to the second degree, by consanguinity (parents, children, grandparents, grandchildren, brothers and sisters) or affinity (parents-in-law, children-in-law, grandparents-in-law, grandchildren-in-law, brothers-in-law and sisters-in-law), legitimate or common law, of Directors, and Officers<sup>10</sup> in affiliated companies of DHI.
  5. Co-owner with the director, officer, stockholder or his spouse or relative within the first degree of consanguinity or affinity, or relative by legal adoption, of the property or interest or right mortgaged, pledged or assigned to secure the loans or other credit accommodations, except when the mortgage, pledge or assignment covers only said co-owner's undivided interest;
  6. Non-governmental organizations (NGOs) / foundations that are engaged in retail microfinance operations which are incorporated by any of the stockholders and/or directors and/or officers of DHI or any related company.
  7. Persons/juridical entities that do not qualify as Other Related Party based on above definitions, but which the business unit / delegated approver, in their exercise of prudence and with utmost caution, opted to classify as such, subject to the evaluation and approval of the Related Party Transactions Committee (RPTC).
2. Related Party Database<sup>11</sup> to be used as reference by business units.
  3. Transactions of DHI with a related party shall be allowed. However, business units shall ensure that such transactions are conducted on an arm's length basis, or in the ordinary course of business.
  4. Coverage of the Related Party Transactions (RPT) Policy

- a. The policy on RPTs shall cover the following:

Credit Transactions	Non-credit Transactions
1. Borrowing, commitments, fund transfers (representing advances/ loan)	1. Services <ul style="list-style-type: none"> <li>- Consulting professional, agency &amp; other service arrangements/contracts</li> <li>- Construction arrangements/contracts</li> </ul> 2. Goods and Materials <ul style="list-style-type: none"> <li>- Sale, purchase or supply of any goods or materials</li> </ul> 3. Assets <ul style="list-style-type: none"> <li>- purchases &amp; sales of assets including transfer of technology &amp; intangible items (research &amp; development, trademarks &amp; license agreements)</li> </ul> 4. Investments <ul style="list-style-type: none"> <li>- investments and/or subscriptions for debt/equity issuances not traded in an active market</li> <li>- establishment of joint venture activities</li> </ul>

<sup>10</sup> "Officer of the affiliated company" shall refer to the President, Chief Executive Officer, Chief Financial Officer, or Treasurer of an affiliated company.

<sup>11</sup> posted in BDOFC's designated shared folder; for Officers, the BDO's Employee Self-service shall be used as reference

	<p>5. Trading &amp; derivative transactions <b>not</b> traded in an active market</p> <p>6. Guarantees, sureties and other grant of security interest issued by a related party for any of the above transactions</p>
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- b. Transactions excluded from the materiality threshold & reporting requirements shall include, but not limited to regular trade transactions involving purchases and sales of financial instruments traded in an active market.

Business units shall be responsible for identifying other transactions which may be excluded from the RPT approval & reporting requirements, providing justification, coordinating such with Compliance, and securing the necessary approval from RPTC & BOD once clearance from Compliance is obtained.

Note: Please refer to *Annex 1* for the sample memo to RPTC & BOD.

- c. Related Party Transactions (RPTs) shall include not only transactions which are entered into with related parties, but also outstanding transactions which were entered into with an unrelated party that subsequently became a related party.

Note: Please refer to item **II.9** for the detailed guidelines on handling changes in relationships.

5. The Related Party Transactions Committee or RPTC shall be primarily responsible for the assessment of RPTs, and the regular reporting to the Board of Directors of the status and aggregate exposures to related parties.
6. Review and Approval of Related Party Transactions (RPTs).
- a. The following general approval matrix shall be observed to ensure the proper review and approval of transactions between the DHI and a Related Party:

Related Party Transactions <sup>12</sup>	Related Party	Disposition		
		Transaction Approval	Approval/ Endorsement	Approval

<sup>12</sup> Existing DOSRI rules (such as but not limited to the following: BSP Circular No. 423 re Ceilings on Loans/Credit Accommodations to DOSRI; BSP Circular No. 560 re Ceilings on Loans/Credit Accommodations to Subsidiaries/Affiliates; BSP Circular No. 737 re Real Estate and Chattel Transactions with DOSRI/Employees; BSP Circular No. 749 re Guidelines on Corporate Governance) shall apply. Guarantees, sureties and other grant of security interest issued by a related party for the covered transactions shall likewise be subject to the requirements of the policy.

		<b>Delegated Au- thority<sup>13</sup></b>	<b>RPTC<sup>14</sup></b>	<b>BOD<sup>15</sup></b>
1. All transactions within / above materiality threshold (material RPTs), including select aggregated non-material non-credit RPTs breaching materiality threshold	All	✓	✓	✓
2. Transactions below materiality threshold (non-material RPTs) involving:	DOSRI, Subs & Affiliates			
- Credit transactions	All	✓		✓
- Write-off		✓		✓
3. Non-material RPTs except those cited in item 2 above	All	✓		

Note: Above approval matrix shall also apply to updating of or amendments in terms and conditions. Prior approval shall be required for updating of or amendments in terms & conditions of RPTs previously approved by the RPTC & BOD, and those which will result in breach of materiality threshold based on DHI's aggregated exposure to the counterparty. Please refer to *Annex 2* for the specific approval matrix.

- a. RPTs for review / approval shall be evaluated based on the following factors:
- b1. whether the terms of the transaction are fair or not more favorable than similar transactions with non-related parties;
  - b.2 whether the outcome of the transaction would pose any potential reputational risk issues;
  - b3. whether the transaction would present an improper conflict of interest for any director or senior officer of DHI;
  - b.4. the availability of other sources of comparable products or services;
  - b.5. the material facts of the proposed transaction, including its aggregate value vis-a-vis the company's aggregate exposure limits

<sup>13</sup> delegated approver/s of the transaction based on the latest approval matrix

<sup>14</sup> to be coursed thru the Office of the Corporate Secretary; existing procedures on the endorsement of transaction for review & approval/confirmation to the designated reviewing committee / Board of Directors shall continue to be observed

<sup>15</sup> applicable to sale of assets, sale/purchase of goods & materials, and leases; prior RPTC/BOD approval shall be required if aggregated YTD RPT shall reach the **PHP10M** materiality threshold, or the **PHP5M** multiple limits thereafter (i.e., **PHP15M**, **PHP20M**, etc.)

- b.6. any other information (e.g., price discovery mechanism, etc.) deemed relevant to allow determination if terms are comparable to those given to unrelated parties or reasonable under the circumstances.
  - b. To facilitate the approval and/or confirmation of RPTs, and the subsequent reporting of material RPTs, the secretariat / designated personnel shall prepare the corresponding report (*Exhibits 1-1D*).
  - c. Any member of the reviewing committee / Board of Directors who has a potential interest in any proposed RPT shall abstain from the discussion or deliberation.
7. Role of Business Units

To facilitate the proper evaluation of related party transactions (RPT), concerned business units shall perform the following:

- a. Identification of a related party (RP) account, and determination of the appropriate RP classification.
- ~~b.~~ Tagging of accounts with the appropriate RP code in the respective system or database
- c. Obtaining data to show that terms and conditions granted to related /counterparty are not more favorable than similar transactions with non-related parties, or are comparable with similar transactions of other banks/entities.
- d. Disclosure of the required data in the applicable transaction document (e.g Purchase Order, etc.).

Please refer to Annex 3 for the Duties and Responsibilities of all concerned units on RPT processing & reporting.

#### 8. Guide in Determining a Related Party & Tagging of Accounts

- a. Business units shall make use of the applicable information sheet (e.g., Customer Information Record / equivalent document & Related Party Questionnaire (Exhibit 2) for individual<sup>16</sup>, General Information Sheet for non-individual<sup>17</sup>) to determine whether a client / counterparty is a related party.

To determine client's / counterparty's classification, business units shall be required to accomplish & print the Related Party Checklist (Exhibit 3).

However, for counterparties identified as Director, Officer, Stockholder (owning at least 1%), or Subsidiary based on the accomplished / submitted information sheet, use of RP Checklist shall no longer be required. Confirmation of RP classification shall be done as follows:

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<sup>16</sup> includes sole proprietorship, for RPT purposes

<sup>17</sup> or the equivalent document for other type of entities

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Identified RP Classification	Reference
Director, Stockholder (owning at least 1%) or Subsidiary, and spouse/relatives up to 1st degree of Directors & Officers	Related Party (RP) Database <sup>18</sup>
Officer	Employee Self-service (ESS) of BDO Unibank

Business units shall document verification made by affixing the following details in the corresponding information sheet (i.e., RP Questionnaire for individual, & GIS for non-individual):

1. RP classification (i.e., Director, Officer, Stockholder, Subsidiary or Related Interest for spouse/relatives up to 1<sup>st</sup> Degree of DHI Directors/Officers).
2. Date of verification
3. Signature of reviewing & approving personnel

Business units shall ensure that accounts identified and confirmed to be a related party are properly tagged in the respective transaction system. The Company will refer to the BDOFC Database of Related Party Accounts

- a. Details of verification against the RP Database, and subsequent tagging in the respective transaction system or endorsement to Compliance shall be recorded in the applicable information sheet (e.g., RP Questionnaire, GIS or RP Checklist).

Compliance shall send an e-mail confirmation on successful tagging and inclusion in RP Database, respectively, to the requesting business unit within three (3) banking days upon receipt of request.

9. To capture subsequent changes in relationships (i.e., unrelated party becoming a related party & vice versa, and changes in RP classification), business units shall require existing clients / counterparties to accomplish the Related Party Questionnaire<sup>19</sup> (Exhibit 2) (for individual) or submit updated General Information Sheet (for non-individual) on the following instances:
  - a. upon renewal of the agreement / contract;
  - b. upon re-accreditation of vendor / service provider or renewal of contract, whichever comes first;
  - c. upon updating of terms & conditions;
  - d. upon client's voluntary disclosure of information (for client-initiated updating)

The RPT approval & reporting requirements shall apply based on the client's updated/latest RP classification (i.e., determined upon accomplishment of RP Questionnaire / Checklist, or verification

<sup>18</sup> posted in the designated BDOFC shared folder

<sup>19</sup> The handling Account Officer/frontliner may accomplish the questionnaire based on interview with the client / highly-reliable sources, in exception cases where it is not practicable for the client to accomplish such.



against the RP Database<sup>20</sup>), and the amount involved in the transaction. Please refer to *Annex 2* for the Approval Matrix.

#### 10. Disclosure Requirements for Related Party Transactions

- a. Transaction approval documents shall bear the following information:
  - a.1 related party classification of client / counterparty, and the basis for such classification
  - a.2 comparative terms and conditions (vs. non-RPTs of DHI, or other company's similar transaction)
- b. To further aid RPTC/BOD in determining whether the transaction is fair or not more favorable than similar transactions with non-related parties, the prescribed benchmarking template (*Exhibit 1E for credit transaction & Exhibit 1F for non-credit transactions*) shall be accomplished by business units for all RPTs.
- c. Disclosure of details<sup>21</sup> of material related party transactions shall be made by DHI in its Annual Stockholders' Meeting, and in the Annual Report, as applicable. Likewise, DHI's updated policy regarding related party transactions shall be disclosed in the website.

#### 11. Reporting of Related Party Transactions

In addition to the required reports on transactions with DOSRI, Subsidiaries & Affiliates, the following reports shall be prepared:

##### a. Reports for BSP

Report Name	Purpose	Unit Responsible for Manual Preparation/ Extraction	Unit Responsible for Consolidation/ Submission to Designated Recipient	Schedule of Submission
1. Report on Material Related Party Transactions  Note: In case both DHI and the counterparty are supervised by BSP, only the lessor, in case of a lease contract, or the party engaging/requesting	Compliance to regulatory requirement (for the parent BDO's submission of Annex B to BSP)	DHI Office of the Corporate Secretary (based on Exhibit 1/1A prepared by the concerned business unit)  Notes: a. In case both DHI and the counterparty are supervised by BSP, only the lessor, in case of a lease	BDO Comptrollership-Subsidiaries Accounting	Submission by concerned unit to the delegated approver/s:  prior to execution of transaction  Submission by the Office of the Corporate Secretary to BDO Comptrollership-Subsidiaries Accounting:

<sup>20</sup> for RPs identified as Director, Stockholder or Subsidiary; for Officers, reference will be the Employee Self-service (ESS)

<sup>21</sup> nature, terms and conditions, as well as original and outstanding individual and aggregate balances, including off-balance sheet commitments



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the services, in case of other contracts, shall do the reporting of the transaction.		contract, or the party engaging/requesting the services, in case of other contracts, shall do the reporting of the transaction.  b. Please refer to Exhibits 1 & 1A for the report template.		<p>Within ten (10) calendar days after the reference quarter</p> <p>Submission by BDO Comptrollership-Subsidiaries Accounting to BDO Comptrollership - FRCD:</p> <p>Within fourteen (14) calendar days after the reference quarter</p> <p>Submission by BDO Comptrollership - FRCD to BSP:</p> <p>Within twenty (20) calendar days after the reference</p>
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## b. Internal Reports

Report Name	Purpose	Unit Responsible for Preparation/ Extraction (for automated reports)	Unit Responsible for Consolidation / Submission to Designated Recipient	Schedule of Submission
1. Report on Aggregated Non-material, Non-credit RPTs Breaching the Materiality Threshold (Exhibit 1B)	To secure RPTC / BOD's approval	Concerned Business Unit		Prior to execution of transaction
2. Monthly Report on Outstanding Exposures to Related Parties (Annex 4)	For use by RPTC in monitoring credit exposures (as to status, total exposures per related party group, & aggregate exposures to all related parties)  Note: The aggregate exposure limits per	DHI Accounting		Within eight (8) banking days after the reference month

	<p>related party group are as follows:</p> <p>a. DOSRI - maximum of 15% of DHI's Qualifying Capital</p> <p>b. Subsidiaries &amp; Affiliates – maximum of 20% of DHI's Qualifying Capital</p> <p>c. Other Related Party - maximum of 2x of the Qualifying Capital less the set limit for DOSRI, Subs &amp; Affiliates</p>		
3. Annual Report on Non-material RPTs (Aggregated per RP) ( <i>Exhibit 1C-1D</i> )	To facilitate monitoring of exposure, & for RPTC/BOD's confirmation/notation	Concerned Business Unit	Within ten (10) calendar days after year-end

## 12. Handling of Abusive RPTs<sup>22</sup>

### a. Abusive RPTs shall be handled as follows:

Personnel involved in the Complaint	Unit Responsible for Investigation	For Notation
Employee	Cases Review Committee (CRC) - Secretariat	Related Party Transactions Committee
Director	Corporate Governance Committee <sup>23</sup>	

### b. Any member of the investigating committee who is a subject of the complaint shall recuse himself / herself from participating in the handling of the case.

### c. Reporting and investigation of abusive RPTs shall be handled following the Company's existing code of conduct and Whistleblowing Guidelines, while restitution of losses and remedies for abusive RPTs shall be handled following BDO's Cases Review Guidelines (for employees) and applicable guidelines (for Directors).

## 13. RPT Awareness Training

<sup>22</sup> an RPT not conducted at arm's length

<sup>23</sup> thru the Office of the Corporate Governance

- a. Compliance shall coordinate with HR-Training for the inclusion and updating of the RPT module in the DHI training program for employees.

**14. Roles of Internal Audit and Compliance**

Internal Audit shall perform a periodic review of the effectiveness of system, controls and policies governing related party transactions, and shall report findings in the RPTC meeting following the issuance of the final report to concerned business unit.

- b. Compliance shall ensure that the Company's policies are up-to-date. Compliance shall also conduct compliance test review of related party accounts / transactions to check concerned units' compliance with RPT requirements, and shall report findings in the RPTC meeting following the issuance of the final report to concerned business unit.

**II. Procedures**

ACTIVITY	PERSONNEL / UNIT RESPONSIBLE	PROCEDURES
<b>A. Identification of Related Party &amp; Tagging of Accounts</b>	Concerned Business Units  Credit Transactions: DHI Marketing Unit and branches (for Credit Lines/Facilities)  Concerned Lending Business Units (for Write-off of Credit Transactions)  Non-credit Transactions: Concerned DHI Business Units & BDO Units Servicing DHI (e.g., BDO COG (for Goods & Materials, Services, etc.), and BDO RMG-PMU (for Sale of ROPA))	
	Concerned BDO Units Servicing DHI	To facilitate updating of the RP Database, Compliance Officer to check if there are RPT Exposure with Accounting.
<b>B. Review &amp; Approval / Confirmation of RPTs<sup>24</sup></b>	Concerned Units	Obtain data to show that terms and conditions granted to related borrower / counterparty are not more favorable than similar transactions with non-related parties, or are comparable with similar transactions of other banks/entities.

<sup>24</sup> Existing DOSRI rules (such as but not limited to the following: BSP Circular No. 423 re Ceilings on Loans/Credit Accommodations to DOSRI; BSP Circular No. 560 re Ceilings on Loans/Credit Accommodations to Subsidiaries/Affiliates; BSP Circular No. 737 re Real Estate and Chattel Transactions with DOSRI/Employees; BSP Circular No. 749 re

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		<p>Indicate the required data on the applicable transaction approval document as specified in item II.10.a.</p> <p>Upon confirmation of the final transaction amount of an RPT, perform the following:</p> <p>check if transaction involves an amount below or within/above the materiality threshold</p> <p>accomplish the RPT benchmarking template (Exhibit 1E for credit transactions &amp; Exhibit 1F for non-credit transactions)</p> <p>process approval following the approval matrix specified in item II.6.a</p> <p>Note: Existing procedures on the endorsement of transaction for review &amp; approval/confirmation to the designated reviewing committee / Board of Directors shall continue to be observed.</p>						
	Delegated Authority	1. Review and approve / disapprove proposed RPTs. Concerned.						
	Concerned Units	<div><div>1. Review RPTs which will require vetting by the RPTC; sort RPTs for endorsement to the delegated authority, as follows:</div><table><tr><th>Type of RPT</th><th>Delegated Authority</th></tr><tr><td>a. all material RPTs and select aggregated non-material, non-credit RPTs breaching the materiality threshold</td><td>RPTC and BOD (for approval)</td></tr><tr><td>b. non-material RPTs involving:  b.1 Credit Accommodations to DOSRI, Subs and Affiliates;</td><td>BOD (for approval)</td></tr></table></div>	Type of RPT	Delegated Authority	a. all material RPTs and select aggregated non-material, non-credit RPTs breaching the materiality threshold	RPTC and BOD (for approval)	b. non-material RPTs involving:  b.1 Credit Accommodations to DOSRI, Subs and Affiliates;	BOD (for approval)
Type of RPT	Delegated Authority							
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Guidelines on Corporate Governance) shall apply. Guarantees, sureties and other grant of security interest issued by a related party for the covered transactions shall likewise be subject to the requirements of the policy

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		<table><tr><td>b.2 write-off (regardless of related party)</td><td></td></tr><tr><td>c. non-material RPTs except those mentioned in item 1.b above</td><td>RPTC &amp; BOD (for confirmation)</td></tr></table>	b.2 write-off (regardless of related party)		c. non-material RPTs except those mentioned in item 1.b above	RPTC & BOD (for confirmation)				
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		c. non-material RPTs except those mentioned in item 1.b above	RPTC & BOD (for confirmation)							
		2. Prepare the corresponding report (Exhibit 1-1D) and attach to the approval media of proposed RPTs.								
		3. Transmit proposed RPTs, as follows:								
		<table><tr><th>Item for Transmittal</th><th>Recipient</th></tr><tr><td>a. Material RPTs and select aggregated non-material, non-credit RPTs breaching the materiality threshold  Hardcopy of transaction documents with corresponding report (Exhibits 1-1B) and benchmarking template (Exhibits 1E-1F)  For proposed material RPTs only: Softcopy of the Report on Material RPTs (Exhibit 1/1A)</td><td>RPTC       Office of the Corporate Secretary)</td></tr><tr><td>a. Non-material RPTs involving credit accommodations to DOSRI, Subs and Affiliates, &amp; write-off (regardless of related party)  Hardcopy of transaction documents with corresponding report and benchmarking template (<i>Exhibits 1E-1F</i>)</td><td>BOD</td></tr><tr><td>b. Non-material RPTs except those mentioned in item 4.b above  Hardcopy of transaction documents with corresponding report (<i>Exhibit 1C/1D</i>) and</td><td>(to be set aside for submission to RPTC &amp; BOD for confirmation at the</td></tr></table>	Item for Transmittal	Recipient	a. Material RPTs and select aggregated non-material, non-credit RPTs breaching the materiality threshold  Hardcopy of transaction documents with corresponding report (Exhibits 1-1B) and benchmarking template (Exhibits 1E-1F)  For proposed material RPTs only: Softcopy of the Report on Material RPTs (Exhibit 1/1A)	RPTC       Office of the Corporate Secretary)	a. Non-material RPTs involving credit accommodations to DOSRI, Subs and Affiliates, & write-off (regardless of related party)  Hardcopy of transaction documents with corresponding report and benchmarking template ( <i>Exhibits 1E-1F</i> )	BOD	b. Non-material RPTs except those mentioned in item 4.b above  Hardcopy of transaction documents with corresponding report ( <i>Exhibit 1C/1D</i> ) and	(to be set aside for submission to RPTC & BOD for confirmation at the
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# RELATED PARTY TRANSACTIONS POLICY of DOMINION HOLDINGS INC

		benchmarking template ( <i>Exhibits 1E-1F</i> )	designated schedule)
	Concerned DHI Business Units	1. Forward softcopy of the Report on Material RPTs ( <i>Exhibit 1/1A</i> ) to the Office of the Corporate Secretary.	
	Designated Personnel of the Delegated Authority / Concerned Business Unit	1. Receive transaction documents of approved non-material RPTs (i.e., except those involving credit accommodations to DOSRI, Subs and Affiliates, & write-off) from the delegated approving authority. Set aside for RPTC & BOD's subsequent confirmation on the designated schedule.  2. On the designated schedule (i.e., within ten (10) calendar days after year-end), submit the following to RPTC & BOD to facilitate confirmation: a. transaction documents of approved non-material RPTs including benchmarking template b. consolidated Report on Non-material RPTs ( <i>Exhibit 1C/1D</i> )	
	Related Party Transaction Committee (RPTC)	1. Evaluate the proposed material RPTs, and endorse the same to BOD for approval.  2. Review and confirm all non-material RPTs.	
	Board of Directors	1. Review & approve / disapprove the following: a. Material RPTs b. non-material RPTs involving credit accommodations to DOSRI, Subsidiary or Affiliate, & write-off (regardless of related party)  2. Review and confirm non-material RPTs except those mentioned under item 1.b above.	
	Office of the Corporate Secretary	1. Upon BOD's approval of material RPTs, update the corresponding softcopy of the Report on Material RPTs ( <i>Exhibit 1/1A</i> ) and specify date of BOD approval as the 'Transaction Date'.	
	Concerned Lending Units	1. On a monthly basis, re-submit to RPTC the benchmarking template of account/s (i.e., material credit RPTs previously approved by RPTC) with finance lease & loan availments to present	

# RELATED PARTY TRANSACTIONS POLICY of DOMINION HOLDINGS INC

		the actual interest rate charged at booking date.
<b>C. Handling of Outstanding RPTs with Significant Change</b>	Concerned Business Unit	<ol style="list-style-type: none"> <li>1. Receive updated documents from the client. Process the transaction following the procedures specified in item III.A-B.</li> <li><del>2.</del> Facilitate / Request the account tagging</li> <li>3. Secure the required approval based on the updated RP classification of the counterparty, and the amount involved in the transaction. Please refer to <i>Annex 2</i> for the Approval Matrix.</li> </ol>
<b>D. Reports Preparation / Consolidation</b>	DHI - Accounting	<ol style="list-style-type: none"> <li>1. Extract Monthly Report on Outstanding Exposures to Related Parties (Annex 4) and submit the same to RPTC thru the Office of the Corporate Secretary within eight (8) banking days after the reference month.</li> </ol>
	RPTC	<ol style="list-style-type: none"> <li>1. Review the Monthly Report on Outstanding Exposures to Related Parties (Annex 4) to ensure that exposures are within prescribed limits.</li> </ol>
	Office of the Corporate Secretary	<ol style="list-style-type: none"> <li>1. On a quarterly basis, consolidate softcopies of the Report on Material RPTs (<i>Exhibit 1/1A</i>).</li> <li>2. Submit the following to BDO Comptrollership Subsidiaries Accounting, copy-furnished DHI-Accounting and Compliance on or before the prescribed deadline (i.e., within fourteen (14) calendar days after the reference quarter): <ol style="list-style-type: none"> <li>a. signed hardcopy of Report/s on Material RPTs (<i>Exhibit 1/1A</i>)</li> <li>b. softcopy of consolidated Report on (approved) Material RPTs</li> </ol> </li> </ol>
	BDO Comptrollership - Subsidiaries Accounting	<ol style="list-style-type: none"> <li>1. On a quarterly basis, receive the documents forwarded by the Office of the Corporate Secretary.</li> <li>2. Check the details of the Report on Material RPTs (<i>Exhibit 1/1A</i>) received from the Office of the Corporate Secretary against the corresponding hardcopy to ensure completeness</li> <li>3. Submit the following to Comptrollership-FRCD, copy-furnished DHI-Compliance on or before</li> </ol>



# RELATED PARTY TRANSACTIONS POLICY of DOMINION HOLDINGS INC

		<p>the prescribed deadline (i.e., within 14 calendar days after the reference quarter).</p> <ul style="list-style-type: none"> <li>a. hardcopy of Report on Material RPTs (<i>Exhibit 1/1A</i>)</li> <li>b. softcopy of consolidated Report on Material RPTs of the Nonbank Financial Subsidiaries &amp; Affiliates</li> </ul>
	BDO Comptrollership - FRCD	<ol style="list-style-type: none"> <li>1. On a quarterly basis, receive the documents forwarded by the Office of the Corporate Secretary (BDO RPTs), and Comptrollership-Subsidiaries Accounting (for the RPTs of BSP supervised non-bank financial subsidiaries of BDO, including DHI).</li> <li>2. Consolidate the reports on material RPTs of BDO and BSP-supervised non-bank financial subsidiaries.</li> <li>3. Check the consolidated Report on Material RPTs (<i>Exhibit 1/1A</i>) against the corresponding signed hardcopy to ensure completeness.</li> <li>4. If everything is in order, prepare Annex B cover and secure appropriate approvals.</li> <li>5. Submit the signed report to BSP within 20 calendar days after the reference quarter.</li> </ol>

## III. Implementing Guidelines

1. Concerned business units shall continue to update forms and documents to comply with regulatory disclosure requirements on related party transactions.
2. Pending implementation of the enhanced/revised information sheets, business units shall require new individual clients / counterparties<sup>45</sup> to accomplish the Related Party Questionnaire (*Exhibit 2*).

**MEMORANDUM****For** : XXXXX**Date** : Related Party Transactions Committee  
Board of Directors**Subject** : Request for Exclusion from RPT Approval & Reporting Requirements

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The Management of <Department / Group Name> would like to request the approval of the RPTC & BOD for the exclusion of \_\_\_\_\_ from the existing RPT approval & reporting requirements based on the following justifications:

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_

(Specify & attached supporting documents, as necessary.)

Thank you.

<Name>  
<Rank>  
<Department> Head

<Name>  
<Rank>  
<Group> Head

**ANNEX 2**  
**RPT APPROVAL MATRIX**

I. Credit Transactions					
Transaction <sup>1</sup>	Amount	Related Party	DISPOSITION		
			Transaction Approval	Approval / Endorsement	Approval
			Designated Approver <sup>2</sup>	RPTC	BOD
A. Within / Above Materiality Threshold					
1. Facilities (on- and off-balance sheet); Borrowing, commitments, guarantees and sureties	PhP10M & above per transaction	All	✓	✓	✓
2. Write-off of Related Party Transactions	PhP1M & above per transaction		✓	✓	✓
B. Below Materiality Threshold					
1. Facilities (on- and off-balance sheet); Borrowing, commitments, guarantees and sureties	below PhP10M	DOSRI, Subsidiaries or Affiliates	✓		✓
2. Write-off of Related Party Transactions	below PhP1M		✓		✓
C. Below Materiality Threshold					
1. Credit lines / facilities (on- and off-balance sheet); Borrowing, commitments, guarantees and sureties	below PhP10M	Other Related Parties	✓		
2. Write-off of Related Party Transactions	below PhP1M		✓		✓

- 1 Existing DOSRI rules (such as but not limited to the following: BSP Circular No. 423 re Ceilings on Loans/Credit Accommodations to DOSRI; BSP Circular No. 560 re Ceilings on Loans/Credit Accommodations to Subsidiaries/Affiliates; BSP Circular No. 737 re Real Estate and Chattel Transactions with DOSRI/Employees; BSP Circular No. 749 re Guidelines on Corporate Governance) shall apply. Guarantees, sureties and other grant of security interest issued by a related party for the covered transactions shall likewise be subject to the requirements of the policy.
- 2 delegated approver/s of the transaction based on the latest approval matrix

**ANNEX 2**  
**RPT APPROVAL MATRIX**

**II. Non-credit Transactions**

Transaction <sup>3</sup>	Amount	Related Party	DISPOSITION		
			Transaction Approval	Approval / Endorsement	Approval
			Designated Approver <sup>4</sup>	RPTC	BOD
A. Within / Above Materiality Threshold					
1. Services	PhP10M and above per transaction	All	✓	✓	✓
2. Goods and Materials	PhP10M and above per transaction		✓	✓	✓
3. Assets	PhP10M and above per transaction		✓	✓	✓
B. Below Materiality Threshold					
1. Services	below PhP1M	All	✓		
2. Goods and Materials	below PhP1M		✓		
3. Assets	below PhP1M		✓		

<sup>3</sup> Existing DOSRI rules (such as but not limited to the following: BSP Circular No. 423 re Ceilings on Loans/Credit Accommodations to DOSRI; BSP Circular No. 560 re Ceilings on Loans/Credit Accommodations to Subsidiaries/Affiliates; BSP Circular No. 737 re Real Estate and Chattel Transactions with DOSRI/Employees; BSP Circular No. 749 re Guidelines on Corporate Governance) shall apply. Guarantees, sureties and other grant of security interest

issued by a related party for the covered transactions shall likewise be subject to the requirements of the policy.

<sup>4</sup> delegated approver/s of the transaction based on the latest approval matrix

**A. Business Units**

1. Determine related party classification of the borrower / counterparty.
2. Tag/Facilitate tagging of accounts in the respective system or database
3. Obtain data to show that terms and conditions granted to related borrower / counterparty are not more favorable than similar transactions with non-related parties, or are comparable with similar transactions of other banks/entities. Please refer to *Exhibit 1D & Exhibit 1E* for the benchmarking template for credit & non-credit RPTs, respectively.
4. Submit related party transactions (RPTs) for approval to the delegated authority.
5. Submit non-material RPTs to the RPTC & BOD for confirmation.<sup>1</sup>
6. Provide justification for additional transaction/s to be excluded from materiality threshold & reporting requirements, if any, coordinate such with Compliance, and secure RPTC and BOD's approval once clearance from Compliance is obtained.
7. Secure approval from RPTC on proposed classification of counterparties that do not fall in any of the definitions specified in item II.1 of the PPC, but as an exercise of prudence and with utmost caution, are being considered as related party, subject to RPTC review and approval.

**B. Units of BDO Unibank Servicing DHI**

1. Send the monthly e-mail advice to Accounting, copy-furnished Compliance, containing the following details:
  - a. name of identified related party and the corresponding RP classification
  - b. updates on previously-identified related party, if any

**C. Business Unit**

1. Tag accounts as applicable, send e-mail confirmation on successful tagging to the requesting business unit within three (3) banking days.
2. Following existing DOSRI rules, secure BOD approval for the outstanding credit transactions of accounts with changed classification (i.e., from non-RP to RP, or change to higher RP classification).

**D. Delegated Approving Authority<sup>2</sup>**

1. Review and approve transactions following existing approval guidelines.
2. Endorse material and select non-material RPTs to the delegated approving authority.

**E. Secretariat of the Delegated Approving Authority**

1. Sort RPTs for endorsement to the delegated authority, as follows:

Type of RPT	Delegated Authority	Disposition
a. all material RPTs	Related Party Transactions Committee (RPTC) and Board of Directors (BOD)	Approval
b. non-material RPTs involving:	BOD	Approval

<sup>1</sup>for RPTs not reported by the Secretariat of the delegated approving authority

<sup>2</sup>delegated approver/s of covered transactions based on the latest approval matrix

## ANNEX 3 DUTIES AND RESPONSIBILITIES

b.1. credit accommodations to DOSRI, Subsidiaries or Affiliates;  b.2. write-off (regardless of related party)		
c. Non-material RPTs except those cited in item 1.b above	RPTC & BOD	Confirmation

2. Prepare & submit for review the Report on Material RPTs (*Exhibit 1-1A*) to be attached to the approval media of proposed material RPTs.

3. Transmit documents, as follows:

Item for Transmittal	Recipient
<b>a. Material RPTs</b> and select aggregated non-material, non-credit RPTs breaching the materiality threshold  Hardcopy of transaction documents and corresponding report ( <i>Exhibits 1-1F</i> )  <u>For proposed material RPTs only:</u> Softcopy of the Report on Material RPTs ( <i>Exhibit 1-1A</i> )	RPTC   Office of the Corporate Secretary
<b>b. Non-material RPTs cited in item D.1.b above</b>  Hardcopy of transaction approval documents	BOD
<b>c. Non-material RPTs except those cited in item D.1.b above</b>  Hardcopy of transaction approval documents with the corresponding report ( <i>Exhibit 1B/1C</i> )	Concerned business unit (for subsequent submission to RPTC & BOD for confirmation)

### F. Related Party Transactions Committee (RPTC)

1. Evaluate the following and endorse the same to the Board of Directors (BOD) for approval:

- a. proposed material RPTs
- b. proposed additional transaction/s for exclusion from materiality threshold & reporting requirements

2. Report to BOD the bank's aggregate exposure to each related party, and the total amount of exposures to all related parties on a monthly basis.

3. Review & confirm non-material RPTs.

4. Evaluate and approve classification of counterparties that do not fall in any of the definitions specified in item II.1 of the PPC, but are still being considered as related party by the business unit / delegated approver/s.

### G. Board of Directors (BOD)

1. Review & approve the following:

- a. proposed material RPTs
- b. proposed non-material RPTs involving credit accommodations to DOSRI, Subsidiary or Affiliate, & write-off (regardless of related party)
- c. proposed additional transaction/s for exclusion from materiality threshold & reporting requirements

2. Review & confirm non-material RPTs except those cited in item F.1.b above.

**H. Office of the Corporate Secretary**

1. Update / Furnish Compliance Office with the following data:

- a. Directors of BDO
- b. Stockholders of BDO (owning at least 1% of the Bank's total subscribed capital)
- c. Subsidiaries of BDO
- d. Select Affiliates<sup>3</sup> of BDO
- e. Directors, Officers<sup>4</sup> and Stockholders<sup>5</sup> of select affiliated<sup>6</sup> companies

2. Update the Report on Material RPTs (*Exhibit 1/1A*) by specifying the date of approval of BOD as the "Transaction Date".

3. Consolidate softcopies of Report on Material RPTs (*Exhibit 1/1A*) on a quarterly basis, and transmit the following documents to BDO Comptrollership-Subsidiaries Accounting, copy-furnished Compliance, within fourteen (14) calendar days after the reference quarter:

- a. signed hardcopy of Report/s on Material RPTs (*Exhibit 1/1A*)
- b. softcopy of consolidated Report on (approved) Material RPTs

**I. BDO Comptrollership-Subsidiaries Accounting**

1. Check the details of the Report on Material RPTs (*Exhibit 1/1A*) received from the Office of the Corporate Secretary against the corresponding hardcopy to ensure completeness.

2. Submit the following to Comptrollership - FRCD on or before the prescribed deadline (i.e., within 14 calendar days after the reference quarter):

- a. hardcopy of Report on Material RPTs (*Exhibit 1/1A*)
- b. softcopy of consolidated Report on Material RPTs of the Non-bank Financial Subsidiaries

**J. Comptrollership - Financial and Reporting Control Department (FRCD)**

1. Check the consolidated Report on Material RPTs against the corresponding signed hardcopy upon receipt of the documents from the Office of the Corporate Secretary (for the main bank's RPTs) and Comptrollership - Subsidiaries Accounting (for the RPTs of BSP-supervised non-bank financial subsidiaries of the bank, including DHI's).

2. Prepare *Annex B* cover and secure appropriate approvals.

<sup>3</sup> The list is partial and non-exclusive in nature. Business units shall look at the ownership structure of the concerned entity and conduct due diligence to determine if it is an affiliate of **BDOFC** as defined in item II.1.C. of the PPC

<sup>4</sup> "Officer of the affiliated company" shall refer to the President, Chief Executive Officer, Chief Financial Officer, or Treasurer of an affiliated company.

<sup>5</sup> "Stockholder of an affiliated company" shall refer to an individual stockholder of an affiliated company and/or his relatives within the first degree of affinity or consanguinity **holding more than 50%** of the subscribed capital of the affiliated company.

<sup>6</sup> Affiliated companies shall refer to the following: a. juridical/corporate Related Interests (RI); b. subsidiaries & affiliates of **DHI**; c. any party that **DHI** exerts direct/indirect control over (as provided in item H.1.a.1 of the RP Checklist), or that exerts direct/indirect control over **BDOFC** (as provided in item H.1.a.2 of the RP Checklist)



3. Submit the signed-off *Annex B* to BSP within 20 calendar days after the reference quarter.

**K. Accounting**

1. Prepare / Extract Monthly Report on Outstanding Exposures to Related Parties (*Annex 4*) and submit the same to RPTC thru the Office of the Corporate Secretary (i.e., within 8 banking days after the reference month).

**L. Compliance Office**

1. Provide the data on select Senior Officers of the Bank (SVPs and up who has the ability to exercise significant influence on the outcome of the RPT).
2. Perform updating of RP Database on a regular basis.
3. Conduct compliance test review of related party accounts/transactions to check concerned unit's compliance with RPT requirements, and report findings in the RPTC meeting following the issuance of the final report to concerned business unit
4. Ensure that the company's policies are up-to-date.
5. Facilitate inclusion (in the RP Database) of identified RPs without any transaction captured in the transaction system, and send an e-mail confirmation on successful inclusion to the requesting business unit within three (3) banking days upon receipt of request.
6. Coordinate with business units requesting exclusion of transactions from the RPT approval & reporting requirements.
7. Coordinate with HR-Training for the inclusion and updating of the RPT module in the company's training program for employees.

**O. Internal Audit**

1. Perform a periodic review of the effectiveness of the Company's and subsidiaries' system, controls and policies governing related party transactions, and report findings in the RPTC meeting following the issuance of the final report to concerned business unit

## Dominion Holdings Inc.

## Report on Outstanding Exposures to Related Parties

As of \_\_\_\_\_

Account Name	Outstanding Balance	Aggregate Ceiling*
<b><u>I. DOSRI</u></b>		
<b><i>A. Current Accounts</i></b>		
ABC Corp	10,000,000.00	
DEF Corp	9,000,000.00	
Madonna Cruz	8,000,000.00	
<b><i>Total Current</i></b>	<b>27,000,000.00</b>	
<b><i>B. Past Due Accounts</i></b>		
456 Corp	12,000,000.00	
123 Corp	8,000,000.00	
<b><i>Total Past Due</i></b>	<b>20,000,000.00</b>	
<b><i>C. ITL (Items in Litigation)</i></b>		
CDE Corp	5,000,000.00	
EFG Corp	4,000,000.00	
<b><i>Total ITL</i></b>	<b>9,000,000.00</b>	
<b>Total DOSRI</b>	<b>56,000,000.00</b>	<b>PHP _____</b>
<b><u>II. Subsidiaries &amp; Affiliates</u></b>		
<b><i>A. Current Accounts</i></b>		
FGH Corp	10,000,000.00	
<b><i>Total Current</i></b>	<b>10,000,000.00</b>	
<b><i>B. Past Due Accounts</i></b>		
567 Corp	12,000,000.00	
234 Corp	8,000,000.00	
<b><i>Total Past Due</i></b>	<b>20,000,000.00</b>	
<b><i>C. ITL</i></b>		
Juana Washington	6,000,000.00	
<b><i>Total ITL</i></b>	<b>6,000,000.00</b>	
<b>Total Subsidiaries &amp; Affiliates</b>	<b>36,000,000.00</b>	<b>PHP _____</b>
<b><u>III. Other Related Parties</u></b>		
<b><i>A. Current Accounts</i></b>		
LMN Corp	15,000,000.00	
<b><i>Total Current</i></b>	<b>15,000,000.00</b>	
<b><i>B. Past Due Accounts</i></b>		
678 Corp	9,000,000.00	
897 Corp	8,000,000.00	

<b>Total Past Due</b>	<b>17,000,000.00</b>	
<b>C. ITL</b>		
John dela Cruz	8,000,000.00	
JKL Corp	6,000,000.00	
<b>Total ITL</b>	<b>14,000,000.00</b>	
<b>Total Other Related Parties</b>	<b>46,000,000.00</b>	<b>PHP _____</b>
<b>GRAND TOTAL</b>	<b>138,000,000.00</b>	

\*Allowable Aggregate Ceiling for DOSRI, Subsidiaries & Affiliates, & Other Related Parties is based on the following:

- a. DOSRI - Maximum of 15% of DHI's Qualifying Capital
- b. Subsidiaries & Affiliates - Maximum of 20% of DHI's Qualifying Capital
- c. Other Related Parties - Maximum of 2x of the Qualifying Capital less limit set for DOSRI, Subs & Affiliates

Company's Total Net Worth - \_\_\_\_\_

15% of Qualifying Capital - \_\_\_\_\_

**Annex A**

Category:

Category A-1

Deadline:

20 calendar days  
after the reference  
quarter

Name of Bank	Code
Address	

**Report on Material Related Party Transactions**

As of	
	(Quarter-End)

REPUBLIC OF THE PHILIPPINES)

\_\_\_\_\_) S.S.

I solemnly swear that all matters set forth in this report are true and correct, to the best of my knowledge and belief.

\_\_\_\_\_  
Signature of Officer / Alternate

SUBSCRIBED AND SWORN TO BEFORE ME this \_\_\_\_\_ day of  
\_\_\_\_\_, 20\_\_, affiant exhibiting to me his Community Tax Certificate No. \_\_ A  
on \_\_\_\_\_ 20\_\_.

Notary Public

Until December 31, 20\_\_\_\_\_

PTR No. \_\_\_\_\_

Place \_\_\_\_\_

Doc. No. \_\_\_\_\_

Page No. \_\_\_\_\_

Book No. \_\_\_\_\_

Series of \_\_\_\_\_

Dominion Holdings, Inc.  
Report on Outstanding Exposures to Related Parties  
As of \_\_\_\_\_

**Annex B**  
**Monthly Report**

Account Name	Outstanding Balance	Aggregate Ceiling*
<b>I. DOSRI</b>		
<i>A. Current Accounts</i>		
<i>Total Current</i>		
<i>B. Past Due Accounts</i>		
<i>Total Past Due</i>		
<i>C. ITL (Items in Litigation)</i>		
<i>Total ITL</i>		
<b>Total DOSRI</b>		<b>PHP _____</b>
<b>II. Subsidiaries &amp; Affiliates</b>		
<i>A. Current Accounts</i>		
<i>Total Current</i>		
<i>B. Past Due Accounts</i>		
<i>Total Past Due</i>		

<b>C. ITL</b>		
<b>Total ITL</b>		
<b>Total Subsidiaries &amp; Affiliates</b>		<b>PHP _____</b>
<b>III. Other Related Parties</b>		
<b>A. Current Accounts</b>		
<b>Total Current</b>		
<b>B. Past Due Accounts</b>		
<b>Total Past Due</b>		
<b>C. ITL</b>		
<b>Total ITL</b>		
<b>Total Other Related Parties</b>		<b>PHP _____</b>
<b>GRAND TOTAL</b>		

\*Allowable Aggregate Ceiling for DOSRI, Subsidiaries & Affiliates, & Other Related Parties is based on the following: a. DOSRI - Maximum of 15% of DHI's Qualifying Capital  
b. Subsidiaries & Affiliates - Maximum of 15% of DHI's Qualifying Capital  
c. Other Related Parties - Maximum of 4x of the Qualifying Capital

Company's Total Net Worth - \_\_\_\_\_  
15% of Total Loan Portfolio - \_\_\_\_\_

Report on Material Related Party Transactions (except Leases & Services)

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

I. DHI's Transactions

(Note: Please fill out this portion for CREDIT RPTs only.)

Name of Counterparty (Name of Related Party including co-users/co-borrowers (for credit RPTs))	Related Counterparty (Name of Related Counterparty) and Relationship Between the Parties (what makes the parties "Related Parties", e.g., counterparty is a stockholder, etc.)	Transaction Date (the date the transaction was approved by the BOD; to be accomplished by the Office of the Corporate Secretary upon BOD approval)	Type of Transaction (covered transactions as specified in the PPC)	Amount / Contract Price (should be within or above the materiality threshold)	Terms (duration of the contract / transaction)	Rationale for Entering into the Transaction (to be accomplished only for renewal / updating of T&C of an existing RPT)*	Type of Transaction (Please check.)			Is credit accommodation advised? (Y/N)	Is credit accommodation secured? (Y/N)	Type of Security (if secured)	Credit Risk Rating of Borrower	Maximum Tenor of Credit Accommodation	Maximum Loanable Amount
							New	Renewal w/ Increase	Renewal w/o Increase						
A. Subsidiaries & Affiliates (refers to ALL the subs & affiliates of DHI, whether BSP-supervised or not)												(e.g., deposit security, real estate security, etc.)			
B. DOSRI (refers to DOSRI of DHUI)															
C. Other Related Parties (related counterparties not covered by A & B above)															

Note: Pricing of the material RPTs is equal or at least comparable to the pricing given to similarly-rated transactions with non-related parties.

\*As applicable, please indicate in the last column (Rationale for Entering into the Transaction) if the counterparty was a non-related party at the time when the transaction was entered into.

Prepared by:

Reviewed/Approved by:



**Report on Material Related Party Transactions (for Leases & Services)**

**Date:** \_\_\_\_\_

**I. DHI's Transactions**

Name of Counterparty / Related Party	Relationship Between the Parties (what makes the parties "Related Parties", e.g., counterparty is a stockholder, etc.)	Transaction Date (the date the transaction was approved by the BOD; to be accomplished by the Office of the Corporate Secretary upon BOD approval)	Type of Transaction (covered transactions as specified in the PPC)	Amount / Contract Price (should be within or above the materiality threshold)	Terms (duration of the contract / transaction)	Rationale for Entering into the Transaction (to be accomplished only for renewal / updating of T&C of an existing RPT)*
A. Subsidiaries & Affiliates (refers to the subs & affiliates of DHI)						
A.1. With BSP-supervised Subsidiaries as the Counterparty						
A.1.a. With Bank as Lessor or Requestor of Service						
A.1.b. With Bank as Lessee or Provider of Service						
A.2. With non-BSP-supervised Subsidiaries as the Counterparty						
B. DOSRI (refers to DOSRI of DHI)						
C. Other Related Parties (related counterparties not covered by A & B above)						

*Note: Pricing of the material RPTs is equal or at least comparable to the pricing given to similarly-rated transactions with non-related parties.*

*\*As applicable, please indicate in the last column (Rationale for Entering into the Transaction) if the counterparty was a non-related party at the time when the transaction was entered into.*

Prepared by:

Reviewed/Approved by:

Annual Report on Non-material RPTs for Confirmation by RPTC & BOD

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

I. Non-credit Transactions

Related Party	No. of RPTs for the Year	Total Amount of RPTs for the Year
A. Subsidiaries & Affiliates (refers to subs & affiliates of DHI)		
1. Related Party 1		
2. Related Party 2		
B. DOSRI (refers to DOSRI of DHI)		
1. Related Party 1		
2. Related Party 2		
3. Related Party 3		
C. Other Related Parties (related parties not covered by A & B above)		
1. Related Party 1		
2. Related Party 2		

II. Credit Transactions

Name of Counterparty (Name of Related Party including co-users/co-borrowers)	No. of RPTs for the Year	Total Amount of Credit Line/Facility
A. Other Related Parties		
1. Related Party 1		
2. Related Party 2		

Prepared by:

Reviewed/Approved by:

**Exhibit 1-C**

**Report on Non-material RPTs for Confirmation by RPTC & BOD**

**Business Unit:** \_\_\_\_\_

**Date:** \_\_\_\_\_

**I. Non-credit Transactions**

Related Party	No. of RPTs for the Year	Total Amount of RPTs for the Year
<b>A. Subsidiaries &amp; Affiliates (refers to subs &amp; affiliates of DHI)</b>		
1. Related Party 1		
2. Related Party 2		
<b>B. DOSRI (refers to DOSRI of DHI)</b>		
1. Related Party 1		
2. Related Party 2		
3. Related Party 3		
<b>C. Other Related Parties (related parties not covered by A &amp; B above)</b>		
1. Related Party 1		
2. Related Party 2		

**II. Credit Transactions**

Name of Counterparty (Name of Related Party including co-users/co-borrowers)	No. of RPTs for the Year	Total Amount of Credit Line/Facility
<b>A. Other Related Parties</b>		
1. Related Party 1		
2. Related Party 2		

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**Prepared by:**

**Noted by:**

**Exhibit 1-D**

**Report on Non-material Credit RPTs (Previously-approved by BOD) for Notation by RPTC**

**Business Unit:** \_\_\_\_\_

**Date:** \_\_\_\_\_

Name of Counterparty (Name of Related Party <u>including co-users/co-borrowers</u> )	No. of RPTs for the Year	Total Amount of Credit Line / Facility
<b>A. Subsidiaries &amp; Affiliates (refers to subs &amp; affiliates of DHI)</b>		
1. Related Party 1		
2. Related Party 2		
<b>B. DOSRI (refers to DOSRI of DHI)</b>		
1. Related Party 1		
2. Related Party 2		
3. Related Party 3		

**Prepared by:**

**Noted by:**

RPT Benchmarking Template (Non-Credit)

Transaction: SERVICES

RPT Details	Account Name / Related Party	Non-RPT Account	Non-RPT Account
A. Comparative Terms & Conditions			
1. Service Fees			
2. Terms of Payment			
3. Other Applicable Metrics			
B. Price Discovery Mechanism Applied			
<i>[Please check the price discovery mechanism(s) used for this transaction.]</i>			
<div><input type="checkbox"/> Canvassing</div> <div><input type="checkbox"/> Bidding</div> <div><input type="checkbox"/> Online/Website Posting <i>(Please specify particular website(s) and inclusive date(s) of posting.</i></div> <div><input type="checkbox"/> Publication <i>(Please cite particular publication(s) used and inclusive date(s) of publication.</i></div> <div><input type="checkbox"/> Others <i>(Please specify actual mechanism used and justification for use of such.)</i></div>			

Prepared by:

*(Name & Signature / Date)*

*(Designation)*

Reviewed/Approved by:

*(Name & Signature / Date)*

*(Designation)*

Benchmarking Template for RPT (NON-CREDIT)

Exhibit 1-F

RPT Details	Account Name / Related Party	Non-RPT Account	Non-RPT Account
<b>A. Basis for Selection (of Comparable Non- RPT Accounts)</b>			
<b>B. Comparative Terms &amp; Conditions</b>			
<b>Applicable metrics</b> (e.g., unit cost, approved indicative price, lease rate, service fee, etc.), <b>and</b> <b>other relevant details</b> [e.g., interest rate, repayment period & collateral (for sale of assets), price discovery mechanism employed (as applicable), etc.]			
<b>C. Remarks</b>			

Prepared by:

Approved by:



RELATED PARTY QUESTIONNAIRE (Individual)		
<b>Name of the Client / Counterparty</b>		
<b>Date Accomplished</b>		
1. Are you a director, officer or stockholder of DHI and/or affiliated companies?	[ ] Yes   [ ] No	
If YES, please specify the following:		
Company Name: _____ [ ] Director   [ ] Officer   [ ] Stockholder		
Company Name: _____ [ ] Director   [ ] Officer   [ ] Stockholder		
Company Name: _____ [ ] Director   [ ] Officer   [ ] Stockholder		
For stockholders: Do you own shares of stocks of DHI and/or affiliated companies, collectively with your spouse and/or relatives within the first degree of consanguinity or affinity, or relative by legal adoption?      [ ] Yes   [ ] No		
If YES, please specify the following:		
Name of Co-owner: _____ Relationship: _____		
2. Are you a spouse or a first degree relative, i.e., parent or child (biological, legally adopted, or in-law) of a Director, Officer, Stockholder of DHI and/or affiliated	Yes   [ ] No companies?	
If YES, please specify the following: <i>(Please attach additional sheets as necessary.)</i>		
Name of Relative  <div style="border-bottom: 1px solid black; margin-bottom: 10px; display: flex; justify-content: space-between; padding: 0 50px;"> <span>Last Name</span> <span>First Name</span> <span>Middle Name</span> </div> <div style="border-bottom: 1px solid black; margin-bottom: 10px; display: flex; justify-content: space-between; padding: 0 50px;"> <span>Last Name</span> <span>First Name</span> <span>Middle Name</span> </div> <div style="border-bottom: 1px solid black; display: flex; justify-content: space-between; padding: 0 50px;"> <span>Last Name</span> <span>First Name</span> <span>Middle Name</span> </div>	Company Name  <div style="border-bottom: 1px solid black; margin-bottom: 10px; height: 20px;"></div> <div style="border-bottom: 1px solid black; margin-bottom: 10px; height: 20px;"></div> <div style="border-bottom: 1px solid black; height: 20px;"></div>	
3. Are you a second degree relative, i.e., grandparent, brother, sister, (biological, legally adopted, or in-law) of a Director, Officer, Stockholder of DHI and/or affiliated companies?	[ ] Yes   [ ] No	
If YES, please specify the following: <i>(Please attach additional sheets as necessary.)</i>		

Name of Relative			Company Name		
_____			_____		
Last Name	First Name	Middle Name			
_____			_____		
Last Name	First Name	Middle Name			
_____			_____		
Last Name	First Name	Middle Name			
_____			_____		
<b>Accomplished by:</b> _____					
<b>Signature Over Printed Name</b>					
<b>For DHI Use Only</b>					
<b>Borrower's/Counterparty's RP Classification / Date of Verification against RP Database / ESS<sup>1</sup></b>			<b>Reviewed/Approved By</b>		
<b>ACTION TAKEN</b>					
<b>For borrower/counterparty with CIF record:</b>					
- Tagged in ICBS/AAF-CIF; or			Date Tagged:		
- Referred to CIF owner for tagging			Date Referred via E-mail:		
			CIF Owner:		
<b>For counterparty without any transaction captured in ICBS:</b>					
- Sent e-mail to Compliance Unit for inclusion in the RP Database			Date Referred via E-mail:		
<b>Accomplished by:</b>			<b>Reviewed/Approved by:</b>		
_____			_____		
<b>Name &amp; Designation</b>			<b>Name &amp; Designation</b>		

<sup>1</sup> For identified DHI Director, Officer or Stockholder (owning at least 1%) only

## GUIDE IN DETERMINING RELATED PARTY CLASSIFICATION & ACCOUNT TAGGING

RELATIONSHIP	RELATED PARTY TAG
1. Director of DHI	Director
2. Officer* of DHI  *Officer refers to Junior Assistant Managers and up	Officer
3. Stockholder* of DHI  *Owning (personally or through agent/representative/trustee) <u>at least 1% of the bank's subscribed capital stock</u>	Stockholder
4. Spouse or first degree relative, i.e., parent and children (biological, legally adopted, or in-law) of a DHI Director, Officer or Stockholder (DOS)	Related Interest
5. Second degree relative, i.e., grandparent, brother, sister, (biological, legally adopted, or in-law) of a DHI Director or Senior Officer (i.e., select SVP or higher who has the ability to exercise significant influence in the outcome of the transaction)	Other Related Party (ORP)
6. Director of Affiliated* Companies  *Affiliated companies shall refer to: a. juridical/corporate Related Interests (RI) b. subsidiaries & affiliates of DHI c. Any party that the company exerts direct/indirect control over, or that exerts direct/indirect control over DHI	Other Related Party
7. Officer* of Affiliated Companies  *Officer of the affiliated company shall refer to the President, Chief Executive Officer, Chief Financial Officer, or Treasurer of an affiliated company.	Other Related Party
8. Stockholder* of Affiliated Companies  *Stockholder of an affiliated company shall refer to an <u>individual stockholder</u> of an affiliated company and/or his relatives within the first degree of affinity or consanguinity <b>holding more than 50%</b> of the subscribed capital of the affiliated company.	Other Related Party
9. Spouse, parent, child, grandparent / grandchild / brother / sister (biological, legally adopted, or in-law) of a Director or an Officer* of DHIF's affiliated companies  *Officer of the affiliated company shall refer to the Officer of the BDO Unibank, Inc. with the rank of Senior Vice President and up and officers of the affiliated companies specifically their President, Chief Executive Officer, Chief Financial Officer, or Treasurer.	Other Related Party

**Related Party Checklist**

Updated as of \_\_\_\_\_

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

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

	Relationship Disclosed by Borrower / Counterparty	Applicable to: (Type of Borrower / Counterparty)	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 DHI as verified against the Related Party (RP) Database <sup>2</sup> ?  Note: Chairman Emeritus is not deemed a director in DHI.	Individual		Director	
B.	Is the borrower/counterparty an officer of DHI as verified against ESS?  Note: BDO officers seconded to DHI shall be classified as <u>Officer of both the main bank and the host subsidiary</u> . To confirm if an officer of a subsidiary is seconded, please check with BDO-HR.	Individual		Officer	
C.	Is the borrower/counterparty a stockholder* of DHI as verified against the RP Database?  *Owning (personally or through agent/representative/trustee) at least 1% of DHI's subscribed capital stock	Both individual & non- individual		Stockholder	
D.	Does the borrower/counterparty own at least 1% of DHI's subscribed capital stock collectively with any of the following:  1. spouse and/or other first degree relatives by consanguinity, affinity or legal adoption;  2. partnership where the stockholder and/or his spouse and/or other first degree relatives by consanguinity, affinity or legal adoption, is a General Partner;  3. corporation, association or firm more than 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.a	Is the borrower/counterparty a spouse of a DHI Director, Officer or Stockholder* (DOS)?  *Owning (personally or through agent/representative/trustee) at least 1% of DHI's subscribed capital stock (refer to item D above)	Individual		Related Interest	
E.1.b	Is the borrower/counterparty a parent, parent-in-law or legally adoptive parent of a DHI DOS?	Individual		Related Interest	

<sup>1</sup> **RELATED PARTIES (RP)** refer to the following: DOSRI, Subsidiaries, Affiliates and Other Related Parties acting for themselves, as representative or agent for others, or as guarantors, sureties, endorsers, mortgagors, pledgors, assignors, or in any capacity in which (i) they become obligated or may become obligated to BDO to pay money or its equivalent or by any means whatsoever or (ii) there is a transfer of resources, services or obligations between BDO and the RP.

<sup>2</sup> posted in the designated DHI Sharefolder. For Officers, the BDO Employee Self-Service shall be used as reference.

E.1.c	Is the borrower/counterparty a child (biological or legally adopted) or child-in-law of a DHI DOS?	Individual		Related Interest	
E.2	<p>Is the borrower/counterparty a partnership? If yes, is there a general partner* who is also:</p> <p>a. a director, officer, or stockholder (DOS) of DHI; or</p> <p>b. a spouse of a DHI DOS; or</p> <p>c. a relative within the first degree of consanguinity or affinity or a relative by legal adoption of a DHI DOS?</p> <p><i>*A general partner is one whose liability to third persons extends to his separate property.</i></p>	Non-individual		Related Interest	
E.3	<p>Is the property/interest/right being mortgaged, pledged or assigned to secure the loan or credit accommodation, coowned by the borrower with:</p> <p>a. a DHI DOS; or</p> <p>b. a spouse of a DHI DOS; or</p> <p>c. a relative within the first degree of consanguinity or affinity or a relative by legal adoption of a DHI DOS?</p> <p><i>Note: This will not apply if the mortgage, pledge or assignment covers only the borrower's undivided interest.</i></p>	Both individual & non-individual		Related Interest	
E.4	<p>Does any or a group of DHI 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?</p> <p><i>*Refer only to natural persons</i></p> <p><i>Note: Item E.4 refers to direct ownership of the stockholdings. Thus, beneficial or indirect ownership of the stocks in the borrower corporation is not included in the computation.</i></p>	Non-individual		Related Interest	
E.5	<p>Is the borrowing entity/counterparty wholly or majority-owned (i.e., more than 50%) or controlled <sup>3</sup> by a Related Interest identified in Items E.2 and E.4?</p> <p><i>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 is not included in the computation.</i></p>	Non-individual		Related Interest	

### 3 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 DHI choose to disclaim or rebut the presumption, it should provide facts sufficient to show that there is indeed no control. Further, DHI shall submit a written commitment that: (1) shares owned or held are exclusively

for investment purposes; (2) DHI'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) DHI will have only limited contacts with the enterprise/other party that are customary for interested shareholders; (4) DHI will engage only in normal and customary transactions with the other party/enterprise; and (5) DHI will not pledge the shares acquired to secure a loan with any institution.

E.6	<p>Does the borrowing entity/counterparty own or control<sup>3</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 DHI, or that which controls<sup>3</sup> majority interest of DHI?</p> <p><i>*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.</i></p>	Non-individual		Related Interest	
E.7	<p>Is the borrower/counterparty a corporation, association or firm which has an existing management contract or any similar arrangement with DHI's parent corporation?</p> <p><i>*A management contract is any contract whereby</i></p> <ol style="list-style-type: none"> <li>the borrower/counterparty undertakes to manage or operate all or substantially all of the business [affairs] of DHI's parent corporation, whether such contracts are called service contracts, operating agreements or otherwise; or</li> <li>DHI's parent corporation undertakes to manage or operate all or substantially all of the business [affairs] of the borrower/counterparty, whether such contracts are called service contracts, operating agreements or otherwise.</li> </ol> <p><i>Note: This requires Business Unit / Account Officer to check if the borrower has an existing management contract with DHI's parent corporation.</i></p>	Non-individual		Related Interest	
E.8	<p>Is the borrowing entity/counterparty a non-governmental organization engaged in retail financing, incorporated by any of the DOS of DHI or any related company?</p>	Non-individual		Related Interest	
F.	<p>Does DHI directly or indirectly own, control<sup>3</sup> and hold with power to vote, more than 50% of the outstanding voting stock of the borrowing entity/counterparty?</p> <p><b><i>For the list of DHI Subsidiaries, please refer to the Related Party Database posted in DHI Shared Folder.</i></b></p>	Non-individual		Subsidiary	

G.	<p>Is the borrower/counterparty related to DHI by any of the following means:</p> <p>1.a DHI directly or indirectly owns or controls<sup>3</sup> 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 controls<sup>3</sup> with power to vote, at least 20% of the outstanding voting stock of DHI;</p> <p><b>For the list of existing DHI Affiliates, please refer to the Related Party Database posted in DHI Shared Folder.<sup>3</sup></b></p> <p>2. There is an interlocking directorship or officership, where the concerned DHI director or officer directly or indirectly owns or controls<sup>3</sup> with power to vote, at least 20% of the outstanding voting stock of the borrowing entity/counterparty;</p>	Non-individual		Affiliate	
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	<p>3. There are common stockholders which directly or indirectly own at least 10% of the outstanding voting stock of DHI 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 DHI to direct the management and policies of the borrowing entity/counterparty;</p> <p>*A management contract is any contract whereby DHI undertakes to manage or operate all or substantially all of the business [affairs] of the borrower/counterparty, whether such contracts are called service contracts, operating agreements or otherwise.</p> <p>5.a There is a permanent proxy or voting trusts in favor of DHI 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 DHI.</p>				
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<sup>3</sup> The list of Affiliates is **partial and non-exclusive** in nature. Business units shall look at the ownership structure of the concerned entity and conduct due diligence to determine if it is an affiliate of DHI as defined in item G.

H.1	<p>Is the borrower/counterparty related to DHI by any of the following means:</p> <p>a.1 DHI directly or indirectly owns or controls<sup>3</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>3</sup> with power to vote, 10% to less than 20% of the outstanding voting stock of DHI;</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 the outstanding voting stock of DHI directly or indirectly, AND directly own 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 DHI 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 DHI.</p>	Non-individual		Other Related Party	
H.2	<p>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 ability to exercise significant influence in the outcome of the transaction) of DHI?</p> <p><b><i>Please refer to the List of DHI Senior Officers With Significant Influence posted in DHI Shared Folder.</i></b></p>	Individual		Other Related Party	
H.3	<p>Is the borrower/counterparty a Director, Officer<sup>4</sup>, Stockholder<sup>5</sup> of DHI's affiliated* companies?</p> <p>*Affiliated companies shall refer to:</p> <p>a. juridical/corporate Related Interests (RI)</p> <p>b. subsidiaries &amp; affiliates of DHI</p> <p>c. any party that DHI exerts direct/indirect control over as provided in item H.1.a.1, or that exerts direct/indirect control over DHI <u>as provided in item H.1.a.2</u></p>	Individual		Other Related Party	
H.5	<p>Is the borrower / counterparty not a related party based on the definitions above, but as an exercise of prudence and with utmost caution, is being considered as such.</p>	Both individual & non-individual		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.**

<sup>4</sup> "Officer of the affiliated company" shall refer to the Officer of the BDO Unibank, Inc. with the rank of Senior Vice President and up and officers of the affiliated companies specifically their President, Chief Executive Officer, Chief Financial Officer, or Treasurer.

<sup>5</sup> "Stockholder of an affiliated company" shall refer to an individual stockholder of an affiliated company and/or his relatives within the first degree of affinity or consanguinity **holding more than 50%** of the subscribed capital of the affiliated company.



CONFIRMATION OF RP CLASSIFICATION & TAG	
Identified Classification of Counterparty	
Date of Checking in the Database	
Is the Counterparty found in the Database?	<input type="checkbox"/> YES <input type="checkbox"/> NO <input type="checkbox"/> YES <input type="checkbox"/> NO
If yes, is the determined classification consistent with the tag in RP Database?	Note: If answer is NO to any of the questions, facilitate
	tagging in ICBS or AAF / inclusion in RP Database & fillout the ACTION TAKEN portion below.
ACTION TAKEN	
<b>A. For borrower/counterparty with CIF record:</b>	
- Tagged in ICBS-CIF/AAF; or	Date Tagged:
- Referred to CIF owner for tagging	Date Referred via E-mail:
	CIF Owner:
<b>B. For RPs without any transaction captured in ICBS</b>	
- Sent e-mail to Compliance Unit for inclusion in the RP Database	Date Referred via E-mail:
<b>Accomplished by:</b>	<b>Reviewed/Approved by:</b>
<div style="text-align: center;"> <hr/> <b>Name &amp; Designation</b> </div>	<div style="text-align: center;"> <hr/> <b>Name &amp; Designation</b> </div>

## **DOMINION HOLDINGS, INC. (formerly BDO LEASING AND FINANCE, INC.)**

### **Handling of SEC-defined Material Related Party Transactions**

#### **(Supplement to DHI Related Party Transaction Policy)**

## **I. Overview**

This Supplemental Policy establishes the guidelines to be observed in handling material related party transactions as defined in the Securities & Exchange Commission (SEC) Memorandum Circular No. 10, Series of 2019.

All other guidelines specified in DHI Related Party Transaction Policy shall remain to be in force.

## **II. Definition of Terms**

- A. Related Party** - refers to the related parties defined in DHI Related Party Transaction Policy (i.e., Director, Officer, Stockholder, Related Interest, Subsidiary, Affiliate, Other Related Party (ORP)) **and** Extended ORP.
- B. Extended ORP** - 3rd to 4th degree relatives, by consanguinity or affinity, legitimate or common-law<sup>1</sup>, of Directors and select Senior Officers of DHI (i.e., SVP or higher who has the ability to control or to exercise significant influence on the outcome of the transaction).
- C. Related Party Transaction (RPT)** - a transfer of resources, services or obligations between DHI and a related party, regardless of whether a price is charged. ***(For the list of covered transactions, please refer to 4.a of DHI Related Party Transaction Policy).***
- D. SEC Materiality Threshold** - ten percent (10%) of DHI's total assets based on the latest audited financial statement.
- E. Material RPT** - any RPT, either individually, or in aggregate over a twelve (12)-month period with the same related party, amounting to ten percent (10%) or higher of DHI's total assets.

## **III. General Guidelines**

### **A. Determination of SEC-defined Material RPTs**

- 1. Counterparties with the following transactions shall be subjected to the Expanded Related Party Checklist (*Exhibit 1*):
  - a. single transaction breaching the SEC materiality threshold
  - b. aggregated availments for the past 12 months that breached the internal materiality threshold<sup>2</sup>

If the counterparty is determined as an Extended ORP, the concerned business unit shall advise the Compliance Office to include such related party in the Related Party Database.

---

<sup>1</sup> relatives arising from a relationship between a man and a woman who live exclusively with each other as husband and without the benefit of marriage

<sup>2</sup> Equivalent of **90%** of the **SEC** materiality threshold

2. Transaction of counterparties confirmed to be a related party shall be handled by the concerned Account Officer (AO)/Processor, as follows:

Transaction	Disposition
Single transaction breaching the SEC materiality threshold	For referral to external independent party <sup>3</sup> and approval of designated authorities
Aggregated availment for the past 12 months that breached the internal materiality threshold	For notification to the designated unit <sup>4</sup>
Aggregated transactions (credit and non-credit) for the past 12 month that breached the SEC threshold	For referral to external independent party <sup>5</sup> and approval of designated authorities

3. Aggregated availments that breached the internal materiality threshold shall be handled as follows:
- Upon receipt of notification from the concerned officer, designated unit shall issue an advisory to the concerned business units to trigger reporting of covered transactions of the concerned related party.
  - Concerned business units shall report the following to the designated unit for consolidation:
    - transactions for the past 12 months reckoned from the date of notification
    - subsequent transactions
  - The designated unit shall disseminate/post the list of related parties and corresponding covered transactions as a guide for concerned units in handling subsequent transactions.
  - The concerned business unit with the latest transaction that will breach the internal materiality threshold shall automatically request evaluation of an external independent party.

## B. Review and Approval of Material RPTs

- Identified material RPTs shall be evaluated by an external independent party appointed by the Board of Directors (BOD).
- As a general rule, terms and conditions of material RPTs subjected to external evaluation shall be applied to subsequent transactions. Otherwise, the latter shall require another round of evaluation.
- Material RPTs shall be approved as follows:

Transaction	Related Party	DISPOSITION		
		Transaction Approval	Approval / Endorsement	Approval
		Delegated Authority	RPTC	BOD

<sup>3</sup> May include, but not limited to, auditing/accounting firms and 3rd party consultants who will handle evaluation of the material RPTs

<sup>4</sup> Unit to consolidate data submitted by business units

<sup>5</sup> May include, but not limited to, auditing/accounting firms and 3rd party consultants who will handle evaluation of the material RPTs

Single material RPT	DOSRI, Subs, Affiliates, Other Related Party (ORP), & Extended ORP			
Aggregated availments for the past 12 month that breached the SEC materiality threshold		✓	✓	✓

Note: SEC-defined material RPTs shall be approved by at least 2/3 vote of the BOD, with at least a majority of the independent directors voting to approve the proposed transaction. In case a majority of the independent directors' vote is not secured, the material RPT may be ratified by the vote of the stockholders representing at least 2/3 of the outstanding capital stock.

### C. Disclosure and Reporting Requirements

1. Approved material RPTs shall be reported to the Securities and Exchange Commission (SEC) via the Advisement Report on Material RPT (*Annex A*).

The cited report shall be signed by the Corporate Secretary (or designated alternate) together with the concerned related party (or authorized representative); and submitted by the designated unit to the SEC within three (3) calendar days after execution date of the transaction.

2. A summary of approved material RPTs during the reporting year shall likewise be disclosed in the Company's Integrated Annual Corporate Governance Report (I-ACGR) submitted every May 30.

**ADVISEMENT REPORT ON  
MATERIAL RELATED PARTY TRANSACTIONS**

Reporting PLC: .....

SEC Identification Number: .....

Name of Related Party: .....

Execution Date of Transaction: .....

Relationship between the Parties including financial/non-financial interest: .....

Type/Nature of Transaction and Description of Assets Involved	Terms and Conditions	Rationale for Entering into the Transaction	Total Assets <sup>1</sup> of Reporting PLC	Amount/ Contract Price	Percentage of the Contract Price to the Total Assets of the Reporting PLC	Carrying Amount of Collateral, if any	Approving Authority <sup>2</sup>

<sup>1</sup> Total assets shall pertain to consolidated assets if the reporting PLC is a parent company.

<sup>2</sup> The information shall include the names of directors present, names of directors who approved the Material Related Party Transaction and the corresponding voting percentage obtained.

## SIGNATURES

Pursuant to the requirements of the Commission, the company has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

(Name of Reporting PLC)

(Name of Related Party)

.....

Name, Signature of the Corporate Secretary/  
Authorized Representative<sup>3</sup>

.....

Name, Signature of the Related Party/Authorized Representative<sup>3</sup>

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<sup>3</sup> Proof of authority must be attached to the Advisement Report.

**DOMINION HOLDINGS, INC. (DHI)**  
**REVISED RELATED PARTY TRANSACTIONS (RPT) POLICY**

IN WITNESS WHEREOF, we have hereunto set our hands this 08<sup>th</sup> day of May 2024.



**ELMER B. SERRANO**  
Chairperson



**COSME S. TRINIDAD JR.**  
Compliance Officer

**REPUBLIC OF THE PHILIPPINES  
CITY OF MAKATI**

)  
) SS.

**SECRETARY'S CERTIFICATE**

I, **JOSEPH JASON M. NATIVIDAD**, Filipino, of legal age and with office address at the 21<sup>st</sup> Floor, BDO Towers Valero, 8741 Paseo de Roxas, Salcedo Village, Makati City, under oath, do hereby certify that:

1. I am the duly appointed Corporate Secretary of **DOMINION HOLDINGS, INC. (formerly BDO Leasing and Finance, Inc.) ("DHI")**, a corporation duly organized and existing under and by virtue of the laws of the Republic of the Philippines, with business address at the 39th Floor, BDO Corporate Center Ortigas, No. 12 ADB Avenue, Ortigas Center, Mandaluyong City, and in that capacity, I have custody of the corporate records of DHI;

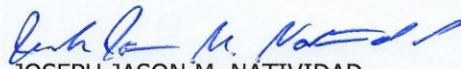
2. Based on the records, during the meeting of the Board of Directors of DHI held on May 8, 2024 at which a quorum was present and acting throughout, the following resolution was unanimously passed and approved:

**RESOLVED**, That the Board of Directors of Dominion Holdings, Inc. (DHI) approve, as it hereby approves, the revised Related Party Transactions Policy of DHI, as previously approved and endorsed by the Related Party Transactions Committee to the Board for its approval, copy of which is attached as Annex "D-1".

3. The quoted resolution has not been revoked or rescinded and continues to be in full force and effect; and

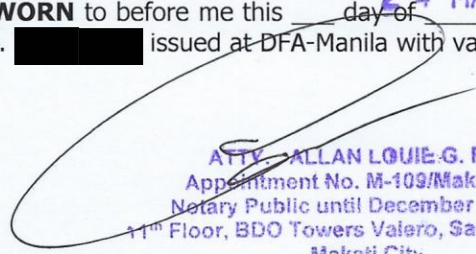
4. I am executing this certificate for whatever legal purpose it may serve. **24 MAY 2024**

**IN WITNESS WHEREOF**, I have hereunto affixed my signature this \_\_\_\_ day of \_\_\_\_\_ at Makati City, Philippines.

  
JOSEPH JASON M. NATIVIDAD  
Corporate Secretary

**SUBSCRIBED AND SWORN** to before me this \_\_\_\_ day of **24 MAY 2024** at Makati City, affiant exhibiting to me his Passport No. [REDACTED] issued at DFA-Manila with validity up to October 5, 2028.

Doc. No. **240**  
Page No. **49**  
Book No. **XXXIX**  
Series of 2024.

  
**ATTY. ALLAN LOUIE-G. RICC**  
Appointment No. M-109/Makati City  
Notary Public until December 31, 2025  
11<sup>th</sup> Floor, BDO Towers Valero, Salcedo Village  
Makati City

**Dominion Holdings, Inc.**  
39/F BDO Corporate Center Ortigas  
12 ADB Avenue  
Ortigas Center  
Mandaluyong City 1555  
Philippines  
Tel +632 8688-1288 loc. 36509, 45469, 36151

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MCLE Compliance No. VII-0014849; until 04/14/2025