

	Document Type:	Charter	Document Number:	APC-LMS-MN-008
	Document Title:	Board Related Party Transaction Committee Charter	Effective Date:	March 5, 2022
			Version Number:	4
			Information Classification:	Public

BOARD RELATED PARTY TRANSACTION COMMITTEE CHARTER

This Charter is hereby adopted by the Board of Directors (the “Board”) of Aboitiz Power Corporation (the “Company”) to outline the core duties and responsibilities and the basic review processes of the Board Related Party Transaction (RPT) Committee.

A. Purpose

For purposes of ensuring transparency and fairness for all stakeholders, the Board constituted the Board RPT Committee to review and/or approve proposed RPTs for the purpose of determining whether or not the transaction is conducted at an arm’s length basis and on terms no less than favorable than any such terms available to unconnected third parties under the same or similar circumstances.

B. Structure

1. Membership

The Committee shall consist of at least three (3) directors three (3) of whom must be independent directors **and non-executive directors**.

The members of the Committee may be removed by a majority vote of the directors. Any vacancies in the Committee shall be filled by majority vote of the Board.

The Committee may form and delegate authority to subcommittees as may be appropriate and in accordance with applicable laws or regulations.

2. Chairman

The Chairman of the Committee will be appointed by the Board and must be an independent director of the Board.

C. Duties and Responsibilities

The following are the roles and responsibilities of the Board RPT Committee:

1. Evaluates on an ongoing basis existing relation between and among business and counterparties to ensure that all related parties are continuously identified, RPTs are

monitored, and subsequent changes in relationships with counterparties (from non-related to related and vice versa) are captured. Related parties, RPTs and changes in relationships should be reflected in the relevant reports to the Board and regulators/supervisors;

2. Review and Approve all Material and Significant RPTs to ensure that these are not undertaken on more favorable economic terms (e.g. price, commissions, interest rates, fees, tenor, collateral requirement) to such related parties than similar transactions with non-related parties under similar circumstances and that no corporate or business resources of the Company are misappropriated or misapplied, and to determine any potential reputational risk issues that may arise as a result of or in connection with the transactions. In evaluating RPTs, the Committee takes into account, among others, the following:
 - (a) The related party's relationship to the company and interest in the transaction;
 - (b) The purpose and timing of the proposed Material and Significant RPTs
 - (c) The material facts of the proposed RPT, including the proposed aggregate value of such transaction;
 - (d) The benefits to the Company of the proposed RPT;
 - (e) The availability of other sources of comparable products or services; and
 - (f) An assessment of whether the proposed RPT is on terms and conditions that are comparable to the terms generally available to an unrelated party under similar circumstances. The Company should have an effective price discovery system in place and exercise due diligence in determining a fair price for RPTs.
3. Ensures that appropriate disclosures are made, and/or information is provided to regulatory and supervisory authorities relating to the Company's RPT exposures, and policies on conflicts of interest or potential conflicts of interest. The disclosure should include information on the approach to managing material conflicts of interest that are inconsistent with such policies, and conflicts that could arise as a result of the Company's affiliation or transactions with other related parties;
4. Reports to the Board on a regular basis, the status and aggregate exposures to each related party, as well as the total amount of exposures to all related parties;
5. Ensures that transactions with related parties, including write-off of exposures are subject to a periodic independent review or audit process; and
6. Oversees the implementation of the system for identifying, monitoring, measuring, controlling, and reporting RPTs, including a periodic review of RPT policies and procedures.

D. Meetings of the Board Related Party Transaction Committee

1. Frequency of Meetings

The Committee shall formally meet at least two (2) times a year to discharge its duties and responsibilities as outlined herein. In addition to regular meetings, special meetings can be called by the chairman of the Committee or any two members as required.

2. Notice of Meetings

The notice of the Committee meetings shall be given at four (4) weeks prior to the scheduled meeting. Notices for special meetings may be sent at least two (2) business days before the date of the special meeting. Notices may be sent in writing, through electronic mail, or by telefacsimile, among others.

3. Agenda

The chairman, in consultation with the other members of the Committee, shall propose a list of items to be addressed by the Committee during the year. The chairman shall ensure that the agenda for each Committee meeting is circulated to each member of the Committee two (2) weeks prior to the meeting and the presentation materials shall be circulated five (5) days prior to the date of actual meeting in accordance with the existing Board Charter of the Company.

4. Quorum and Voting

A majority of the members of the Committee present in person or by means of a video-conference, teleconference, or other modes of communication in which all persons participating in the meeting can completely and clearly hear each other shall constitute a quorum. The members participating in the meeting shall have received the agenda and all the materials for the meeting in accordance with the Board Charter of the Company.

The majority vote of all the Members shall be required for the Committee to approve, authorize, or take any action. A majority vote of the Committee is required to endorse a Material and Significant RPT to the full Board for consideration and approval.

5. Secretary

The incumbent Corporate Secretary of the Company shall act as the secretary of the Committee.

6. Minutes

All Committee meetings must be duly documented and filed, and shall be maintained with the books and records of the Company. The minutes of the Committee meetings must be available for review and approval not more than five (5) business days after the meeting and for signature at the next committee meeting.

7. Per Diems

The Committee members shall be entitled to per diems for every attendance to a Committee meeting.

E. Reports of the Board RPT Committee

The chairman of the Committee shall submit to the Board a copy of the reports of the Committee meeting six (6) calendar days prior to the meeting of the Board and discuss with the Board the highlights of the matters discussed during the Committee meetings.

F. Resources of Board RPT Committee

The Committee may request that any Director, Corporate Officer, or employee of the Company, or other persons whose advice and counsel are sought by the Committee, to attend any of its meeting to provide such pertinent information as the Committee may require.

The Committee has the sole authority to appoint, retain and terminate, as it deems necessary or appropriate, any legal advisor or other consultants, including search firms or other professionals to advise and assist the Committee in fulfilling its duties and responsibilities. The Committee shall approve the fees to be paid as well as the terms of the engagement.

G. Assessment of the Performance of the Committee

The Board shall provide the standards for evaluating the performance and effectiveness of the Committee in fulfilling its duties and responsibilities as set out in this Charter and in the Company's Manual on Corporate Governance.

H. Review of the Committee Charter

The Committee shall review this Charter at least annually and recommend any proposed changes to the Board for approval, together with such amendments as it deems necessary and appropriate in order to comply with the legal needs of the Aboitiz Group and any regulatory developments affecting thereto.

Version	Description of Changes	Effective Date
1	First issue	March 23, 2017
2	Revised to reflect amendments as approved by the AboitizPower Board of Directors on July 29, 2020	July 29, 2020
3	Revised to update review and approval process for certain types of RTPs falling below the materiality threshold (including exempt RTPs).	November 22, 2021
4	Amended the Board Composition	March 5, 2022