	Document Type:	Charter	Document Number:	LCS-PL-___
	Document Title:	BOARD RELATED PARTY TRANSACTION COMMITTEE CHARTER	Effective Date:	March 23, 2017
			Version Number:	1
			Information Classification:	Internal

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 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. The members of the Committee shall be elected annually for a period of one (1) year by a majority vote of the Board.

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 relations 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-

	Document Type: <p style="text-align: center;">Charter</p>	Document Number: <p style="text-align: center;">LCS-PL-___</p>
	Document Title: <p style="text-align: center;">BOARD RELATED PARTY TRANSACTION COMMITTEE CHARTER</p>	Effective Date: <p style="text-align: center;">March 23, 2017</p>
		Version Number: <p style="text-align: center;">1</p>
		Information Classification: <p style="text-align: center;">Internal</p>

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. Evaluates all material 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:
 1. The related party's relationship to the company and interest in the transaction;
 2. The material facts of the proposed RPT, including the proposed aggregate value of such transaction;
 3. The benefits to the Company of the proposed RPT;
 4. The availability of other sources of comparable products or services; and
 5. 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

	Document Type: <p style="text-align: center;">Charter</p>	Document Number: <p style="text-align: center;">LCS-PL-___</p>
	Document Title: <p style="text-align: center;">BOARD RELATED PARTY TRANSACTION COMMITTEE CHARTER</p>	Effective Date: <p style="text-align: center;">March 23, 2017</p>
		Version Number: <p style="text-align: center;">1</p>
		Information Classification: <p style="text-align: center;">Internal</p>

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 RPT Committee

1. Frequency of Meetings

The Committee shall formally meet at least three (3) 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 (3) weeks prior to the meeting.

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) business days prior to the date of actual meeting in accordance with the existing Board Charter of the Company.

4. *Quorum*

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.

5. Secretary

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

	Document Type:	Charter	Document Number:	LCS-PL-___
	Document Title:	BOARD RELATED PARTY TRANSACTION COMMITTEE CHARTER	Effective Date:	March 23, 2017
			Version Number:	1
			Information Classification:	Internal

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 minutes of the Committee meeting eight (8) calendar days prior to 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 Officers or employees 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

	Document Type: <h2 style="text-align: center;">Charter</h2>	Document Number: LCS-PL-____
	Document Title: <h3 style="text-align: center;">BOARD RELATED PARTY TRANSACTION COMMITTEE CHARTER</h3>	Effective Date: March 23, 2017
		Version Number: <h3 style="text-align: center;">1</h3>
		Information Classification: <h3 style="text-align: center;">Internal</h3>

appropriate in order to comply with the legal needs of the Aboitiz Group and any regulatory developments affecting thereto.

Document Owner Mailene de la Torre	Document Created by Racquel Rose Galang	Reviewer/s Erramon I. Aboitiz Xavier Jose Aboitiz M. Jasmine Oporto Susan Valdez	Approvers Board Corporate Governance Committee (February 21, 2017) Board of Directors (March 23, 2017)
PROPRIETARY NOTICE			IMPORTANT
This Material is intended for Aboitiz Power Corporation (AboitizPower) only. This must not be reproduced in whole or in part, in any form, or by any means without a formal agreement or written consent of the Document Control Specialist (DCS) or Integrated Management Representative (IMR). Any hard copy or unprotected soft copy of this document shall be considered as "UNCONTROLLED COPY"			Only Documents with stamps are considered official.