
Related Party Transactions Policy



DEFINITIONS

1. For the purposes of these terms of reference (these Terms):

- 1.1 Company Pertains to Singlife Philippines.
- 1.2 Related Party This shall cover the Company's subsidiaries as well as affiliates and special purpose entities that the Company exerts direct/indirect Control over or that exerts significant influence over the Company; the directors; officers; stockholders and related interests and their Close Family Members, as well as corresponding persons in affiliated companies. This shall also include such other person/juridical entity whose interests may pose potential conflict with the interest of the Company.

- 1.2 Related Party Transactions ("RPTs") Transactions or dealings with Related Parties of the Company, including its trust department, regardless of whether or not a price is charged. These shall include, but not limited to the following:

- On and off-balance sheet credit exposures and claims and write-offs;
- Investments and/or subscriptions for debt/equity issuances;
- Consulting, professional, agency and other service arrangements/contracts;
- Purchases and sales of assets, including transfer of technology and intangible items (e.g. research and development, trademarks and license agreements);
- Construction and arrangements/contracts;
- Lease arrangements/contracts;
- Trading and derivative transactions;
- Borrowings, commitments, fund transfers and guarantees;
- Sale, purchase or supply of any goods or materials;
- Establishment of joint venture entities.

This shall also include outstanding transactions that were entered into with an unrelated party that subsequently becomes a related party.

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| 1.3 | Close Family Members | Persons related to the Company's directors, officers and stockholders (DOS) within the second degree of consanguinity or affinity, legitimate or common-law. These shall include the spouse, parent, child, brother, sister, grandparent, grandchild, parent-in-law, son-/daughter-in-law, brother-/sister-in-law, grandparent-in-law, and grandchild-in-law of the Company's DOS. |
| 1.4 | Ordinary Course of Business | Transactions that are secured or engaged in the normal course of the business and in compliance with Company's policies in dealing with suppliers/providers. |
| 1.5 | Control | This would mean the possession directly or indirectly of the power to direct or cause the direction of the management and policies of a person, whether through the ownership of voting securities by a contract other than a commercial contract for goods or non-management services or otherwise. The exercise by any person who directly or indirectly owns, controls or hold with the power to vote forty percent (40%) or more of the voting securities of any other person. Provided, That no person shall be deemed to control another person solely by reason of his/her being an officer or director of such other person. |
| 1.6 | Conflict of Interest | The situation wherein members of the board, stockholders, management, or employees have direct, indirect, or on behalf of third parties, have financial interest in any transaction or matter affecting the Company. |

ENSURING ARM'S LENGTH TERMS

2. RPTs shall be conducted in the regular course of business and not undertaken on more favorable economic terms (e.g. price, commissions, interest rates, fees, tenor, collateral requirement, etc.) to such related parties than similar transactions with non-related parties under similar circumstances.
3. Company will apply effective tender process to ensure that transactions are engaged into at terms that promote the best interest of the Company and its stakeholders especially when dealing with Related Parties.

CONFLICT OF INTEREST

4. For employees, distributors, and contractors, Company ensures that there are no conflict of interests and sets out an approach for identifying, avoiding, disclosing and managing actual, potential or perceived conflicts of interest that can arise between and among employees, distributors, and contractors with the Company and/or its customers.

5. For the board of directors, the Company applies the Corporate Governance Manual.¹ Directors should not use their position to make profit or to acquire benefit or advantage for themselves and/or their related interests. Directors should avoid situations that would compromise impartiality. Directors are required to abstain from the discussion, approval, and management of such transactions or matters affecting the Company.

MATERIALITY THRESHOLDS AND EXCLUDED TRANSACTIONS

6. Materiality thresholds are set by the Company for each type of transaction and for each related party group, depending on the nature of the transaction and risks involved. Materiality threshold levels would vary depending on the nature, scope, frequency, value of, and risks associated with the RPT. The Company will document the justifications for the materiality thresholds and exclusion set. Company implemented a threshold amount of more than Two Hundred Thousand United States Dollars (USD200,000.00) or Ten Million Pesos (PhP10,000,000.00).
7. These rules shall not apply to the excluded transactions. Company considers transactions that are incurred during regular trade, operational in nature, and do not pose any risk or liability to the Company as excluded transactions. Excluded transactions include:
 - (a) Audit fees
 - (b) Legal Fees
 - (c) Salaries and payroll related expenditures
 - (d) Utilities (e.g. electricity, telephone bills and water supplies, etc.)
 - (e) Travel & entertainment
 - (f) Commission or distribution payments

INTERNAL LIMITS FOR INDIVIDUAL AND AGGREGATE EXPOSURES

8. Internal limits or sub-limits for individual and aggregate exposures to RPT and for aggregate exposures to all RPTs that are consistent with the Company's risk appetite, risk profile and capital strength shall also be complied with.
9. Company set an internal limit of more than Two Hundred Thousand United States Dollars (USD200,000.00) or Ten Million Pesos (PhP10,000,000.00) ("Internal Limit") and an aggregate annual exposure value of ten (10) times the Internal Limit ("Aggregate Exposure Limit") to any related party.
10. The internally set limits shall be tied in with the Company's internal definition of capital. Breaches in limits shall be reported to the board of directors with the decision of the board to accept the exposure or to take steps to address the breaches, as may be necessary, duly documented in the minutes of meetings.

WHISTLE BLOWING MECHANISMS

11. Employees are encouraged to communicate, confidentially and without the risk of reprisal, legitimate concerns about illegal, unethical or questionable RPTs. Any communications may be directed to:
 - (a) Reporting directly to the Head of Compliance or other designated Reporting Officer in person; or
 - (b) Sending an email to: whistleblower@singlife.com

¹ Corporate Governance Manual approved by the Board on 28 February 2020

RESTITUTION OF LOSSES AND OTHER REMEDIES FOR ABUSIVE RPTs

12. The Company would institute measures that would cut losses and allow recovery of losses or opportunity costs incurred by the Company arising from the RPTs that are not engaged in arm's length terms. These measures shall be applied to all personnel, officers, and directors who have been remiss in their duties in handling RPTs.
13. Personnel, officers, and directors who have been remiss in their duties in handling RPTs shall be subjected to disciplinary measures in accordance with the Corporate Governance Manual, the handbook, policies, and such other rules and regulations which are later executed by the RPT Committee, the board of directors, and Company's Management. This is without prejudice to the applicable legal and regulatory remedies which the Company may avail.