

RELATED PARTY TRANSACTIONS COMMITTEE CHARTER

I. PURPOSE

The Related Party Transactions Committee (“RPT Committee”) of PGA Sampo Insurance Corporation (the “Company”) is established with the primary tasked of reviewing all material related party transactions of the Company.

II. COMPOSITION

The RPT Committee shall be composed of at least three (3) appropriately qualified Non-Executive Directors, the majority of whom, including the Chairman, shall be independent.

The Committee shall at all times be entirely composed of Independent Directors and Non-Executive Directors, with Independent Directors comprising majority of the members.

In case a member has conflict of interest in a particular RPT, he should refrain from evaluating that particular transaction. The Compliance Officer or Internal Auditor may sit as resource persons in the said Committee.

III. DUTIES AND RESPONSIBILITIES

The RPT Committee shall have the following duties and functions:

1. Evaluates on an ongoing basis existing relations between and among businesses 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 of Directors (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:
 - a. The related party's relationship to the Company and interest in the transaction;
 - b. The material facts of the proposed RPT, including the proposed aggregate value of such transaction;
 - c. The benefits to the Company of the proposed RPT;

- d. The availability of other sources of comparable products or services; and
 - e. 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 shall have an effective price discovery system in place and exercise due diligence in determining a fair price for RPTs;
3. Ensures that appropriate disclosure is made, and/or information is provided to regulating and supervising 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.

IV. MEETINGS

The Committee shall hold meetings at such times and places as it considers appropriate provided that not less than four (4) meetings shall be held each year.

The meetings shall be upon a call of the Chairman of the Committee or at least majority of the members, with the majority of them present in person or via tele/videoconferencing.

V. REMUNERATION OF THE MEMBERS

The members of the RPT Committee shall not receive any fees or remuneration in their capacity as such and in connection with the services provided with the Committee except for per diems as may be authorized and approved by the Board.

VI. RESOURCES AND AUTHORITIES

1. The Committee shall have the resources and authorities appropriate to discharge its functions, duties, and responsibilities including the authority to engage appropriate internal and external consultants and other experts;
2. The Committee shall report directly to the Board on its decision or recommendation unless there are legal or regulatory restrictions on its ability to do so;

3. The Committee shall have the right to require Management of the Company to attend the Committee Meetings or to provide information and reports that may be required in performing its duties.

V. PERFORMANCE ASSESSMENT

1. The Committee shall be subject to an annual performance evaluation by the Board;
2. Such assessments shall cover the following aspects:
 - a. The Committee Charter and the requirements thereto;
 - b. Composition of the Committee;
 - c. Duties and Responsibilities;
 - d. Meetings; and
 - e. Individual Performance of the Members including their attendance at the Committee meetings.

VI. AMENDMENT OF THE CHARTER

The Committee shall revisit, review, and evaluate the contents of this Charter at least annually. The updates and amendments thereto shall be approved by the Board.

This RPT Committee Charter was approved by the Board on May 28, 2020.