

# **PETROGEN INSURANCE CORPORATION RELATED PARTY TRANSACTION COMMITTEE CHARTER**

## **INTRODUCTION**

The Related Party Transaction Committee of Petrogen Insurance Corporation (the “Company”) was constituted by the Board of Directors pursuant to the provisions of the by-laws and the new Manual on Corporate Governance of the Company (the “CG Manual”).

This Related Party Transaction Committee Charter (this “Charter”) sets out the composition, functions, and responsibilities of the Related Party Transaction Committee and the rules of procedure that will guide the function of the Related Party Transaction Committee.

## **PURPOSE**

The Related Party Transaction Committee is a standing committee of the Board of Directors constituted for the purpose of assisting the Board of Directors in the review of all material related party transactions of the Company.

## **COMPOSITION**

The Related Party Transaction Committee shall be composed of at least three (3) non-executive directors, two (2) of whom shall be independent directors.

The Chairperson will be an independent director.

The Board of Directors will appoint the members of the Related Party Transaction Committee at the organizational board meeting that follows each annual stockholders’ meeting or at any earlier time as the Board of Directors may deem necessary.

The Corporate Secretary of the Company is the secretary of the Related Party Transaction Committee.

The Related Party Transaction Committee may appoint one or more persons to act as advisor to the committee who may attend the meetings of the committee but shall have no right to vote.

Petrogen Insurance Corporation  
Related Party Transaction Committee Charter  
Approved on March 21, 2022

## **MEETINGS; COMMITTEE APPROVALS**

The Related Party Transaction Committee shall meet at such times and places as it considers appropriate. The Chairperson may call a meeting at any time as needed.

All committee members are expected to attend each meeting, in person or via tele- or video-conference. The meetings are limited to the committee members and whoever is authorized by the Related Party Transaction Committee to attend. In the absence of the Chairperson during any meeting, a chairperson for the meeting shall be designated by the members present.

As necessary, the Related Party Transaction Committee will invite members of management and organization staff or any independent adviser to provide pertinent information or data.

The Related Party Transaction Committee, through the Corporate Secretary of the Company, distributes the notice, the agenda, and the appropriate committee materials at least two (2) days before any meeting so the members can intelligently review the various matters raised.

A majority of the members of the Related Party Transaction Committee shall constitute a quorum for the transaction of the committee's business.

The Related Party Transaction Committee shall act only on the affirmative vote of a majority of its members at a meeting or, to the extent allowed by law, by unanimous written consent of the members.

## **DUTIES AND RESPONSIBILITIES**

The Related Party Transaction Committee shall have the following the functions, among others:

- (1) evaluates on an ongoing basis existing relations between and among businesses and counterparties to ensure that all related parties are continuously identified, related party transactions are monitored, and subsequent changes in relationships with counterparties (from non-related to related and *vice versa*) are captured. Related parties, related party transactions, and changes in relationships shall be reflected in the relevant reports to the Board of Directors and regulators/supervisors;

Petrogen Insurance Corporation  
Related Party Transaction Committee Charter  
Approved on March 21, 2022

- (2) evaluates all material related party transactions 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 related party transactions, the Related Party Transaction Committee takes into account, among others, the following:
  - (i) the related party's relationship to the Company and interest in the transaction;
  - (ii) the material facts of the proposed related party transaction, including the proposed aggregate value of such transaction;
  - (iii) the benefits to the Company of the proposed related party transaction;
  - (iv) the availability of other sources of comparable products or services; and
  - (v) an assessment of whether the proposed related party transaction 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 related party transactions;
- (3) ensures that appropriate disclosure is made, and/or information is provided to regulating and supervising authorities relating to the company's related party transaction exposures, and policies on conflicts of interest or potential conflicts of interest. The disclosure shall 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 of Directors 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 related party transactions, including a periodic review of related party transaction policies and procedures.

#### **ACCESS TO INFORMATION AND RESOURCES**

The Related Party Transaction Committee shall be granted reasonably free and full access to the records, data, and properties of the Company and information from directors, officers, employees, or external parties that may be relevant in the discharge of its functions, duties, and responsibilities. It shall also be provided with the resources necessary for the purpose of fulfilling its duties and responsibilities under this Charter.

#### **REPORTING PROCEDURES**

The Chairperson of the Related Party Transaction Committee, or in his absence, the member elected by the members present in a meeting, shall report at the meeting of the Board of Directors the decisions and recommendations made by the Related Party Transaction Committee following each committee meeting.

The Related Party Transaction Committee shall prepare an annual report of its activities for inclusion in the Company's annual report.

#### **PERFORMANCE EVALUATION; CHARTER REVISION**

The Related Party Transaction Committee shall periodically assess its effectiveness by comparing its performance with the requirements of this Charter and the CG Manual to ensure compliance with this Charter, the CG Manual, and best practice. The assessment will also form the basis for the formulation of objectives and plans for the improvement of its performance.

The Related Party Transaction Committee may likewise be subject to an independent assessment by the Board of Directors.

The Related Party Transaction Committee shall also review and assess the adequacy of this Charter annually or as conditions dictate to ensure that this Charter is continuously aligned and consistent with the objectives and responsibilities of the Board of Directors. It shall recommend any modifications to this Charter as deemed appropriate and obtain the approval of the Board of Directors for any such modifications.