



FIRST METRO PHILIPPINE EQUITY
EXCHANGE-TRADED FUND, INC.

**FIRST METRO PHILIPPINE EQUITY EXCHANGE TRADED
FUND, INC.
("FMETF")**

RELATED PARTY TRANSACTIONS COMMITTEE CHARTER



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PURPOSE

The Related Party Transactions Committee (RPTC) is created to assist the Board of Directors (BOD) in ensuring that transactions with related parties (including internal Group transactions) are reviewed to assess risks, are subject to appropriate restrictions to ensure that such are conducted at arm's-length terms and that corporate or business resources of the Company are not misappropriated or misapplied. The creation of the RPTC shall ensure that Company transactions with related parties are fair and transparent, and do not benefit a particular group or individual at the expense of public investors or minority shareholders.

MEMBERSHIP

The following is the membership of the RPTC:

Committee Membership	Designation
Chair	Independent Director
Members	Independent Director Director
Resource Person	Compliance Officer
Secretary	Compliance Coordinator

The members of the RPTC shall be appointed annually by the BOD, the majority of whom shall be independent directors.

The Compliance Officer shall be invited as resource person during the presentation of proposals to the committee

MEETINGS

The committee shall meet on a quarterly basis or as the need arises. The presence of a majority of the Committee members shall constitute a quorum.

The committee secretariat shall prepare the agenda for each meeting and send out notices at least three (3) working days before the meeting date. He shall likewise prepare and distribute the minutes of the meeting and prepare other reports as may be required by the BOD/committee.

FUNCTIONS

1. The RPTC shall review proposals on Related Party Transactions by considering the following:



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- a.) Identity of the parties involved in the transaction or relationship;
 - b.) Terms of the transaction or relationship and whether these are no less favorable than terms generally available to an unrelated third party under the same circumstances;
 - c.) Business purpose, timing, rationale and benefits of the transaction or relationship;
 - d.) Approximate monetary value of the transaction and the approximate monetary value of the Related Party's interest in the transaction;
 - e.) Valuation methodology used and alternative approaches to valuation of the transaction;
 - f.) Information concerning potential counterparties in the transaction;
 - g.) Description of provisions or limitations imposed as a result of entering into the transaction;
 - h.) Whether the proposed transaction includes any potential reputational risk issues that may arise as a result of or in connection with the transaction;
 - i.) Impact to a Director's independence; and
 - j.) Extent that such transaction or relationship would present an improper conflict of interest.
2. After appropriate review, the RPTC shall disclose all information and endorse to the BOD with recommendations the proposed related party transactions.
 3. No director shall participate in any discussion of a Related Party Transaction for which he/she or any member of his/her immediate family is a related party, except in order to provide material information on the related party transaction to the Committee.
 4. The committee shall maintain a record of all Related Party Transactions coursed through them to facilitate verification of such transactions by external/internal auditors and regulators.



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5. The committee may amend or supplement existing policies on handling Related Party Transactions.