

RELATED PARTY TRANSACTIONS POLICY

1. Purpose

This Related Party Transactions (RPT) Policy aims to:

- Provide a framework for the identification, review, approval, and disclosure of Related Party Transactions;
- Ensure that all Related Party Transactions are conducted at an arm's length basis and are not undertaken on more favorable economic terms than transactions with third parties;
- Promote fairness, transparency, and prevent preferential treatment, or conflict of interest that could arise from dealings with related parties; and
- Ensure compliance with the Insurance Code, regulations of the Insurance Commission, and other applicable laws and regulations.

2. Scope

Related Party Transactions (RPTs) refer to any significant transaction directly or indirectly involving any Related Party that would need to be disclosed or any currently proposed transaction, involving the Company wherein which any Related Party had or will have a direct or indirect material interest. It also includes any material amendment or modification to an existing Related Party Transaction.

RPTs shall include not only transactions that are entered into with related parties but also outstanding transactions that are entered into with an unrelated party that subsequently becomes a related party.

RPTs shall include, but are not limited to, the following:

- Service agreements
- Purchase of goods or other assets
- Lease agreements
- Loans
- Disposal of Company assets.

3. Definition of Terms

3.1. Related parties – These shall include the directors; officers; stockholders and related interests (DOSRI) and their immediate or close family members (ICFMs). It shall also include subsidiaries, affiliates and special purpose entities that the Company exerts direct or indirect control over or significant influence:

3.1.1. Subsidiaries refer to corporations that are owned by 50% or more by the Company

3.1.2. Affiliates are corporations owned by at least 20% and may have common directors, officers and stockholders.

3.2. Immediate or close family members – These are persons related to director, executive officer and stockholder within the second degree of consanguinity or affinity, whether

legitimate or common law. These shall include the spouse, parent, child, sibling, grandparent, grandchild, stepchild, stepparent, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, sister-in-law, grandchild-in-law, and any person sharing the household of such director, executive officer, or stockholder.

- 3.3. Corresponding persons in subsidiaries and affiliates - The DOSRI of subsidiaries and affiliated companies and their close family members.
- 3.4. Control of a company - This exists when there is:
 - 3.4.1. More than one-half of the total voting rights, by virtue of an agreement with other stockholders;
 - 3.4.2. Power to govern the financial and operating policies of the enterprise under a statute or agreement;
 - 3.4.3. Power to appoint or remove the majority of the members of the board of directors or equivalent governing body;
 - 3.4.4. Power to cast the majority votes at meetings of the board or equivalent governing body; or,
 - 3.5.5. Any arrangement similar to any of the above.
- 3.5. Material interest or significant transaction – This refers to dealings that pose significant risk to the Company. This shall refer to transactions which reach the materiality threshold, regardless of the type of transaction or whether it is a one-time transaction or a series of transactions.
- 3.6. Price discovery mechanism - the process of determining the price of an asset in the marketplace through the interactions of buyers and sellers.

4. Materiality Threshold

- 4.1. The materiality threshold for RPTs is set at Php 5 million, or its foreign currency equivalent. This includes aggregate transactions which may meet the prescribed threshold.
- 4.2. Transactions with a total value of Php 5 million and above shall require approval from the RPT Committee of the Board of Directors. Transactions below this threshold shall be reviewed and approved by the RPT Management Panel, except for DOSRI transactions which shall be approved by the RPT Committee.
- 4.3. The RPT Committee is authorized to change the materiality threshold depending on the judgment of the Board of Directors on the level of transactions that could pose significant risk to the Company. The RPT Committee is also authorized to set internal limits or sub-limits for individual and aggregate exposures to a related party, consistent with the Company's risk appetite, risk profile and capital strength.

Regular trade transactions involving purchase and sales of debt securities traded in an active market are excluded from the materiality threshold requirement.

5. RPT Management Panel and RPT Committee of the Board of Directors

5.1. Composition

The RPT Management Panel shall be composed of the following:

- Division Head – Accounting Division
- Division Head – Human Resources and Administrative Services Division
- Division Head – Investments Division
- Division Head – Corporate Finance and Strategy Division
- Division Head – Legal Division

5.2. The Division Head of the Accounting Division shall lead the RPT Management Panel.

5.3. The composition of the RPT Committee are set out in the RPT Committee Charter.

6. Procedures

6.1. Updating of the RPT Registry

6.1.1. The RPT Management Panel shall manage and maintain the Registry of Related Parties, with the assistance of the Information Technology Department (ITD).

The Registry shall serve as the primary reference for identifying related parties, including officers, directors, ICFMs, subsidiaries, and affiliated companies. This registry is integrated into the Company's accounting systems to filter and identify disbursements that qualify as Related Party Transactions (RPTs).

On a semi-annual basis or as necessary, the Human Resources and Administrative Services Division (HRASD) shall update the Registry of Related Parties for officers, and their ICFMs, while the Office of the Corporate Secretary updates the registry for directors and their ICFMs.

The RPT Management Panel shall ensure that new subsidiaries, affiliates, or corporations which COCOLIFE exerts control over are added to the Registry.

The Registry of Related Parties shall include the following information:

6.1.1.1 Officers

- Related Party Last Name, First Name, and Middle Name
- Gender
- Birthday
- Related Party Division/Department
- Position

6.1.1.2 ICFMs of Officers

- Officer
- ICFM Last Name, First Name, and Middle Name
- Relationship of CFM to Officer

- ICFM Company/Entity
- Position

6.1.1.3 Directors

- Related Party Last Name, First Name, and Middle Name
- Gender
- Birthday
- Related Party Company/Entity (Other than COCOLIFE) Position

6.1.1.4 ICFMs of Directors

- Director
- ICFM Last Name, First Name, and Middle Name
- Relationship of ICFM to Director
- ICFM Company/Entity
- Position

6.2. Submission of RPTs to the RPT Management Panel

Business units shall submit proposed RPTs to the RPT Management Panel for evaluation. The request for approval shall contain the following relevant information:

- A general description of the transaction(s), including the material terms and conditions.
- The name of the Related Party and the basis on which such a person or entity is a Related Party.
- The Related Party's interest in the transaction(s), including the Related Party's position or relationship with, or ownership of, any entity that is a party to or has an interest in the transaction(s).
- The approximate peso value of the transaction and the approximate Peso value of the Related Party's interest in the transaction(s).
- In the case of a lease or other transaction requiring periodic payments or installments, the aggregate amount of all periodic payments or installments expected to be made.
- In the case of indebtedness, the aggregate amount of principal to be outstanding and the rate or amount of interest to be payable on such indebtedness.

The RPT Management Panel shall conduct an initial review to determine whether the transaction exceeds the materiality threshold. Transactions with a total value of Php 5 million and above shall require approval from the RPT Committee of the Board of Directors. Transactions below this threshold shall be reviewed and approved by the RPT Management Panel, except for DOSRI transactions which shall be approved by the RPT Committee.

6.3. RPT Management Panel Review and Approval by the Office of the President

After the evaluation, the RPT Management Panel shall issue its recommendation to the Office of the President. Thereafter, the RPT shall be subject to the approval of the Office

of the President. Once approved, the RPT Management Panel shall include the transaction in its monthly RPT report.

The President may also delegate the approval of recurring or low-value RPTs to the RPT Management Panel.

6.4. Approval by the RPT Committee

Proposed RPTs which exceed the prescribed materiality threshold shall be submitted by the RPT Management Panel to the RPT Committee for approval. This includes write-offs of material exposures to related parties and material changes to the terms and conditions or previously-approved RPTs.

The RPT Committee shall ensure that no corporate or business resources of COCOLIFE are misappropriated or misapplied, and shall determine any potential reputational risk issues that may arise as a result of or in connection with the transactions.

Upon the recommendation of the RPT Management Panel, the RPT Committee may recommend the disapproval by the Board of Directors of a previously-entered into RPT and may require that Management take all reasonable efforts to terminate, unwind, cancel or annul the said RPT.

The Committee shall periodically review ongoing relationships with specific Related Parties. Any material amendment, renewal or extension of a transaction, arrangement or relationship previously agreed upon shall be reassessed.

6.5. Evaluation Criteria for RPTs

6.5.1. To ensure that RPTs are on terms no less favorable than terms generally given to an unaffiliated third-party under the same or similar circumstances, RPTs shall be evaluated based on the following criteria:

- The related party's relationship to the company and interest in the transaction;
- The material facts of the proposed RPT, including the proposed aggregate value of such transaction;
- The benefits to the corporation of the proposed RPT;
- The availability of other sources of comparable products or services; and
- 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 (e.g., in terms of price, commissions, interest rates, fees, tenor, collateral requirement).

6.5.2. Price discovery mechanisms may also be utilized. These include acquiring the obtaining multiple price quotations from independent third parties, benchmarking against industry standards, acquiring services of an external expert, opening the transaction to a bidding process, or publication of available property for sale.

6.5.3 Directors and/or officers with personal interest in the proposed RPT shall abstain from the discussion, approval, and management of the transaction. A Director who is a Related Party with respect to a particular RPT shall disclose all material information and his or her interest in such transaction.

7. Reporting and Regulatory Compliance

7.1. Internal Reporting

All RPTs approved by the President must be reported by the RPT Management Panel to the RPT Committee during its regularly scheduled committee meeting. The Management Panel shall also report on the status and aggregate exposures to related parties.

A monthly report or list of RPTs shall be submitted to the Office of the President.

7.2. Regulatory Compliance

The RPT Management Panel shall submit the following to the Insurance Commission in compliance with IC Circular Letter No. 2017-29:

1. Report on Conglomerate Structure – within 30 calendar days after the end of every calendar year
2. Quarterly report on RPTs - within 20 calendar days after the end of the quarter

8. Risk Management

The RPT Committee shall ensure that adequate capital is maintained against risks associated with exposures to RPTs. In this regard, materials risks arising from RPTs shall be considered in the capital planning process.

9. Internal Audit

The Internal Audit Division shall perform a periodic review of the effectiveness of the RPT Policy and shall report findings in the RPT Committee meeting following the issuance of the final report to concerned business unit.

10. Abusive RPTs

The RPT Committee is empowered to seek restitution and other remedies that would cut losses and allow recovery of losses or opportunity costs incurred by the Company arising from abusive RPTs or those that are not at arm's length terms.

11. Whistleblower Reporting

RPTs which may be illegal, unethical or questionable can be reported to through the Company's whistleblower reporting channels.

In instances where cases of RPTs are reported by employees and other stakeholders to the Committee or other persons in authority and subsequently elevated to the Committee

or the Board, the Company's Whistleblower Policy shall be implemented if deemed necessary, in ensuring the protection and safety of the source.

Directors, officers and staff personnel, who may have been grossly remiss in their duties in handling RPTs will be penalized as may be provided in existing company guidelines.

12. Periodic Review and Amendments

- 12.1. This Policy and its implementation will be reviewed annually or as necessary to ensure compliance with any changes in relevant laws or regulations.
- 12.2. Any amendments to this Policy shall be approved by the Board of Directors.

This Policy was amended by the Board of Directors during its regular meeting held on March 28, 2025.