

## KASAGANA -KA MUTUAL BENEFIT ASSOCIATION

### RELATED PARTY TRANSACTION COMMITTEE CHARTER

#### I. **Mission**

The Related Party Transaction Committee Charter sets out the authority, responsibility, membership and operation of KMBA. It shall have the power and duty to continuously monitor and review the transparency and guaranty fairness of the transactions and KMBA's management control system and performance of its operations.

#### II. **Duties and Responsibilities**

This committee is appointed and authorized by the Board of Trustees to assist the management in fulfilling its responsibility to strengthen corporate good governance and practices particularly on Related Party Transactions (RPT).

The Committee is responsible for the following:

- a. Assist the Board in assessing agreements, transactions and contracts of any kind with a related party in determining whether to approve, ratify, disapprove or reject a Related Party Transaction;
- b. For transaction involving sale of asset, review result of appraisal, valuation used as well as alternative approaches to valuation;
- c. Continuously monitor, review and approve all the material related party transactions to guarantee fairness and transparency of the transactions;
- d. Assess the extent of the Related Party's interest in the transaction such as;
  1. Name of the Related Party/ description of her/their relationship with party within the association;
  2. Value of the transactions as recorded in the financial statements;
  3. Nature of the transaction including significant contractual obligations.
- e. Require adequate and accurate information from the management;
- f. Review the adequacy of management's monitoring and reporting systems on RPTs;
- g. Oversee the implementation of the system for identifying, monitoring, measuring, controlling and reporting RPTs.

- h. Report to the Board of Trustees on a regular basis, the status and aggregate exposures to each related party as well as the total amount of exposures of all related parties;
- i. Review and assess the adequacy of this charter at least annually and obtain approval of any revisions to this charter from the Board of Trustees;
- j. Evaluate annually the performance of the Committee.

### **III. Authorities**

The Related Party Transaction Committee is composed of Two (2) Independent Trustees and One (1) Board Adviser in fulfilling its responsibility to strengthen good governance and practices on RPT. Board has the overall responsibility in ensuring that the policy and governing related party transactions are conducted or resolved in the best interest of KMBA and its members.

### **IV. Membership**

- a. Delegation - The members of the Committee shall be appointed by the General Assembly during the organization's Annual Meeting.
- b. The Committee shall be composed of at least two (2) Independent members and non-executive directors, majority of whom shall be Independent Trustees where one of which shall be delegated as Chairperson.
- c. The Compliance Officer and the Chief Audit Executive shall join the RPTC as non-voting members

### **V. Meeting**

- a. Meeting Frequency – The Committee shall meet often enough or as deemed necessary to undertake its role effectively. A special meeting may be called for matters which requires urgent attention.
- b. Quorum – The Committee meeting quorum shall represent at least two (2) of the members of the Committee. Majority of the members, regardless of the position shall constitute a quorum.
- c. Committee members may attend the meetings in person or by electronic or tele/video communication means.

- d. Agenda – The Agenda of the meeting shall be prepared by the Senior Management who will be in-charge to present reports subject to the review and assessment of the Committee.
- e. Endorsements and approvals via email or fax may be resorted to for urgent matters which shall be confirmed/ratified in the committees next meeting. The respective emails are to be collected by the secretariat.
- f. Minutes of the Meeting – The minutes of the meeting shall be prepared by the Corporate Secretary of the Board of Trustees and send via email before the next committee meeting for review and comments.

**VI. Support**

The management shall report to the RPT Committee all the transactions, agreements and contracts involving related parties.

**VII. Charter Changes**

This charter may be changed upon proposal of the any members of the Audit Committee, subject to the endorsement of Committee Chairman and approval of the Board of Trustees.