

Related Party Transactions (RPT) Policy

HOWDEN

Document Information & Control

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01 Purpose

HOWDEN INSURANCE & REINSURANCE BROKERS (PHIL), INC. (“HIRBPI” or the “Company”) has adopted this Related Party Transactions (RPT) Policy, which establishes the principles, rules, and procedures governing transactions between the Company and its related parties to ensure that such transactions are conducted at arm’s length, on fair and reasonable terms, and in the best interest of the Company, in accordance with:

- The Insurance Commission’s Code of Corporate Governance;
- Relevant Insurance Commission circulars and advisories;
- Other applicable Philippine laws and regulations;
- Howden Group Policy and Standards.

This Policy seeks to address conflicts of interest, promote transparency and accountability, and protect stakeholders.

02 Scope

This Policy applies to all directors, officers, key management personnel, employees, and related parties of the Company, and covers all material and non-material related party transactions, whether entered in the ordinary course of business or otherwise.

03 Definition – Related Parties

For purposes of this Policy, “Related Parties” include, but are not limited to:

- Directors and officers of the Company;
- Key management personnel;
- Immediate family members of persons in (a) and (b);
- Shareholders with significant ownership or influence;
- Subsidiaries, parent companies, affiliates or entities under common control;
- Any entity in which a director, officer, or key management personnel has significant interest or control.

04 Definition – Related Party Transactions

A Related Party Transaction (RPT) refers to any transfer of resources, services, or obligations between the Company and a related party, regardless of whether a price is charged, including but not limited to:

- Brokerage, consultancy, or service arrangements;
- Lease or rental agreements;
- Purchases or sales of goods or services;
- Loans, guarantees, or advances;
- Expense reimbursements beyond ordinary compensation.

05 Policy Principles

All RPTs must adhere to the following principles:

- Arm's Length Principle – RPTs must be conducted under terms no less favorable than those offered to unrelated third parties;
- Transparency – RPTs must be disclosed and documented properly;
- Fairness – Related parties must disclose potential conflicts of interest and abstain from participation in decision-making relative thereto;
- Board Oversight – Material RPTs require Board review and approval.

06 Disclosure

- a) Directors, officers, and key personnel are required to promptly disclose any actual or potential related party relationship or transaction;
- b) Disclosures shall be made to the Corporate Secretary and Compliance Officer;
- c) The Company shall maintain a Related Party Transaction Register for monitoring and reporting purposes.

07 Independent Verification / Safeguards

The Company further maintains a layered control framework to provide preventive and detective safeguards beyond self-certification, to wit:

- Fit and Proper Criteria
- Customer, Business Introducer, and Third-Party Vendor/Supplier Due Diligence for Onboarding & Ongoing Monitoring Processes & Procedures e.g., UBO checking
- Gifts and Hospitality Controls
- Suspicious Transaction Reporting
- Whistleblowing Mechanism

08 Mitigation Measures

To ensure fairness and transparency of any RPTs, actions may include:

- Recusal from deliberations
- Removal from decision-making authority
- Independent review of transaction
- Divestment of interest
- Reassignment of duties
- Termination of conflicting activity

09 Materiality Thresholds

A Related Party Transaction shall be considered material if, individually or in the aggregate over a rolling twelve-month period with the same related party, its transaction amount meets the aft-mentioned quantitative threshold, or it falls under any of the following qualitative criteria:

- a) Quantitative Criteria:
 - Is equal to or exceeds Ten Million (P10,000,000.0);

b) Qualitative Criteria:

- Is outside the Company's ordinary course of business;
- May lead to regulatory concern or adverse stakeholder perception;
- May materially affect the Company's financial position, reputation, operational independence, or governance integrity;
- Involves a director, officer, or controlling shareholder which could reasonably influence board or stakeholder decisions.

10 Non-Material RPTs

Related Party Transactions that do not meet the materiality thresholds shall be conducted on an arms-length basis, properly documented, recorded in the Company RPT register, and monitored on an aggregated basis to determine whether subsequent transactions trigger quantitative thresholds or warrant escalation based on qualitative considerations.

11 Review and Approval

a) Material RPTs

- Subject to review and approval by the Board in accordance with this Policy;
- Interested directors or officers must abstain from deliberation and voting.

b) Non-Material RPTs

- Subject to review and approval by Management;
- Monitored by Finance;
- Reported periodically to the Board;

12 Documentation

All RPTs must be supported by adequate documentation, including:

- Disclosure statements;
- Comparative market analysis (where applicable);
- Approval records and Board resolutions.

Records shall be retained in accordance with the Company's Record Retention Policy.

13 Reporting

- The Company shall comply with all disclosure and reportorial requirements prescribed by the Insurance Commission related to RPTs and other regulatory filings, as applicable.

14 Roles and Responsibilities

- Board of Directors – Overall oversight and approval of material RPTs;
- Management – Review and recommend material RPTs/ approval of Non-material RPTs;
- Business Units – Identify and document RPTs;
- Finance – Monitor thresholds, aggregation, approval, report, and maintain RPT Register;
- Compliance Officer – Regulatory coordination;
- Corporate Secretary – Custodian of Board approvals.

15 Violations

Failure to comply with this Policy may result in disciplinary action, without prejudice to administrative, civil, or criminal liabilities under applicable laws and regulations.

16 Review

This Policy shall be reviewed periodically and updated as may be required by changes in law or regulation, the Company's risk profile, and business environment. Any material amendment thereto shall be subject to Board approval.

17 Effectivity

This Related Party Transactions Policy was approved by the Board on 30 March 2026, as evidenced by Board Resolution dated 30 March 2026, and shall take effect immediately thereafter.

18 Appendix

Appendix A – Related Party Transactions Register

Appendix A

RELATED PARTY TRANSACTION REGISTER

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Information Classification: Level 3 (Confidential)

Related Party Transactions Register										
No.	Date	Related Party	Relationship	Transaction Type	Amount (PHP)	12-Month Cumulative	Material? (Y/N)	Basis? (Qualitative/Quantitative Threshold/N/A)	Approval Level	Remarks

Version Control

Version:	Nature of Changes:	Prepared by:	Approved by:	Date:
1.0	First Issuance	Atty. Emmanuel G. Villanueva	Board of Directors	30 March 2026

The logo for Howden, featuring the word "HOWDEN" in a bold, blue, sans-serif font. The letters are closely spaced and have a slight shadow effect. The logo is positioned on the left side of the page, partially overlapping a large, light blue circular graphic element.