

applied, 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 Committee takes into account, among others, the following:

- i. The Related Party's relationship to the Corporation 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 Corporation 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 Committee shall ensure that the Corporation has an effective price discovery system in place and exercise due diligence in determining a fair price for Related Party Transactions.
- c. Ensures that appropriate disclosure is made, and/or information is provided to regulating and supervising authorities relating to the Corporation's Related Party Transactions exposures, and policies on conflicts of interest or potential conflicts of interest. The disclosure should 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 Corporation's affiliation or transactions with other related parties.
  - d. 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.
  - e. Ensures that transactions with related parties, including write-off of exposures are subject to a periodic independent review or audit process.
  - f. Oversees the implementation of the system for identifying, monitoring, measuring, controlling, and reporting Related Party Transactions, including a periodic review of Related Party Transactions policies and procedures.

## B. NOMINATION AND COMPENSATION COMMITTEE

- 1) The Board shall create a Nomination and Compensation Committee which shall have at least three (3) members and one (1) of whom must be an independent director, to review and evaluate the qualifications of all individuals nominated to the Board and

other appointments that require Board approval, and to assess the effectiveness of the Board's processes and procedures in the election or replacement of directors.

- 2) At least, thirty calendar (30) days before the Annual Stockholders' Meeting, the Nomination and Compensation Committee shall accept, pre-screen, and shortlist all candidates nominated to become a member of the Board in accordance with the qualifications and disqualifications of a director. In the evaluation of the nominees, the Committee shall consider whether the candidates:
  - a) Possess the knowledge, skills, experience, and particularly in the case of non-executive directors, independence of mind given their responsibilities to the Board and in light of the Corporation's business and risk profile.
  - b) Have a record of integrity and good repute.
  - c) Have sufficient time to carry out their responsibilities.
  - d) Have the ability to promote a smooth interaction between board members.

The Nomination and Compensation Committee may engage the services of professional search firms or other external sources when searching for candidates to the Board.

- 3) The Nomination and Compensation Committee shall fully disclose all relevant and material information on individual board members and key executives to evaluate their experience and qualifications, and assess any potential conflicts of interest that might affect their judgment.
- 4) The Nomination and Compensation Committee shall recommend a succession plan for board members and senior officers and establish a formal and transparent procedure for developing a policy on remuneration of directors and officers to ensure that their compensation is consistent with the Corporation's culture, strategy and the business environment in which it operates, and which shall be commensurate to corporate and individual performance. The remuneration policy should be aligned with the long-term interest of the Corporation and should specify the relationship between remuneration and performance.
- 5) The Nomination and Compensation Committee shall develop and implement policies and procedures for setting Board and executive remuneration, as well as the level and mix of the same.
- 6) The Nomination and Compensation Committee shall advise the Board regarding policies concerning the organizational development and human capital of the Corporation. It shall also monitor the implementation of such policies in coordination with the Chairman/CEO, President/COO and Head of Human Resource. (As amended on November 12, 2019)
- 7) The Nomination and Compensation Committee shall assist the Chairman/CEO and President/COO in the hiring, and annual performance appraisal, of the Head of Human Resource. (As amended on November 12, 2019)

