

WILCON DEPOT, INC.

REVISED RELATED PARTY TRANSACTIONS COMMITTEE CHARTER

The Related Party Transactions Committee Charter (Charter) sets out the purpose, roles, responsibilities, and authority of the Related Party Transactions Committee of Wilcon Depot, Inc. (the Company) including the rules and procedures that shall guide the function of the Related Party Transactions Committee, as approved by the Company's Board of Directors.

This Charter was adopted to be consistent with, and conforms to, SEC Memorandum Circular No. 19, Series of 2016, on the Code of Corporate Governance for Publicly-Listed Companies issued on November 22, 2016, and the Company's Revised Corporate Governance Manual, which was adopted and approved on May 22, 2017 and further revised to be consistent with SEC Memorandum Circular No. 10, Series of 2019 on the Rules on Material Related Party Transactions for Publicly-Listed Companies.

1. Purpose

The Related Party Transactions Committee shall have the primary function of reviewing all material related party transactions (RPT).

Related party transactions are generally allowed, provided, that these are done in a sound and prudent manner. The Company is expected to exercise appropriate oversight and to implement effective system in managing these transactions. In this regard, related party transactions amounting to ten percent (10%) or higher of a company's total assets, shall be considered as material related party transactions subject to the policy of the Company on material related party transactions.

2. Membership

It shall be composed of at least three (3) non-executive directors, the majority of whom, including the Chairman, shall be independent. In accordance with this, the members of the Committee may be removed or replaced, and any vacancies in the Committee shall be filled by the Board. Each member shall have adequate and competent knowledge of the Company's business and industry in which it operates.

3. Quorum and Meetings

A majority of all members of the Related Party Transactions Committee shall constitute a quorum. Acts of the Committee are determined upon the vote of a majority of those present. In the event that the number of affirmative votes on a certain proposal are equal, the proposal shall be submitted to a vote of the Board.

The Committee shall hold meetings as often as may be deemed necessary or desirable at the time and place determined by its Chairman. The Committee may invite any officer or employee and external parties of the Company to attend its meetings as it deems necessary.

The Committee shall maintain minutes or records of its meetings and shall give regular reports to the Board on such meetings and such other matters as required by this Charter or as the Board shall, from time to time, specify.

4. Definition of Terms

Related Parties – covers the Company’s directors, officers, substantial shareholders and their spouses and relatives within the fourth civil degree of consanguinity or affinity, legitimate or common-law, if these persons have control, joint control or significant influence over the Company. It also covers the Company’s parent, subsidiary, fellow subsidiary, associate, affiliate, joint ventures or an entity that is controlled, jointly controlled or significantly influenced or managed by a person who is a related party.

Substantial Shareholders – any person who is directly or indirectly the beneficial owner of more than ten percent (10%) of any class of its equity security

Affiliate – refers to an entity linked directly or indirectly to the Company through any one or a combination of any of the following:

- Ownership, control or power to vote, whether by permanent or temporary proxy or voting trust, or other similar contracts by a company of at least ten percent (10%) or more of the outstanding voting stock of the Company or vice versa
- Interlocking directorship or officership, except in cases involving independent directors as defined under existing regulations
- Common stockholders owning at least ten percent (10%) of the outstanding voting stock of the Company and the entity; or
- Management contract or any arrangement granting power to the Company to direct or cause the direction of management and policies of the entity, or vice versa

Associate – any entity over which the Company holds twenty percent (20%) or more of the voting power, directly or indirectly or which the Company has significant influence.

Significant Influence – The power to participate in the financial and operating policy decisions of the Company but has no control or joint control of those policies

Control – A person or any entity controls the Company if and only if the person or entity has all the following:

- Power over the Company;
- Exposure or rights, to variable returns from its involvement with the Company; and
- The ability to use its power over the Company to affect the amount of the Company’s returns

Related Party Transactions – a transfer of resources, services or obligations between a Company and a related party, regardless of whether a price is charged. It should be interpreted broadly to 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.

Material Related Party Transactions – Any related party transaction/s either individually or in aggregate over a twelve (12) month period with the same related party, amounting to ten percent (10%) or higher of a company's total assets based on its latest audited financial statement.

Materiality Threshold - ten percent (10%) of the Company's total assets based on its latest audited financial statement. If the Company is a parent company, the total assets shall pertain to its total consolidated assets.

Related Party Registry - a record of the organizational and structural composition including any change thereon, of the Company and its related parties.

5. Duties and Responsibilities

The Related Party Transactions Committee shall have the following duties and responsibilities:

- a. Evaluates on an ongoing basis existing relations between and among businesses and counterparties to ensure that all related parties are continuously identified, RPTs are monitored, and subsequent changes in relationships with counterparties (from non-related to related and vice versa) are captured. Related parties, RPTs and changes in relationships shall be reflected in the relevant reports to the Board and regulators/supervisor;
- b. Evaluates all material RPTs to ensure that these are not undertaken on more favorable economic term (e.g., price, commissions, interest rates, fees, tenor, collateral requirement) to such related parties than similar transactions with non-related parties under similar circumstances and that no corporates or business resources of the Company are misappropriated or misapplied, and to determine any potential reputational risk issues that may arise as a result of or in connection with the transactions. In evaluating RPTs. The Committee takes into account, among others, the following:
 - i. The related party's relationship to the Company and interest in the transaction;
 - ii. The material facts of the proposed RPT, including the proposed aggregate value of such transaction;
 - iii. The benefits to the Company of the proposed RPT;

- iv. The availability of other sources of comparable products or services; and
- v. 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. The Company shall have an effective price discovery system in place and exercise due diligence in determining a fair price for RPTs;
- c. Ensures that appropriate disclosure is made, and/or information is to provide to regulating and supervising authorities relating to the Company's RPT exposure, and policies on conflicts of interest or potential conflicts of interest. The disclosure shall include information on the approach to managing material conflicts of interest that are inconsistent with such policies, d conflicts that could arise as a result of the Company'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.
- e. Ensures that transactions with related parties, including write-off exposures are subject to a periodic independent review or audit process;
- f. Oversees the implementation of the system for identifying, monitoring, measuring, controlling, and reports RPTs, including a periodic review of RPT policies and procedures;
- g. In case of doubt on the nature of a transaction subject of investigation or review pursuant to this Charter, the Committee shall determine whether the transaction or relationship constitutes a RPT and whether the same shall be pursued taking into consideration the cost and benefits to the Company;
- h. Monitor the submission of the Related Party Registry by the Finance Department and
- i. Performs other duties and responsibilities as the Committee may deem appropriate within the scope of its primary functions or as may be assigned by the Board.

6. Disclosure Requirements and Guidelines

- a. The Company must comply with the disclosure and regulatory reporting of all material RPT mandated under applicable laws, rules and regulations particularly with SEC Memorandum Circular No. 10, Series of 2019 on the Rules on Material Related Party Transactions for Publicly-Listed Companies

- b. The Related Parties must comply with all disclosure requirements of RPTs required under applicable laws, rules and regulations of the Securities and Exchange Commission, Philippine Stock Exchange and Bureau of Internal Revenue and other relevant government agencies.
- c. All RPTs shall have terms and conditions that are fair and equitable to the Company. No unusual privilege or special treatment shall be afforded a Related Party.
- d. The approval, award, processing and payment of RPTs shall follow the same procedures as the other transactions and contracts of the Company and the same shall be pursued taking into consideration the cost and benefit to the Company.

7. Performance Evaluation

The Committee shall conduct an annual review of its performance and effectiveness by reference to this Charter and leading practices. This review process shall include a review of this Charter. The Committee shall refer any recommended changes for decision to the Board.

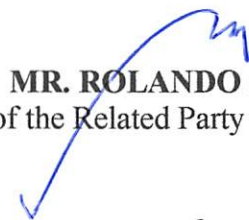
WILCON DEPOT, INC.

RELATED PARTY TRANSACTIONS COMMITTEE

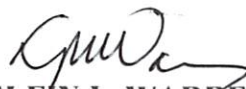
Date signed: 7 August 2019



MR. RICARDO S. PASCUA
Chairman of the Related Party Transactions Committee



MR. ROLANDO S. NARCISO
Member of the Related Party Transactions Committee



MR. DELFIN L. WARREN
Member of the Related Party Transactions Committee