

PACIFIC UNION INSURANCE COMPANY
RELATED PARTY TRANSACTION COMMITTEE CHARTER

1. PURPOSE

The Related Party Transaction Committee (BROC) is tasked with reviewing all material related party transactions of the company.

2. COMPOSITION

The Committee shall consist of at least three members, majority of whom should be independent directors, including the Chairman. The Chairman shall conduct and preside at each meeting of the Committee. If the Chairman is not present, the members of the Committee may designate a Chair by majority vote of the Committee membership. Each appointed Committee member will be subject to annual reconfirmation and may be removed by the Board at any time, with or without cause. Each Committee member must meet the approved standards/requirements set by the Board.

3. DUTIES AND FUNCTIONS

In carrying out its duties and responsibilities, the Committee's policies and procedures should remain flexible, so that it may be in a position to best address, react or respond to changing circumstances or conditions. The following duties and responsibilities are within the authority of the Committee, and the Committee shall perform such duties and responsibilities consistent with and subject to applicable law and rules and regulations promulgated by the SEC, BIR, Insurance Commission or any other applicable regulatory authority. The Committee has the following functions, among others:

- 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 should be reflected in the relevant reports to the Board and regulators/supervisors;
- B. Evaluates all material RPTs to ensure that these are not undertaken on more favorable economic terms (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 corporate 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:
 - 1. The related party's relationship to the company and interest in the transaction;
 - 2. The material facts of the proposed RPT, including the proposed aggregate value of such transaction;
 - 3. The benefits to the corporation of the proposed RPT;
 - 4. The availability of other sources of comparable products or services; and

5. 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 should 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 provided to regulating and supervising authorities relating to the company's RPT exposures, and policies on conflicts of interest or potential conflicts of interest. The disclosure should include information on the approach to managing material 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, as well as the total amount of exposures to all related parties;
- E. Ensures that the transactions with related parties, including write-off of exposures are subject to a periodic independent review or audit process; and
- F. Oversees the implementation of the system for identifying, monitoring, measuring, controlling and reporting RPTs, including a periodic review of RPT policies and procedures.

4. OTHER POWERS AND RESPONSIBILITIES

A. Evaluation of the Committee

The Committee shall, on an annual basis, evaluate its performance. The Committee shall address all matters that the Committee considers relevant to its performance, including at least the following: the adequacy and quality of the information and adequate for the Committee to completes its work in a thorough and thoughtful manner. The Committee shall deliver to the Board a report, which may be oral, setting forth the results of its evaluation, including any recommended changes to the Company's or the Board's policies or procedures.

B. Reports

The Committee shall make regular reports to the Board, providing an overview of its activities and summarizing Committee actions. The Committee shall also present resolutions to the Board that the Committee has recommended be adopted by the Board.

C. Miscellaneous

The Committee shall perform any other activities consistent with this Charter, the Company's Articles of Incorporation, By-Laws and governing law, as the Committee or the Board deems necessary or appropriate.

The Committee shall be given direct and complete access to the Company's Board and management as is deemed necessary by the Committee, in order to perform its duties under this Charter.

The Company shall provide any and all funding requested by the Committee to enable the Committee to carry out its duties and responsibilities.

5. MEETING AND PROCEDURES

A. Meetings

The Committee shall fix its own rules of procedure, which shall be consistent with the By-Laws of the Company and this Charter. The Committee, in its discretion, may ask members of management or others to attend its meetings (or portion thereof) and to provide pertinent information as necessary.

Special meeting of the Committee may be held at any time deemed necessary by the Board, the Committee Chairman or a majority of the Committee members. Management may request the Board or the Committee Chairman to call a special meeting of the Committee.

B. Subcommittees

The Committee may form subcommittees for any purpose that the Committee deems appropriate and may delegate to such subcommittees such power and authority as the Committee deems appropriate; provided, however, that no subcommittee shall consist of fewer than two members; and provided further that the Committee shall not delegate to a subcommittee any power or authority required by any law, regulation or listing standard to be exercised by the Committee as a whole.

C. Minutes

Minutes of each meeting of the Committee shall be prepared documenting the activities of the Committee. After review and comment by Committee members, the minutes of each meeting of the Committee shall be finalized and sent to the Company's Corporate Secretary for permanent filing in the Company's minute book.

APPROVED AND ATTESTED BY:



ROY G. PADIERNOS
Chairman


JOY P. CARLOS
Director

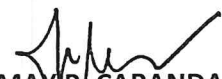

ATTY. JAN RURIK DL. PADIERNOS
Director


JOSE GAY G. PADIERNOS
Director



GREGORIO STA. MARIA
Director


GEORGE J. REGALADO
Director


JAN ADRIAN DL. PADIERNOS
Director


MAY PI CARANDANG
Director


GRACE T. LIM
Director


ATTY. LUISITO C. DEVEZA
Compliance Officer