CHARTER OF THE RELATED PARTY TRANSACTIONS COMMITTEE

The Board of Directors ("Board") of Manila Water Company, Inc. (the "Corporation") hereby adopts this Charter of the Related Party Transactions Committee.

Section 1. Membership

1.1 Composition

The Committee shall be composed of three (3) non-executive directors as members, two (2) of whom shall be independent.

The Board shall designate the Chairman of the Committee, who shall be an independent director, and may, from time to time, increase the membership of the Committee and appoint additional members therein.

1.2 Term

The Board shall appoint the members of the Committee at its annual organizational meeting and each member shall serve upon his election until the next organizational meeting of the Board, unless removed or replaced by the Board.

1.3 Vacancy

Any vacancy in the Committee caused by the death, resignation, removal or disqualification of member, or by any other cause, may be filled by the Board. The member elected to fill the vacancy shall hold office for the remainder of the term, or until his successor shall have been duly elected and have qualified.

1.4 Compensation

Each Committee member shall receive such emolument and/or compensation as may be fixed by the Board pursuant to the By-Laws.

Section 2. Powers, Duties and Responsibilities of the Committee

2.1 The Committee shall be tasked with reviewing all material related party transactions (RPTs) of the Corporation and for this purpose shall have the following powers, 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 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 Corporation 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:

- The related party’s relationship to the Corporation and interest in the transaction;
- The material facts of the proposed RPT, including the proposed aggregate value of such transaction;
- The benefits to the Corporation of the proposed RPT;
- The availability of other sources of comparable products or services; and
- 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 Corporation 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 Corporation’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 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; 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; and

(g) Adopts, implements and continuously monitors policies and procedures that will ensure the integrity and transparency of related party transactions between and among the Company and its parent company, joint ventures, subsidiaries, affiliates, major stockholders, officers and directors, including their spouses, children and dependent siblings and parents, and of interlocking director relationships by members of the Board as well as other unusual or complex transactions.

2.2 The Committee shall perform such other functions as may be properly delegated to it by the Board.

2.3 The Committee shall refer the resolution of matters to the Board Committee that has the authority or competence to act on those matters in accordance with their respective Charters.

2.4 The Committee shall be guided by the Corporation’s mission and vision in the fulfillment of its functions.

Section 3. Resolutions and Actions

3.1 Meetings, Quorum and Actions

(a) The Committee shall meet in person or telephonically or video conference or through such other similar means at such times and frequency as may be necessary.

(b) As a general rule, Committee meetings shall be announced at least two (2) weeks in advance. Notice of meetings may be given by any customary means of communication such as electronic mail, in writing, by telephone, by telefax and other similar means. The notice shall specify the time and place of the meeting and include a detailed agenda. The materials of the meetings shall be given to each member of the Committee at least five (5) working days prior to the intended meeting, except as otherwise provided herein.

(c) The attendance of at least two (2) members of the Committee shall constitute a quorum.
(d) The majority vote of all members shall be necessary to carry an act or resolution of the Committee.

(e) Actions of the Committee may also be taken by written consent (in physical, electronic or digital format) by majority of the members when deemed necessary or desirable by the Committee or its Chairman.

(f) Attendance of members at Committee meetings shall be disclosed in the Corporation’s annual report.

3.2 Minutes

Minutes of the Committee meeting will be recorded and maintained by the Office of the Corporate Secretary. The Corporate Secretary or his designate shall act as secretary for the meetings.

3.3 Reports to and Ratification by the Board

The Chairman of the Committee or his designate shall report to the Board all actions of the Committee at the meeting of the Board following such actions.

An act of the Related Party Transactions Committee which is within the scope of its powers shall not require ratification or approval by the Board for its validity and effectivity. However, any such act shall be subject to revision or alteration by the Board, provided that no rights of third parties shall be affected by a revision or alteration.

Section 4. Performance Evaluation and Continuous Improvement

4.1 To ensure that the Committee continues to fulfill its responsibilities in accordance with global best practices and in compliance with the Manual and other relevant regulatory requirements, the Committee shall conduct an assessment of its performance at least annually.

In this regard, the Committee shall:
(a) As a body, evaluate its performance by filling up a self-assessment questionnaire that shall benchmark its practices against the expectations set out in this Charter.
(b) Based on the results of the self-assessment, formulate and implement plans to improve its performance. These shall include the identification of relevant training needs intended to keep the members up-to-date with corporate
governance best practices, accounting and auditing standards, as well as specific areas of concern (e.g. emerging risks).

(c) Annually, review the status of implementation of such plans for improvement.

(d) In addition, the Committee shall obtain and subject itself to an independent assessment by the Board of Directors relative to its performance in accordance with expectations set out in this Charter and the discharge of its responsibilities as specified in the Committee’s Calendar of Activities.

Section 5. Miscellaneous

5.1 Access to Information

The Committee shall have free and full access to all relevant information, data, records, properties and personnel of the Corporation.

5.2 Technical Assistance

The Corporate Secretary, the management and all personnel of the Corporation shall provide assistance and support to the Committee.

The Committee may also invite such members of management and other resource persons to its meetings and may secure independent expert and/or professional advice as it may deem desirable or appropriate.

All resources necessary for the Committee to perform its duties and functions shall be provided by the Corporation, at its expense.

5.3 Records/Confidentiality

The Corporate Secretary shall keep and have custody of the records of the Committee. Except for information that are required to be disclosed pursuant to law or regulations issued by competent government authorities, the records of the Committee shall be kept confidential.

5.4 Annual Review

This Charter shall be reviewed by the Committee annually. Any proposed changes shall be approved by the Board.

5.5 Effectivity

This Charter shall take effect upon approval by the Board.