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## SECURITIES AND EXCHANGE COMMISSION

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### Company Information

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SEC Registration No. 0000060312  
Company Name PHILIPPINE INFRADEV HOLDINGS INC.  
Industry Classification Financial Holding Company Activities  
Company Type Stock Corporation

### Document Information

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Document ID 110312019000873  
Document Type 17-C (FORM 11-C:CURRENT DISCL/RPT)  
Document Code 17-C  
Period Covered October 30, 2019  
No. of Days Late 0  
Department CFD  
Remarks

COVER SHEET

- - - - - 6 0 3 1 2

SEC Registration Number

PHILIPPINE INFRADEV HOLDINGS INC.

(Company's Full Name)

3 5 T H F L O O R R U F I N O

P A C I F I C T O W E R A Y A L A A V E

M A K A T I C I T Y

(Business Address: No., Street City / Town / Province)

DELFIN P. ANGCAO

Contact Person

817 6791

Company Telephone Number

SEC Form 17-C

Policy on Material Related Party Transactions

1 2

Month Fiscal Year

3 1

Day

FORM TYPE

0 9

Month

3 0

Day

Annual Meeting

N/A

Secondary License Type, If Applicable

C F D

Dept Requiring this Doc

N/A

Amended Articles Number / Section

Total Amount of Borrowings

Total No. of Stockholders

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document ID

Cashier

Remarks: Please use BLACK

**CURRENT REPORT UNDER SECTION 17  
OF THE SECURITIES REGULATION CODE (SRC)  
AND SRC RULE 17.2 (c) THEREUNDER**

1. October 30, 2019  
Date of Report (Date of earliest event reported)
  
2. SEC Identification Number 60312      3. BIR Tax Identification No. 000-464-876
  
4. **PHILIPPINE INFRADEV HOLDINGS INC.**  
Exact name of registrant as specified in its charter
  
5. PHILIPPINES  
Province, country or other jurisdiction  
of incorporation
  
6. (SEC Use Only)
  
7. 35<sup>th</sup> Floor, Rufino Pacific Tower, Ayala Avenue, Makati City      1223  
Address of principal office      Postal Code
  
8. (632) 7750-2000  
Registrant's telephone number, including area code
  
9. Not Applicable  
Former name or former address, if changed since last report
  
10. Securities registered pursuant to Sections 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding
Common	6,061,578,964

11. Indicate the item numbers reported herein. Item 9

We advise that the Board of Directors of PHILIPPINE INFRADEV HOLDINGS INC. approved today the company's Policies on Material Related Party Transactions in compliance with SEC Memorandum Circular No. 10, Series of 2019. Attached is a copy of said Policies.

### SIGNATURES

Pursuant to the requirements of the Securities Regulation Code, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

### PHILIPPINE INFRADEV HOLDINGS INC.

Registrant

By:

  
DELFIN P. ANGCAO  
Corporate Secretary

Date: October 30, 2019  
dpa/InfraDevMaterial RPT Policy

**PHILIPPINE INFRADEV HOLDINGS INC.**  
**Policies on Related Party Transactions and Material Related Party Transactions**

The Securities and Exchange Commission Memorandum Circular No. 10 Series of 2019 requires the adoption of a policy on material related party transactions. To consolidate existing Company Policy on Related Party Transactions with the adopted Material Related Party Transactions Policy, these Policies are issued.

These Policies are divided into two parts. The first part applies to Related Party Transactions (Regular RPT); the second part, Material Related Party Transactions (Material RPT).

**I. RELATED PARTY TRANSACTIONS POLICY**

*This Policy covers related party transactions between the Company and a Related Party as defined below or between a subsidiary or affiliate of the Company and a Related Party as defined below if the subsidiary or affiliate has not adopted its own policy on related party transactions.*

**1. Objectives**

This Policy is intended to ensure that every Related Party Transaction is conducted in a manner that will protect the Company from conflict of interest which may arise between the Company and its Related Parties; and ensure proper review, approval, ratification and disclosure of transactions between the Company and any of its Related Parties as required in compliance with legal and regulatory requirements.

**2. Terms**

***Affiliate*** is a corporation that directly or indirectly, through one or more intermediaries, is controlled by, or is under the common control of, another corporation, which thereby becomes its parent corporation.

***Arms length*** refers to transactions in an open and unrestricted market between willing parties who are knowledgeable, informed, and who act independently of and without regard to any relationship with each other.

***Related Party Transaction*** is a transfer of resources, services or obligations between related parties, regardless of whether a price is charged.

***Related Party*** is a person or entity that is related to the Company or any of its subsidiary or affiliate, which may refer to any of the following:

- a. parties that are members of the Company;
- b. all directors, officers, managers and key management personnel having authority and responsibility for planning, directing and controlling the activities of the Company or its subsidiary or its parent, directly or indirectly including companies they have control or joint control or significant influence;
- c. relatives (within the fourth civil degree of consanguinity or affinity) of an individual referred to in (b) above, who may be expected to influence, or be influenced by that individual in their dealings with the Company, its subsidiary, or affiliate.

### **3. Policy**

Transactions between and among related parties create financial, commercial, and economic benefits to the Company. To this extent, therefore, the Company generally allows related party transactions. The general attitude of allowing related party transactions is subject to the condition that these are done on an arm's length basis and in compliance with the requirements set forth in this Policy. Thus, where the transaction is arrived at after competitive bidding, they are generally allowed.

All Related Party Transactions go through the normal approval processes of the Company. The Audit and Related Party Transactions Committee (for brevity, hereinafter referred to as the "RPT Committee") reviews and ratifies these RPT and endorses to the Board for approval.

In making its review, the RPT Committee will consider the following factors to the extent relevant to the RPT: (a) identity of the parties involved in the transaction, (b) terms of the transaction are fair and on an arms length basis to the Company, (c) the impact on director's or officer's independence, (d) whether the RPT would present improper conflict of interest for any director or officer of the Company.

The Board of Directors approves and confirms all Related Party Transactions endorsed by the RPT Committee.

Any member of the Board or RPT Committee who has an interest in the transaction must abstain from participation in the review and approval of any RPT.

## **II. MATERIAL RELATED PARTY TRANSACTIONS POLICY**

*This Policy covers material related party transactions. Material related party transactions are any related party transactions, either individually or over a twelve-month period, amounting to ten percent (10%) or higher of a company's current total assets based on its latest audited financial statement.*

### **1. Duties and Responsibilities of the Board of Directors**

The Board of Directors shall have the overall responsibility in ensuring that Material RPTs are handled in a sound and prudent manner; with integrity, and in compliance with applicable laws and regulations to protect the interest of the Company's shareholders and stakeholders. Towards this end, the Board of Directors shall have the duties to (a) institutionalize an overarching policy on management of Material RPTs to ensure effective compliance with existing laws, rules and regulations at all times and that Material RPTs are conducted on an arms length basis, and that no shareholder or stakeholder is unduly disadvantaged; (b) approve all Material RPTs, as endorsed by the Company's Related Party Transactions Committee; (c) establish an effective audit, risk and compliance system to determine, identify ,and monitor related parties and Material RPTs.

### **2. Duties and Responsibilities of Senior Management**

Senior management shall implement appropriate controls to effectively manage and monitor Material RPTs on a per transaction and aggregate basis. Exposures to related parties should also be monitored on an ongoing basis to ensure compliance with the Company's policies and with the pertinent rules of the SEC.

### **3. Internal Audit**

The internal audit function, through the RPT Committee, shall conduct a periodic review of the effectiveness of the Company's system and internal controls governing Material RPTs to assess consistency with this Material RPT Policy and related policies and procedures. The resulting audit reports, including exceptions or breaches, shall be communicated directly to the RPT Committee.

### **4. Whistle Blowing Mechanism**

Consistent with the Company's Whistle Blowing Policy, the Company shall encourage all its stakeholders to immediately communicate/report, confidentially and without the risk of reprisal, legitimate concerns about illegal, unethical or questionable Material RPTs, directly to the RPT Committee Chairman so that these will be investigated and addressed by an objective independent internal or external body.

### **5. Investigation**

All investigations about allegations of illegal, unethical, abusive or questionable Material RPTs, whether via whistleblowing channels or as uncovered during audits and/or supervisory examinations, shall be handled by the Company's RPT Committee or by an independent external firm as may be decided by the Board of Directors. Interested or involved persons shall inhibit from being involved in such investigations.

### **6. Administrative Sanctions**

The following are considered breaches/violations of this Material RPT Policy:

- a. directors and officers who deliberately fail to declare or conceal any and all material facts as well as their direct or indirect interest in the Company's Material RPTs;
- b. heads and managers who deliberately fail/refuse to report/disclose or have been remiss in their duties in handling their units' Material RPTs, if any;
- c. Abusive Material RPTs or those that were not entered at arms' length terms and unduly favoring a related party.

After administrative hearings/due investigation is made, the imposition of the appropriate administrative sanction/s shall be decided by the board of directors for directors and officers or the president, for all other persons.

### **7. Identification and Initial Review of Material RPTs**

The Company's managers, officers, and directors shall identify Material RPTs either individually, or in aggregate over a 12-month period with the same party, amounting to 10% or higher of the Company's Total Assets based on its latest audited financial statements.

To ensure that Material RPTs are entered into at terms that promote the best interest of the Company, its shareholder and other stakeholders, effective price discovery mechanism shall be resorted to, such as but not limited to acquiring the services of external valuation expert, opening the transaction to a bidding process, or publication of a property available for sale. In the event expert valuation is secured, that external independent party may include but is not limited to auditing/accounting firms and third party consultants and appraisers.

Initial review of Material RPTs shall devolve upon the Related Party Transaction Committee of the Company.

## 8. Review and Approval of Material RPTs

In reviewing Material RPTs, the following procedures shall be observed.

*Evaluation and Endorsement.* The RPT Committee shall evaluate and endorse for the approval of the Board of Directors all Material RPTs.

*Final Approval.* All individual Material RPTs shall be approved by at least two-thirds vote of the Board of Directors, with at least majority of the independent directors voting to approve the Material RPT, subject to confirmation of the stockholders during the annual stockholders meeting together with all other Material RPTs that crossed the materiality thresholds. Alternatively, the Material RPT may be ratified by the vote of the stockholders representing at least two-thirds of the Company's outstanding capital stock in a Special Stockholders' Meeting called for the purpose. The rule similarly applies for aggregate RPT transactions within a 12-month period that breaches the materiality threshold of 10% of the Company's Total Assets.

*Independence and Inhibition of Directors and Officers Involved in Material RPTs.* To prevent potential or actual conflict of interest situations which may arise out of or in connection with Material RPTs, directors and officers with personal interest in the transaction shall abstain from the discussion, approval and management of such transaction. In the event of refusal to abstain, their attendance shall not be counted for purposes of assessing the quorum and their votes shall not be counted for purposes of determining if the required approval is secured.

*Self-Declaration and Disclosure.* Directors, substantial shareholders and officers shall disclose to the board of directors any and all material facts related to the Material RPTs as well as their direct and indirect financial interest in any transaction or matter that may affect or is affecting the Company. Disclosure shall be made at the board of directors meeting where the Material RPT will be presented for approval and before the completion or execution of the Material RPT.

## 9. Disclosure and Regulatory Reporting

The Company shall submit the following to the Securities and Exchange Commission:

- (a) A **Summary of Material RPTs** entered into during the reporting year shall be disclosed in the Company's Integrated Annual Corporate Governance Report (I-ACGR); and
- (b) An **Advisement Report** in accordance with the SEC-prescribed format shall be filed within 3 calendar days after the execution date of the transaction.

Both disclosures shall include the following information:

- a. complete name of the related party;
- b. relationship of the parties
- c. execution date of the Material RPT
- d. financial or non-financial interest of the related parties
- e. type and nature of transaction as well as a description of the assets involved
- f. total assets
- g. amount or contract price
- h. percentage of the contract price to the Company's Total Assets based on its latest Audited Financial Statement
- i. carrying amount of collateral, if any
- j. terms and conditions
- k. rationale for entering into the transaction



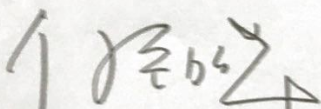
- l. approval obtained (directors present, names of directors who approved the Material RPT, and the corresponding voting percentage obtained)

This Policy, duly signed by the Chairman of the Board and the Compliance Officer/s of the Company shall be submitted and disclosed to the SEC and the PSE. Likewise, this Policy with accessible link shall be posted on the Company's website within five (5) days from its submission to the SEC.

#### 10. Policy Review and Updating

This Policy shall be reviewed by Compliance Officer as soon as necessary to ensure its effectiveness and to incorporate therein any relevant changes in SEC's pertinent requirements as well as changes in the Company's internal policies and procedures. Any changes and updates to this policy shall be subject to the review and endorsement of the Related Party Transactions Committee for approval by the board of directors.


This Policy was approved by the Board of Directors of Philippine Infradev Holdings Inc. on October 30, 2019 and is signed by the Chairman of the Board and the Compliance Officers of the Company in compliance with SEC Memo Circular No. 10, Series of 2019.



REN JIN HUA  
Chairman of the Board



ALWIN P. REMANTE  
Compliance Officer



KEINTH ROGER B. CASTILLO  
Compliance Officer