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JACKSTONES, INC.

593 Antonio Drive, Bagumbayan, Taguig City 1630

POLICIES AND PROCEDURES ON RELATED PARTY TRANSACTIONS	Version No:
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Section 1. General Policy Statement.

Jackstones, Inc. ("Corporation") is guided by its firm, unequivocal commitment to integrity, fairness, and transparency of related party transactions between and among the Corporation, its associates, affiliates, major stockholders, directors, officers, including their spouses, children, and dependent siblings and parents, and of interlocking director relationships by members of the Board of Directors of the Corporation ("Board").

The terms of any transaction involving related parties must be done as if the transaction is made at arm's length transaction, with the best interest of the Corporation in mind.

To ensure that this Policy is practiced in strict compliance, an assessment is undertaken of related party transactions as they happen.

The Audit Committee is constituted as the committee responsible to oversee and review the propriety of Related Party Transactions and their required reporting disclosures.

Section 2. Purpose.

This Policy is intended to achieve the following:

- A. To define related party relationships and transactions, including those classified as material related party transactions.
- B. To formulate and implement policies and procedures that would ensure the integrity and transparency of related party transactions regardless of its materiality.
- C. To set out the general requirements, responsibilities, and the specific policies, procedures, and disclosures to be followed as related party transactions occur. There will be a separate set of requirements, responsibilities, and the specific policies, procedures, and disclosures to be followed for material related party transactions.
- D. To identify and prevent or manage potential or actual conflicts of interest which arise.
- E. To ensure the adoption of materiality thresholds;
- F. To determine the Internal limits for individual and aggregate exposures;
- G. To review whistle-blowing mechanisms; and
- H. To determine restitution of losses and other remedies for abusive related party transactions.

Section 3. Scope.

This Policy applies to all related parties of the Corporation.

Section 4. Definitions.

A. **Related Parties** are as follows:

1. Affiliates and any party (including the parent company, subsidiaries, fellow subsidiary, associates, affiliates, joint ventures, and special purpose entities), that the Corporation exerts direct or indirect control over or that exerts direct or indirect control over the company;
2. Parties that are members of the Corporation;
3. All directors, officers, managers, key management personnel, and shareholders having authority and responsibility for planning, directing, and controlling the activities of the Corporation or its subsidiary or its parent, directly or indirectly, including corporations or companies they would have control or joint control or significant influence;
4. Spouses and relatives of the Corporation's directors, officers, and substantial shareholders, within the fourth (4th) civil degree of consanguinity or affinity, legitimate or common-law, if these persons have control, joint control, or significant influence over the Corporation;
5. Party is an associate or joint venture of the other entity, or an associate or joint venture of a member of a group of which the other entity is a member, or a joint venture or associate of a third entity.
6. Such other person or juridical entity whose interest may pose a potential conflict with the interest of the company.

B. **Close Family Member** includes the individual's family members who may be expected to influence, or be influenced by, that person in their dealings with the entity and include:

1. That person's children, spouse, domestic partner;
2. Children of that person's spouse or domestic partner, whether legitimate or illegitimate;
3. Dependents of that person or that person's spouse or domestic partner.

C. **Related Party Transaction (RPT)** is a transfer of resources, services, or obligations between the Corporation and a Related Party, regardless of whether a price is charged. The following are examples of RPTs but does not constitute an exclusive and exhaustive list of instances :

1. Loans to directors,
2. Sale or purchase goods,
3. Sale, purchase or lease of property and/or assets,
4. Provision or receipt of services or leases,
5. Assumption of financial/operating obligations,
6. Subscription for debt or equity issuances,
7. Establishment of joint venture entities,
8. Settlement of liabilities on behalf of the Corporation or on behalf of a related party,
9. Compensation, benefits (monetary and non-monetary), post-employment benefits, termination benefits and share-based payment of current employees.
10. Outstanding transactions that are entered into with an unrelated party that subsequently becomes a related party.

D. **Material Related Party Transactions** are RPT/s either individually or in aggregate over a period of twelve (12) months with the same related party, amounting to ten percent

(10%) or higher of the Corporation's total assets based on its latest audited financial statement.

- E. **Materiality Threshold** is set at ten percent (10%) of the Corporation's total asset based on its latest consolidated audited financial statement.
- F. **Abusive Material RPTs** refer to Material RPTs that are not entered at arm's length and unduly favor a related party.
- G. **At Arm's Length** refers to transactions in an open and unrestricted market and between willing parties who are knowledgeable, informed, and who act independently of and without regard to any relationship with each other.
- H. **Significant Influence** is the power to participate in the financial and operating policy decisions of an entity but is not control over those policies. Significant influence may be gained by share ownership, statute, agreement.

Section 5. Responsibilities.

A. The Board shall have the following duties:

1. Approves the Corporation's Related Party Transaction Policy;
2. Sets the materiality threshold for related party transaction;
3. Resolves and approves RPTs meeting and/or exceeding the threshold; and
4. Performs oversight on implementation of this policy.

B. The directors and employees shall have the following duties:

1. Promptly disclose any business and family-related transactions to the Corporation to ensure that potential conflicts of interest are surfaced and brought to the attention of the Corporation's Management.
2. Abstain and/or inhibit themselves from participating in discussion on a particular agenda when they are conflicted.

C. Independent directors shall have the following duties:

Submit to the Corporate Secretary a letter of confirmation stating that he or she holds no interest in the Corporation, or the Corporation's Management, or the Corporation's controlling shareholders at the time of his or her election or appointment and/or re-election as an independent director.

The Audit Committee shall have, among others, the following duties:

1. Evaluates on an ongoing basis existing relation 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 the regulators/supervisors;
2. 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:

- a. The related party's relationship to the company and interest in the transaction;
 - b. The material facts of the proposed RPT, including the proposed aggregate value of such transaction;
 - c. The benefits to the corporation of the proposed RPT;
 - d. The availability of other sources of comparable products or services; and
 - e. 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;
3. 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 conflicts of interest that are inconsistent with such policies, and conflicts that could arise as a result of the company's affiliation or transactions with other related parties;
 4. 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;
 5. Ensures that transactions with related parties, including write-off of exposures are subject to a periodic independent review or audit process; and
 6. Oversees the implementation of the system for identifying, monitoring, measuring, controlling, and reporting RPTs, including a periodic review of RPT policies and procedures.

Section 6. Policies.

A. General Policy.

The Corporation shall, at all times, observe and adhere with this Policy and all other relevant laws, rules and regulations, as may be applicable in the review, approval and disclosure of RPTs.

B. Pre-approved and Thresholds.

The Board of Directors and the Audit Committee and the Management, shall determine and provide pre-approved RPTs and thresholds subject for their review and approval.

C. Identification, Review, and Approval of Related Party Transactions.

1. In General.

- a. The Corporation shall require the directors and key management personnel to abstain and/or inhibit themselves from participating in discussions on a particular agenda when they are conflicted.

2. Review by the Audit Committee.

- a. Before commencement of the RPT, the Corporation's Management shall report to the Audit Committee each new or proposed RPT for review and approval. The Corporation's Management shall cover the following:
 - i. The terms, business purpose, benefits and other details of the RPT;
 - ii. The nature of the relationship of the party or parties involved in the transaction in relation to the Corporation, taking into consideration the close family members involved;
 - iii. The description of the transaction, including the affected periods to be disclosed in the financial statements, including the amounts, and such other information necessary for better understanding of the effect of the proposed transaction in the financial statements, which may include the amounts due to or from related parties to the transaction, if any, and the terms and manner of settlement.
- b. The Audit Committee shall review all the information reported by the Corporation's Management and shall consider all of the relevant facts and circumstance available, including but not limited to the following:
 - i. The terms of the transaction, which should be fair and to the best interest of the Corporation and no less favorable than those generally available to non-related parties under the same or similar circumstances;
 - ii. The aggregate value of the RPT;
 - iii. Extent of the Related Party's interest in the transaction;
 - iv. Whether the RPT would present an improper conflict of interests or special risks or contingencies for the Corporation, or the Related Party taking into account the size of the transaction, the overall financial position of the Related Party, the direct or indirect nature of the Related Party's interest in the transaction and the nature of any proposed relationship.
 - v. Any other relevant information regarding the transaction.
- c. Should the Audit Committee find that the RPT complies with this Policy, it shall endorse the same to the Board within three (3) working days from receipt of all the relevant facts and circumstances available.
- d. In case the RPT exceeds the threshold defined and endorsed by the Audit Committee to the Board, the same shall be reviewed by the Audit Committee. However, if the same is not identified beforehand, it must be subsequently reviewed and ratified by the Board. In any case where either the Board determines not to ratify a RPT that has been commenced without approval, the Board, as appropriate, may direct additional actions including, but not limited to, immediate discontinuation or rescission of the transaction, or modification of the transaction to make it acceptable for ratification.

3. Review by Board of Directors

- a. Upon endorsement by the Audit Committee to the Board of a RPT, the Board shall consider whether the terms of the RPTs are on arm's length and fair to the Corporation and such factors as the following:
 - i. The facts and circumstances made available to the Audit Committee;
 - ii. Materiality;

- iii. Purpose and timing of the transactions;
 - iv. Benefits to the Corporation in entering into the transaction;
 - v. Availability of other sources of comparable products or services;
 - vi. Whether the terms of the RPT are fair to the Corporation and would apply on the same basis if the transaction did not involve a Related Party;
 - vii. Whether there are any compelling business reasons for the Corporation to enter into the RPT and the nature of alternative transactions, if any;
 - viii. Whether the RPT would impair independence if the Related Party is a director, an immediate family member of a director, or an entity in which a director is a shareholder, or of which a director is a senior executive officer, director, or a person in a similar position;
 - ix. Whether the Corporation was notified about the RPT before its commencement, and if not, why pre-approval was not sought, and whether subsequent ratification would be detrimental to the Corporation;
 - x. Any other relevant information regarding the transaction.
- b. The Board shall approve RPTs before their commencement. Materiality thresholds applicable to RPTs are to be defined and endorsed by the Audit Committee to the Board.
 - c. The Board may, if there is an objection, require that a RPT that it has approved, be also submitted to the shareholders for consideration and ratification.
4. Approval of the Board of Directors
- a. All individual material RPTs shall be approved by at least two-thirds (2/3) vote of the Board of Directors, with at least a majority of the independent directors voting to approve the material RPT. In case that a majority of the independent director's vote is not secured, the material RPT may be ratified by the vote of the stockholders representing at least two-thirds (2/3) of the outstanding capital stock.
 - b. All aggregate RPT transactions with the same related party that reaches or exceeds the Materiality Threshold within a period of twelve (12) months shall be approved by the Board of Directors and, if necessary, ratified by the stockholders in the same manner enumerated in the previous item.
- The said approval and ratification must be secured prior to the engagement of the most recent RPT that will exceed and breach the Materiality Threshold.
- c. In both cases, Directors with personal interest in the RPT shall abstain from participating in the discussions of and voting on the same. In case of their refusal, their attendance shall not be counted for purposes of assessing the quorum and their votes shall not be counted for purposes of determining approval.
 - d. Before the execution of a material RPT, the Board shall appoint an external independent party responsible for evaluating the terms of the material RPTs, and pre-approved material RPTs. An external party may also be appointed to ensure that the terms of the transaction are for the Corporation's best interest.
5. Pre-Approved Related Party Transactions.
- a. The RPTs listed below, which are in the nature of normal transactions in the ordinary course of business, and are covered by separate board approvals, shall

be deemed to be pre-approved or ratified, and shall be considered approved by the Audit Committee but still subject to further review and approval by the Board and the external independent party to be appointed:

- i. Compensation and employment of executive officers and directors approved by the Human Resources Department;
- ii. Transactions like loans, advances and other benefits with similar terms available to all employees generally;
- iii. Any transaction with a Related Party involving management fees, system cost recoveries, agreements or inter-company advances in exchange for rendering of services, such as property management, technical services, and other services in the ordinary course of doing business; and
- iv. Any transaction with a Related Party involving the rendering of services as a common or contract carrier, or public utility, at rates or charges fixed in conformity with law or government authority.

D. Disclosure.

RPTs shall be reported in the Corporation's filings with the Securities and Exchange Commission (SEC) and the Philippine Stock Exchange (PSE). They shall also be disclosed in accordance with applicable laws, rules and regulations.

In relation thereto, the members of the Board of Directors, substantial shareholders and officers shall fully disclose to the Board of Directors all material facts related to the material RPT as well as their direct and indirect financial interest in any transaction or matter that may affect or is affecting the Corporation. Such disclosure shall be made at the board meeting where the material RPT will be presented for approval and before the completion or execution of the material RPT.

E. Remedies

In case of an Abusive Material RPT or in cases of breaches of the foregoing policy, the Corporation reserves the right to recover losses or opportunity costs incurred arising from such through the institution of civil, criminal, and/or administrative cases against the erring party.

Further, depending on the gravity of the Material RPT concerned, a Fine of not less than Ten Thousand Pesos (Php10,000.00) shall be imposed on the erring personnel, officer, or director who have been remiss in their duties in handling material RPTs in accordance to this policy.


Whistleblowing procedures with respect to Material RPTs shall be in accordance to the existing Whistleblower policy of the Corporation.

F. Administration.

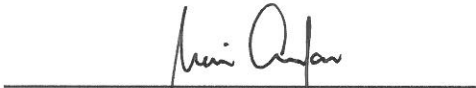
1. The Corporation's Board of Directors shall be responsible for the administration, interpretation, and application of this Policy. The Board shall review this Policy periodically, and the same shall be revised as needed. The internal audit shall also conduct a periodic review of the Corporation's system and the Compliance Officer shall ensure that the company complies with relevant rules and regulations.
2. Implementing guidelines and procedures in support of this Policy may be prepared and approved by the Corporation's Management.

G. Approval.

This Policy shall be approved by the Board of Directors in a meeting duly called for such purpose. This policy shall be signed by the Corporation's Chairman of the Board and Compliance Officer.



Mariano Chua Tanenglian
Chairman of the Board



Maria Arrabelle Lim
Compliance Officer