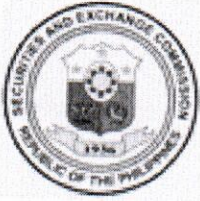




110252019001682

**SECURITIES AND EXCHANGE COMMISSION**

SEC Building, EDSA, Greenhills, Mandaluyong City, Metro Manila, Philippines  
Tel: (632) 726-0931 to 39 Fax: (632) 725-5293 Email: mis@sec.gov.ph

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**Company Information**

SEC Registration No. 0000134800  
Company Name JOLLIVILLE HOLDINGS CORP.  
Industry Classification  
Company Type Stock Corporation

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Remarks MATERIAL RELATED PARTY TRANSACTIONS POLICY

# COVER SHEET

SEC Registration Number

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**COMPANY NAME**

[illegible]**PRINCIPAL OFFICE** ( No. / Street / Barangay / City / Town / Province )[illegible]

### Form Type

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Department requiring the report

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Secondary License Type, If Applicable

	N	A	
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**LETTER – MATERIAL RELATED PARTY TRANSACTIONS POLICY (Adopted on 25 October 2019)**

## COMPANY INFORMATION

Company's Email Address	Company's Telephone Number	Mobile Number
<b>claire.depasion@joh.ph</b>	<b>373-3038</b>	<b>N/A</b>
No. of Stockholders	Annual Meeting (Month / Day)	Fiscal Year (Month / Day)
<b>33</b>	<b>Any day in June</b>	<b>DECEMBER 31</b>

## CONTACT PERSON INFORMATION

The designated contact person **MUST** be an Officer of the Corporation

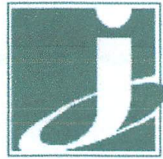
Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
<b>Ortrud T. Yao</b>	<u>ortrud_ting@joh.ph</u>	<b>373-3038</b>	<b>N/A</b>

**CONTACT PERSON'S ADDRESS**

**4/F 20 Lansbergh Place, 170 Tomas Morato Avenue cor. Scout Castor St., Quezon City**

**NOTE 1:** In case of death, resignation or cessation of office of the officer designated as contact person, such incident shall be reported to the Commission within thirty (30) calendar days from the occurrence thereof with information and complete contact details of the new contact person designated.

2: All Boxes must be properly and completely filled-up. Failure to do so shall cause the delay in updating the corporation's records with the Commission and/or non-receipt of Notice of Deficiencies. Further, non-receipt of Notice of Deficiencies shall not excuse the corporation from liability for its deficiencies.



JOLLIVILLE HOLDINGS CORPORATION

October 25, 2019

**SECURITIES AND EXCHANGE COMMISSION**

Ground Floor, North Wing, Secretariat Building  
PICC Complex, Vicente Sotto Street, Pasay City

Attention: **Atty. Rachel Esther J. Gumbang-Remalante**  
OIC, Corporate Governance and Finance Department

**PHILIPPINE STOCK EXCHANGE INC.**

6<sup>th</sup> Floor PSE Tower,  
28th Street corner 5th Avenue,  
Bonifacio Global City, Taguig City

Attention: **Ms. Janet A. Encarnacion**  
Head, Disclosure Department

Re: JOLLIVILLE HOLDINGS CORPORATION-  
MATERIAL RELATED PARTY TRANSACTIONS POLICY

Gentlemen:

In compliance with SEC Memorandum Circular No. 10, Series of 2019, please be advised that at the Special Meeting of the Board of Directors of Jolliville Holdings Corporation (the "Corporation") held today, 25 October 2019, the Board of Directors of the Corporation approved the adoption of the Material Related Party Transaction Policy (Material RPT Policy).

Please refer to the attached copy of the Material RPT Policy of the Corporation. It will be available at the website after it is submitted to the Securities and Exchange Commission.

Thank you for your kind attention.

Very truly yours,

**ORTRUD T. YAO**

Asst. Corp. Secretary/Treas./CFO



JOLLIVILLE HOLDINGS CORPORATION

## **MATERIAL RELATED PARTY TRANSACTIONS** **POLICY & GUIDELINES**

Jolliville Holdings Corporation ("Corporation" or the "Company") adopts a policy of full disclosure with regard to Material Related Party Transactions (RPTs) between the Corporation and a Related Party, as defined below. It is the policy of the Corporation that all terms and conditions on RPTs shall be subject to review and approval of the Audit Committee and the Board of Directors in order to ensure that the transactions are made on an arm's length basis and the terms are fair and inures to the best interest of the Corporation.

### **I. Purpose**

The purpose of the policy is to provide guidelines that would ensure the integrity and transparency of Material Related Party Transactions and ensure that all transactions are always to the interest of the Corporation and in particular of its minority shareholders and other stakeholders.

### **II. Definition of Terms**

- a) **"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 venture or an entity that is controlled, jointly controlled or significantly influenced or managed by a person who is a related party.
- b) **"Substantial Shareholder"** – any person who is directly or indirectly the beneficial owner of more than ten percent (10%) of any class of its equity security.
- c) **"Related Party Transactions"** – a transfer of resources, services or obligations between the 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.
- d) **"Material Related Party Transactions"** – any related party transaction/s, either individually, or in aggregate over a twelve-month (12) 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.





**JOLLIVILLE HOLDINGS CORPORATION**

- e) **“Materiality Threshold”** – Ten percent (10%) of the company’s total assets based on its latest audited financial statement.
- f) **“Related Party Registry”** – a record of the organizational and structural composition, including any change thereon, of the company and its related parties.
- g) **“Abusive Material Related Party Transactions”** – refer to any material RPTs that are not entered at arm’s length and unduly favor a related party.

**III. Coverage and Materiality Threshold**

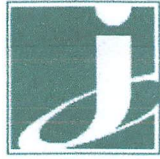
It is the Company’s policy that material transactions with related parties are made at terms equivalent to prevailing markets and at arm’s length basis.

Management shall present proposed material transactions to be entered into by the Company with related parties to the Audit Committee for review prior to Board approval and Management execution.

Transactions amounting to ten percent (10%) or more of the total assets that are entered into with an unrelated party that subsequently becomes a related party may be excluded from the limits and approval process required in the policy. However, any alteration to the terms and conditions, or increase in exposure level, related to these transactions after the non-related party becomes a related party shall subject the Material RPT to the approval requirements described in this Policy.

**IV. Identification, Review and Approval of Related Party Transactions**

- a) Before commencement of the Material RPT, Management shall report to the Audit Committee each new or proposed transaction for review and approval. The Management shall cover:
  - i) The terms, business purpose, benefits and other details of the Material Related Party Transactions
  - ii) Nature of the relationship of the party or parties involved in the transaction in relation to the Corporation
  - 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 and approve the Material RPT in accordance with the principles of integrity, transparency and fairness, to ensure that they are at arm’s length



**JOLLIVILLE HOLDINGS CORPORATION**

and it is to the best interest of the Company and its subsidiaries or their shareholders, including minority shareholders. The relevant facts and circumstances to be considered include:

- 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 circumstance
- ii) The aggregate value of the Material RPT
- iii) Extent of the Related Party's interest in the transaction
- iv) Whether the Material RPT would present an improper conflict of interest or special risks and 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 and indirect nature of the Related Party's interest in the transaction and the nature of any proposed relationship
- v) Availability of other sources of comparable products and services
- vi) Any other relevant information regarding the transaction

Any member of the Committee who has an interest in the Material RPT under review shall abstain from participating in the discussion and from voting thereon.

- c) The Audit Committee will then endorse the Material RPT to the Board for approval. During the Board's review of the Material RPT, the members of the board, substantial shareholders and officers shall fully disclose all material facts related to the transaction as well as their direct and indirect financial interest thereon that may affect the Company.
- d) Before the approval of the Material RPT, the Board shall appoint an external independent party to evaluate the fairness of the terms of the Material RPTs. The independent evaluation of the fairness of the transparent price ensures the protection of the rights of the shareholders.

Directors with a personal interest in the transaction shall abstain from participating in the discussions and voting on the same.

- e) All individual Material RPTs shall be approved by at least two-thirds (2/3) vote of the Board, with at least a majority of the independent directors voting to approve the transaction. In case a majority of the independent directors' 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.

For aggregate RPT transactions within a twelve-month (12) period that breaches the materiality threshold, the same board approval would be required for the transaction/s that meets and exceeds the materiality threshold covering the same related party.



**JOLLIVILLE HOLDINGS CORPORATION**

- f) During the implementation of the Material RPT, Management will conduct a periodic assessment of the following items:
- i) collectibility of receivables from related parties and the need to provide allowance for doubtful accounts for such receivables.
  - ii) Market and financial risks faced by related parties
  - iii) Guarantees issued to or received from related parties
  - iv) Financial and economic soundness of the Material RPTs (e.g. receivables and payables, cash placement and loans, investments in shares of stock, management/ service fees, etc.)

Should Management, during this periodic review, find the material RPT as abusive in nature, this fact will be reported to the Board for proper action.

Pursuant to Sections 26 and 27 of the Revised Corporation Code, an interested director or officer of a corporation shall be disqualified from being a director, trustee or officer of any other corporation on the basis of a final judgment rendered by a court of competent jurisdiction against the interested director or officer for abusive material RPTs. The disqualification shall be for a period of at least one (1) year or more, as may be determined by the Commission.

- g) Internal Audit shall conduct a periodic review of the effectiveness of the Company's system and internal controls governing Material RPTs to assess the consistency with the board-approved policies and procedures. The results will be communicated directly to the Audit Committee.
- h) The Board shall review and update the Related Party Registry of the Company on a quarterly basis in order to capture any organizational and structural changes in the Company and its related parties.

The Compliance Officer shall aid in the review of the Company's transactions and identify any potential Material RPT that would require review by the Board and shall ensure that the Company's Material RPT Policy is kept updated and is properly implemented.

**V. Disclosure of RPTs**

Full disclosure of the details, nature, extent and all other material information on the Material RPTs including but not limited to the financial or non-financial interest of the related parties, the type and nature of the transaction including a description of the assets involved, the percentage of the contract price to the total assets of the Corporation, the rationale for entering into the transaction and the approval obtained shall be made by the Corporation.



This Policy on Material Related Party Transaction supersedes any and all previous policies concerning Related Party Transactions, and is effective upon approval.

Approved on 25 OCT 2019 day of October 2019 at the City of Quezon, Philippines.



JOLLY L. TING  
Chairman



MELODY T. LANCASTER  
Compliance Officer