

# COVER SHEET

SEC Registration Number

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**COMPANY NAME**

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

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**COMPANY INFORMATION**

Company's Email Address <b>ir@rockwell.com.ph</b>	Company's Telephone Number <b>793-0088</b>	Mobile Number <b>N/A</b>
No. of Stockholders <b>46,450 (as of 30 Sept 2019)</b>	Annual Meeting (Month / Day) <b>May 29, 2019</b>	Fiscal Year (Month / Day) <b>December 31</b>

**CONTACT PERSON INFORMATION**

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

Name of Contact Person <b>Ms. Ellen V. Almodiel</b>	Email Address <b>ellena@rockwell.com.ph</b>	Telephone Number/s <b>7793-0088</b>	Mobile Number <b>N/A</b>
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**CONTACT PERSON'S ADDRESS**

<b>Ground Floor, East Podium, Joya Lofts &amp; Towers, 28 Plaza Drive, Rockwell Center, Makati City 1200</b>
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**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.



October 28, 2019

**SECURITIES AND EXCHANGE COMMISSION**

SEC Main Office  
Secretariat Building, PICC Complex  
Roxas Boulevard, Pasay City  
Metro Manila Philippines

Re: **Material Related Party Transactions Policy  
of Rockwell Land Corporation**

Gentlemen:

In compliance with the requirements of the Honorable Commission under SEC Memorandum Circular No. 10, Series of 2019, Rockwell Land Corporation ("Rockwell") is respectfully submitting the attached Material Related Party Transactions Policy. It has been signed by its Vice Chairman, Mr. Federico R. Lopez as the Chairman, Mr. Manuel M. Lopez, is on medical leave.

Thank you.

Very truly yours,

**ELLEN V. ALMODIEL**  
EVP, Chief Financial and Compliance  
Officer



## MATERIAL RELATED PARTY TRANSACTIONS POLICY OF ROCKWELL LAND CORPORATION

### I. POLICY STATEMENT

To promote good corporate governance and ensure the protection of minority investors, Rockwell Land Corporation (“**Rockwell**” or the “**Corporation**”) hereby resolves to issue this Policy on Material Related Party Transactions (the “**Policy**”).

This Policy encompasses all entities within the Rockwell Group.

The Corporation shall only enter into Material Related Party Transactions (“**Material RPTs**”) with terms and conditions which are fair and at arm’s length, and are for the benefit and best interest of the Corporation and its shareholders as a whole. Material RPTs shall be conducted with transparency and fairness, and subject to approval and disclosure as provided under this Policy.

### II. DEFINITION OF TERMS

**Related Party** – refers to:

- the Corporation’s directors, officers, substantial shareholders and their spouses and relatives within the 4<sup>th</sup> civil degree of consanguinity or affinity, legitimate or common-law, if these persons have control, joint control or significant influence over the Corporation;
- the Corporation’s parent, subsidiary, fellow subsidiary, associate, or affiliate; and
- a joint venture or an entity that is controlled, jointly controlled or significantly influenced or managed by a person who is a Related Party.

**Substantial shareholder** – any person who is directly or indirectly the beneficial owner of more than ten percent (10%) of any class of a company’s equity security.

**Affiliate** – refers to an entity linked directly or indirectly to the Corporation through any one or a combination of any of the following:

- Ownership, control or power to vote, whether by proxy, voting trust or other similar contracts, by a company of at least ten percent (10%) of the outstanding voting stock of the Corporation, or vice-versa;
- Interlocking directorship or officership, except in cases involving independent directors as defined under existing regulations;
- Stockholders owning at least ten percent (10%) of the outstanding voting stock of each of the Corporation and the entity; or

- Management contract or any arrangement granting power to the Corporation to direct or cause the direction of management and policies of the entity, or vice-versa.

**Associate** – An entity over which the Corporation holds twenty percent (20%) or more of the voting power, directly or indirectly, or over which the Corporation has significant influence.

**Significant Influence** – The power to participate in the making of financial and operating policy decisions of the Corporation without having any control or joint control over such policies.

**Control** – A person or an entity controls the Corporation if and only if the person or entity is in possession of all of the following:

- Power over the Corporation;
- Exposure, or rights, to variable returns from its involvement with the Corporation; and
- The ability to use its power over the Corporation to affect the amount of the Corporation's returns.

**Related Party Transaction or RPT** – a transfer of resources, services or obligations between the Corporation and a Related Party, regardless of whether there is a consideration involved. It should be interpreted broadly to include transactions that are entered into with an unrelated party that subsequently becomes a related party.

**Material RPT** – Any related party transaction(s), either individually, or in aggregate over a twelve (12)-month period with the same related party, amounting to ten percent (10%) or higher of the Corporation's total consolidated assets, based on its latest audited financial statements.

**Materiality Threshold** – Ten percent (10%) of the Corporation's total consolidated assets based on its latest audited financial statements.

**Related Party Registry** – A record of the organizational and structural composition, including any change thereon, of the Corporation and its Related Parties.

### **III. DUTIES AND RESPONSIBILITIES**

**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, in order to protect the interest of the Corporation's shareholders and other stakeholders. Towards this end, the board of directors shall carry out the following duties and responsibilities:

1. To help the Corporation's management institutionalize this Policy to ensure effective compliance with existing laws, rules and regulations at all times, and that Material RPTs are conducted on an arm's length basis, with no shareholder or stakeholder unduly disadvantaged;
2. To review and, if warranted, approve all Material RPTs that cross the materiality threshold and write-off of material exposures to Related Parties, as well as any renewal or material changes in the terms and conditions of Material RPTs previously approved in accordance with Section IV(4) of this Policy. Material changes include, but are not limited to, revisions to price, interest rate, maturity date, payment terms, commissions, fees, tenor and any collateral requirement;
3. To establish an effective audit, risk and compliance system that can determine, identify and monitor Related Parties and Material RPTs; continuously review and evaluate relationships between and among businesses and counterparties; and identify, measure, monitor and control risks arising from Material RPTs;

The system should be able to perform the following:

- define the Related Parties' extent of relationship with the Corporation;
- assess situations in which a non-related party (with whom a Corporation has entered into a transaction) subsequently becomes a Related Party and vice versa;
- generate information on the nature and amount of exposures of the Corporation to a particular Related Party; and
- facilitate submission of accurate reports to the regulators/supervisors.

The system and all relevant policies shall be subject to periodic assessment by the Corporation's Internal Audit and compliance officers, and be updated regularly to ensure proper implementation. The system and relevant policies shall be made available to the Securities and Exchange Commission ("SEC") and internal audit functions for review. Any change in the policy and procedure shall be approved by majority of the board of directors and be subject to applicable legal requirements.

4. To ensure that senior management properly addresses legitimate issues on Material RPTs that are raised;
5. To oversee the integrity, independence, and effectiveness of the Whistleblowing Policy and its guidelines and procedures, and ensure that stakeholders who raise concerns relating to Material RPTs are duly protected from reprisals in accordance with the Whistleblowing Policy; and
6. To adjust and lower the Materiality Threshold upon a determination of the risk of the RPT in causing damage to the Corporation and its shareholders.

The Board of Directors may delegate the foregoing duties and responsibilities to an appropriate committee.

**Senior Management** – shall formulate and implement appropriate controls and guidelines to effectively manage and monitor Material RPTs in accordance with the terms and conditions of this Policy. Senior Management shall likewise monitor transactions with Related Parties to ensure compliance with this Policy and regulations of the SEC.

#### IV. GENERAL PRINCIPLES

1. The Corporation shall clearly identify persons and companies that are considered as Related Parties. Senior management shall conduct a quarterly review and update the Related Party Registry to capture any organizational or structure change in the Corporation and its Related Parties.

2. This Policy shall cover all transactions meeting the Materiality Threshold.

Transactions amounting to ten percent (10%) or more of the total consolidated assets that were entered into with an unrelated party that subsequently becomes a Related Party may be excluded from the limits and approval process required in this Policy. However, any alteration to the terms and conditions or increase in exposure level related to any such transaction after the non-related party becomes a Related Party shall subject the transaction to the requirements of this Policy. The prospective treatment shall be without prejudice to regulatory actions that may be enforced for transactions that were not conducted on an arm's length basis.

3. The Corporation's directors and officers with a personal interest in a Material RPT shall fully and timely disclose any and all material facts, including their respective interests in the Material RPT, and abstain from the discussion, approval and management of such transaction. In case they refuse to abstain, their attendance shall not be counted for purposes of quorum and their votes shall not be counted in determining a majority.
4. No preferential treatment shall be given to Related Parties that are not extended to non-related parties under similar circumstances.

Before the execution of the Material RPT, the board of directors shall appoint an external independent party to evaluate the fairness of the terms of the Material RPT. An external independent party may include, but is not limited to, auditing/accounting firms and third party consultants and appraisers. The independent evaluation ensures the protection of the rights of shareholders and other stakeholders.

To ensure that Material RPTs are in the best interest of the Corporation and its shareholders, the Corporation may resort to price discovery mechanisms by engaging an external expert, or resorting to competitive bidding or publication if relating to property which is to be sold, among other methods.

5. All individual Material RPTs shall be approved by at least two-thirds (2/3) vote of the Corporation's board of directors, with at least a majority of the independent directors voting to approve the Material RPT. 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 (12)-month period that breaches the materiality threshold of ten percent (10%) of the Corporation's total consolidated assets, board approval will be required for the Material RPT that will breach the materiality threshold covering the same Related Party.

Directors with a personal interest in a Material RPT shall abstain from participating in discussions and voting on the same. In case they refuse to abstain, their attendance shall not be counted for the purposes of quorum and their votes shall not be counted in determining a majority.

6. The Corporation's Internal Audit Group shall conduct a periodic review of the effectiveness of the Corporation's system and internal controls governing Material RPTs to assess consistency with this Policy. The results of such review shall be submitted to the Audit Committee.

The Corporation's Compliance Officer shall ensure that the Corporation complies with relevant rules and regulations and is informed of regulatory developments in areas affecting Related Parties. He/She shall aid in the review of the Corporation's transactions and identify any potential Material RPT that would require review by the board of directors in accordance with this Policy. He/She shall ensure that this Policy is updated and properly implemented.

7. The members of the board of directors, substantial shareholders, and officers shall fully disclose to the board of directors all material facts related to a 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.
8. This Policy shall be taken in conjunction with the Corporation's Whistleblowing Policy and consistent with the applicable policies and issuance set by the board of directors. This Policy shall encourage all stakeholders to communicate, confidentially and without risk of reprisal, legitimate concerns about illegal, unethical or questionable Material RPTs.

Legitimate material concerns shall be reported, investigated and addressed by an objective independent internal or external body, senior management or the board itself. Violations of this Policy are to be covered by the Whistleblowing Policy and shall be dealt with accordingly.

9. In case of an abusive Material RPT, senior management shall provide directions on how to cut losses and allow recovery of losses or opportunity costs incurred by the Corporation. Abusive Material RPTs refer to Material RPTs that are found to have been entered into not at arm's length and unduly favor a Related Party.

Directors, officers, or employees who are found to have been remiss in their duties in handling Material RPTs shall be penalized in accordance with the Corporation's Manual on Corporate Governance, the Code of Discipline, as well as applicable rules, regulations, issuances and policies.

**V. DISCLOSURE AND REGULATORY REPORTING.** Pursuant to SEC rules and regulations, the Corporation shall submit the following to the SEC:

1. A summary of Material RPTs entered into during the reporting year which shall be disclosed in the Corporation's Integrated Annual Corporate Governance report to be submitted annually every May 30; and
2. Advisement Report (attached as Annex "A") of any Material RPT which shall be filed within three (3) calendar days from the execution date of the said Material RPT. The Advisement Report shall be signed by an authorized representative of the Corporation.

The disclosures above shall include the following information:

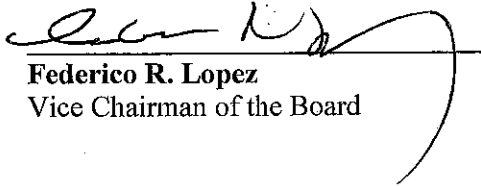
- Complete name of the Related Party;
- Relationship of the parties;
- Execution date of the Material RPT;
- Financial or non-financial interest of the Related Parties;
- Type and nature of transaction as well as a description of the assets involved;
- Total assets of the Corporation;
- Amount or contract price;
- Percentage of the contract price to the total assets of the Corporation;
- Carrying amount of collateral, if any;
- Other relevant terms and conditions;
- Rationale for entering into the transaction, and
- Details of the approval by the board of directors

This Policy shall supersede, repeal and rescind any and all policies which are not consistent with the provisions herein. It shall be effective on October 25, 2019.




Pursuant to the requirements of the Securities and Exchange Commission, this Material Related Party Transactions Policy is signed on behalf of the Corporation by the undersigned in the City of Makati on October 25, 2019.

**SIGNATURES**



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**Federico R. Lopez**  
Vice Chairman of the Board



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**Ellen V. Almodiel**  
EVP, Chief Finance & Compliance Officer