

# COVER SHEET

SEC Registration Number

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**COMPANY NAME**

P	H	R	E	S	O	R	T	S		G	R	O	U	P		H	O	L	D	I	N	G	S		I	N	C	.	

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

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Form Type <table border="1" style="width: 100%; height: 20px;"><tr><td> </td><td> </td><td> </td><td> </td></tr></table>					Department requiring the report <table border="1" style="width: 100%; text-align: center;"><tr><td>C</td><td>G</td><td>F</td><td>D</td></tr></table>	C	G	F	D	Secondary License Type, If Applicable <table border="1" style="width: 100%; height: 20px;"><tr><td> </td><td> </td><td> </td><td> </td></tr></table>				
C	G	F	D											

**COMPANY INFORMATION**

Company's Email Address <table border="1" style="width: 100%;"><tr><td>leandro.abarquez@udenna.ph</td></tr></table>	leandro.abarquez@udenna.ph	Company's Telephone Number <table border="1" style="width: 100%;"><tr><td>02-84034007</td></tr></table>	02-84034007	Mobile Number <table border="1" style="width: 100%;"><tr><td>09175030304</td></tr></table>	09175030304
leandro.abarquez@udenna.ph					
02-84034007					
09175030304					
No. of Stockholders <table border="1" style="width: 100%;"><tr><td>30</td></tr></table>	30	Annual Meeting (Month / Day) <table border="1" style="width: 100%;"><tr><td>15<sup>th</sup> day of March</td></tr></table>	15 <sup>th</sup> day of March	Fiscal Year (Month / Day) <table border="1" style="width: 100%;"><tr><td>December 31</td></tr></table>	December 31
30					
15 <sup>th</sup> day of March					
December 31					

**CONTACT PERSON INFORMATION**

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


Name of Contact Person <table border="1" style="width: 100%;"><tr><td>Leandro E. Abarquez</td></tr></table>	Leandro E. Abarquez	Email Address <table border="1" style="width: 100%;"><tr><td>leandro.abarquez@udenna.ph</td></tr></table>	leandro.abarquez@udenna.ph	Telephone Number/s <table border="1" style="width: 100%;"><tr><td>02-84034007</td></tr></table>	02-84034007	Mobile Number <table border="1" style="width: 100%;"><tr><td>09175030304</td></tr></table>	09175030304
Leandro E. Abarquez							
leandro.abarquez@udenna.ph							
02-84034007							
09175030304							

**CONTACT PERSON'S ADDRESS**

21 <sup>st</sup> Floor, Udenna Tower, Rizal Drive corner 4 <sup>th</sup> Avenue, Bonifacio Global City, Taguig City
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**NOTE1 :** 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.

	DOCUMENT TYPE: <b>POLICIES</b>	DOCUMENT CODE:
	SUBJECT: <b>REVISED RELATED PARTY TRANSACTIONS</b>	ORIGINATING UNIT (DEPARTMENT / DIVISION): INTERNAL AUDIT

## Policy Statement

This policy shall ensure that all material related party transactions of the Company and its subsidiaries shall be at "Arm's Length" and shall be fair and beneficial to all parties concerned. It shall ensure that the rights of the Company and its stakeholders are protected and the material related party transactions are properly disclosed, approved and readily available to the proper parties.

### Section 1. Definition of Terms


For purposes of this Related Party Transactions Policy, the following definitions shall apply:

**Related parties** - covers the company's subsidiaries, as well as affiliates and any party (including their subsidiaries, affiliates and special purpose entities), that the company exerts direct or indirect control over or that exerts direct or indirect control over the company; the company's directors; officers; shareholders and related interests (DOSRI), and their spouses and relatives within the fourth civil degree of consanguinity or affinity, legitimate or common-law, as well as corresponding persons in affiliated companies.

**Affiliate** - a company that (a) is controlled by or is under common control with the Company or (b) owns, controls, or holds the power to vote 20 percent (20%) or more of a class of voting securities in the Company.

**Control** - the power to determine the financial and operating policies of an entity in order to benefit from its activities. It is presumed to exist when the parent entity owns, directly or through subsidiaries and/or associates, more than fifty percent (50%) of the voting power of an entity. It also exists when the parent entity owns fifty percent (50%) or less of the voting power of an entity, but has any of the following powers:

- More than fifty percent (50%) of the voting rights by virtue of an agreement with other investors;
- To govern the financial and operating policies of the entity under a statute or agreement;
- To appoint or remove the majority of the members of the board of directors or equivalent governing body; or
- To cast the majority of votes at meetings of the board of directors or equivalent governing body.

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**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.


**Materiality Threshold**– Any related party transaction/s, either individually or over a twelve (12)-month period, amounting to ten percent (10%) or higher of a company’s total assets.

**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.

## **Section 2: MATERIAL RELATED PARTY TRANSACTIONS POLICY**

- a. **Identification of related parties.** As delegated by the Company’s Board of Directors, the Company’s Executive Committee shall identify the persons and companies that are considered as the company’s related parties. The Executive Committee shall regularly review and update such list of related parties in order to reflect any structural or organizational changes.
- b. **Coverage of Material RPT policy.** The material RPT policy shall cover all transactions meeting the materiality threshold.
- c. **Materiality thresholds.** Any related party transaction/s, either individually or over a twelve (12)-month period, amounting to ten percent (10%) or higher of a company’s total assets.
- d. **Identification and prevention or management of potential or actual conflicts of interest which may arise out of or in connection with material RPTs.** Directors and officers with personal interest in the transaction 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 or matter affecting the company. In case they refuse to abstain, their attendance shall not be counted for the purposes of assessing the quorum and their votes shall not be counted for purposes of determining majority approval.
- e. **Guidelines in ensuring arm's length terms.** No preferential treatment shall be given to related parties that are not extended to non-related parties under similar circumstances.




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The Board of Directors or the Executive Committee shall appoint an independent party to evaluate the fairness of the terms of the material RPTs. The Board of Directors or the Executive Committee may resort to acquiring the services of an external expert, opening the transaction to a bidding process, or publication of available property for sale, or other similar methods to ensure that the Material Related Party Transaction remains at Arm's Length.

- f. **Approval of material RPTs.** All individual material RPTs shall be approved by at least two-thirds (2/3) vote of 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 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 Company's total assets, the same board approval would be required for the transaction/s that meets and exceeds the materiality threshold covering the same related party. The Directors shall ensure that these Material RPTs shall be at "Arm's Length" and shall be to the best interest of the Company. Directors with personal interest in the transaction shall abstain from discussions and voting on the same. In case they refuse to abstain, their attendance shall not be counted for the purposes of assessing the quorum and their votes shall not be counted for purposes of determining the required approval.
- g. **Self-assessment and periodic review of policy** - The internal audit shall conduct a periodic review of the effectiveness of the company's system and internal controls governing material RPTs to assess consistency with the board-approved policies and procedures. The resulting audit reports, including exceptions or breaches in limits, shall be communicated directly to the Audit Committee.

The company's Compliance Officer shall ensure that the company complies with relevant rules and regulations and is informed of regulatory developments in areas affecting related parties. It shall aid in the review of the company's transactions and identify any potential material RPT that would require review by the Board. It shall ensure that the company's material RPT policy is kept updated and is properly implemented throughout the company.

- h. **Disclosure requirement of material RPTs.** The members of the board, shareholders, and management shall fully disclose to the Board of Directors all material facts related to material RPTs as well as their direct and indirect

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financial interest in any transaction or matter that may affect or is affecting the company. 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.

- i. **Whistle blowing mechanisms.** Any employee or stakeholder of the Company who has any legitimate concern about any illegal, unethical or questionable Material Related Party Transactions can report and raise their concerns with the Company's Board of Directors or Executive Committee, through the Company's Corporate Secretary who will validate and

investigate the materiality and legitimacy of the concerns reported. If found to be legitimate and a Material Related Party Transaction, the Corporate Secretary shall raise the matter to the Company's Board of Directors in the next Regular Board of Director's Meeting, if not earlier.

- j. **Remedies for abusive RPTs.** Any Material Related Party Transactions that are found by the Board of Directors to be illegal, unethical or contrary to the interest of the Company can be overturned, modified or invalidated by the Board of Directors. The Board of Directors shall then instruct the Company's Management implement steps or measures that would cut losses and allow recovery of losses or opportunity costs incurred by the company arising out of or in connection with abusive material RPTs. Any erring officer or employee shall then be investigated by the Company's Disciplinary Committee, the latter will then recommend the proper sanction against the erring officer or employee.


- k. **Disclosure and Publication.** This Related Party Transaction Policy shall be published and disclosed in the Company's Website and any other avenues required by law or regulation.

- l. **Additional Rules.** The Company's Board of Directors, by itself or through the Company's Executive Committee or Related Party Transactions Committee, shall have the authority to amend this Policy or issue any additional clarificatory rule in order to effectively implement the objectives of this Policy.

ENDORSED BY:

  
**LEANDRO E. ABARQUEZ**  
 Chief Compliance Officer

APPROVED BY:

  
**DENNIS A. UY**  
 Chairman, Board of Directors