CONCRETE AGGREGATES CORPORATION

12 December 2019

THE PHILIPPINE STOCK EXCHANGE, INC.
9th Floor, PSE Tower
28th Street corner 5th Avenue
Bonifacio Global City, Taguig

Attention: **Mr. Jose Valeriano B. Zuño III**
Head, Disclosure Department

Gentlemen:

In compliance with the Disclosure Rules of the Philippine Stock Exchange, please find attached hereto a copy of the Corporation's Current Report (SEC Form 17-C) on the policy on Related Party Transactions.

Thank you and best regards.

Very truly yours,

Isagani Elias A. Elacio
Corporate Information Officer

COVER SHEET

3	6	1	4	0						

S.E.C. Registration Number

CONCRETE AGGREGATES

CORP.

(Company's Full Name)

9TH FLR. ORTIGAS BLDG. ORTIGAS

AVE., PASIG CITY

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

JOSE ANTONIO V. EVANGELISTA III

Contact Person

6311231

Company Telephone Number

1	2

Month

3	1

Day

Fiscal Year

0	5

Month

2	3

Day

Annual Meeting

SEC FORM 17-C

FORM TYPE

PERMIT TO OFFER SECURITIES

Secondary License Type, If Applicable

Dept. Requiring this Doc.

Amended Articles Number/Section

548

Total No. of Stockholders

Total Amount of Borrowings

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

STAMPS

Remarks = pls. use black ink for scanning purposes

PSE Security Code _____
SEC Number 36140
File Number _____

CONCRETE AGGREGATES CORPORATION

(Company's Full Name)

9th Floor Ortigas Building, Ortigas Ave., Pasig City

(Company's Address)

631-1231
fax no.: 631-6517

(Company's Telephone Number)

DECEMBER 31

(Fiscal Year Ending)
(Month & Day)

SEC 17-C

(FORM TYPE)

(Amendment Designation if Applicable)

Period Ended Date

Permit to Offer Securities for Sale

(Secondary License Type, if any)

SECURITIES AND EXCHANGE COMMISSION

SEC 17-C

CURRENT REPORT UNDER SECTION 17
OF THE SECURITIES REGULATION CODE
AND SRC RULE 17.1 THEREUNDER

1. 12 December 2019
   .....
   Date of Report (Date of earliest event reported)

2. SEC Identification Number: 36140

3. BIR Tax Identification No. 000-201-881-V

4. Concrete Aggregates Corporation
   .....
   Exact name of issuer as specified in its charter

5. Philippines
   .....
   Province, country or other jurisdiction of incorporation

   Industry Classification Code: (SEC Use Only)

6. 9/F Ortigas Building, Ortigas Avenue, Pasig City
   .....
   Address of principal office

   1605
   .....
   Postal Code

7. (02) 631-12-31
   .....
   Issuer's telephone number, including area code

8. Not Applicable
   .....
   Former name or former address, if changed since last report

9. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Common Class	27,466,449

10. Indicate the item numbers reported herein:

    Item 9

CONCRETE AGGREGATES CORPORATION

12 December 2019

SECURITIES AND EXCHANGE COMMISSION
Secretariat Building, PICC Complex
Roxas Boulevard, Pasay City

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

Gentlemen:

In compliance with SEC Memorandum Circular No. 10, Series of 2019, please find attached hereto a copy of the Corporation's Current Report (SEC Form 17-C) on the policy on Related Party Transactions.

Thank you and best regards.

Very truly yours,

Isagani Elias A. Elacio
Compliance Officer

1. Purpose

In compliance with SEC Memorandum Circular No. 10-19, which implemented Rules on Material Related Party Transactions for Publicly-Listed Companies, the Company hereby adopts this RELATED PARTY TRANSACTIONS POLICY (the "Policy") to ensure that all transactions subject of the said SEC issuance are conducted in accordance with the principles of transparency and fairness, and in this regard shall be properly accounted for and disclosed.

2. Objective

The Company's Revised Manual on Corporate Governance requires that all material information about the Company which could adversely affect its viability or the interests of the stockholders shall be publicly and timely disclosed. Among such information required to be disclosed are related party transactions and material related party transactions.

Under this Policy, all material related party transactions between the Company, its affiliates, subsidiaries, and other related entities or persons (as defined herein) are compliant with SEC Memorandum Circular No. 10-19, fair, made on an arm's length basis, and no stockholder or stakeholder is unduly disadvantages.

Pursuant to the foregoing, the Audit Committee is constituted as the Committee responsible to oversee and review the propriety of material related party transactions and their required reporting disclosures, without prejudice to the overall responsibility of the Board of Directors in ensuring that transactions with related parties 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 stockholders and other stakeholders.

3. Definition of Terms

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

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. Affiliate — refers to an entity linked directly or indirectly to the Company through any one or a combination of any of the following:

   i. Ownership, control or power to vote, whether by permanent or temporary proxy or voting trust, or other similar contracts, by a company of at least ten percent (10%) or more of the outstanding voting stock of the Company, or vice-versa;

   ii. Interlocking directorship or officership, except in cases involving independent directors as defined under existing regulations;

   iii. Common stockholders owning at least ten percent (10%) of the outstanding voting stock of the Company and the entity; or

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

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

e. Significant Influence — The power to participate in the financial and operating policy decisions of the company but has no control or joint control of those policies.

f. Control — A person or an entity controls the Company if and only if the person or entity has all of the following:

   i. Power over the Company;

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

g. Related party transactions — a transfer of resources, services or obligations between the Company and a related party, regardless of whether a price is charged. This includes 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.

h. Material Related Party Transactions — 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 Company's total assets based on its latest audited financial statement.

i. Materiality Threshold — Ten percent (10%) of the Company's total assets based on its latest audited financial statement. If the Company is a parent company, the total assets shall pertain to its total consolidated assets.

j. Related Party Registry — A record of the organizational and structural composition, including any change thereon, of the Company and its related parties.

k. Abusive material RPTs — material RPTs that are not entered at arm's length and unduly favor a related party.

4. Coverage of this Related Party Transaction Policy

The Policy shall cover all related party transactions including material related party transactions.

At the sole discretion of the Board of Directors, transactions amounting to ten percent (10%) or more of the total 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 the policy. However, any alteration to the terms and conditions, or increase in exposure level, related to these transactions after the nonrelated party becomes a related party shall subject the material RPT to the requirements of this Material RPT

Rules. The prospective treatment should, however, be without prejudice to regulatory actions that may be enforced for transactions noted to have not been conducted on an arm's length basis.

5. Adjusted Thresholds

The Company, through its Board of Directors, may, at its own discretion, be allowed to set a threshold lower than the materiality threshold provided under this Policy upon determination by the Company's Board of Directors of the risk of the RPT to cause damage to the company and its shareholders. The adjusted threshold, when applicable, shall be reflected in the company's material RPT policy.

6. Identification, Prevention, and Management of Conflicts of Interest

Directors and officers with personal interest in a 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. Without limiting the generality of the foregoing, the following shall also apply:

a. All employees of the Company are also required to complete the mandatory form on "Business Interest/Related Party Disclosure" in the month of January of each year. This is duly noted by the employee's strategic business unit or group head, and submitted to the Human Resource Group.
b. The Company shall likewise ensure that its independent directors hold no conflict of interest with the Company. Independent directors are required to submit to the Corporate Secretary a letter of confirmation stating that they hold no interest in companies affiliated with the Company and its management or controlling shareholders at the time of their election or appointment and/or re-election as independent directors.
c. Directors and officers shall abstain and/or inhibit themselves from participating in discussions on a particular agenda when they are conflicted. In case any such director or officer, refuses to abstain, his/her attendance shall not be counted for purposes of assessing the quorum and his/her vote shall not be counted for purposes of determining majority approval.

7. Guidelines in Ensuring Arm's Length Terms

To ensure that there is no preferential treatment given to related parties that are not extended to non-related parties under similar circumstances, the following shall apply:

a. 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 RPTs. An external independent party may include, but is not limited to, auditing/accounting firms and third-party consultants and appraisers. The independent evaluation of the fairness of the transparent price ensures the protection of the rights of stockholders and other stakeholders.

b. The Company shall implement rules for the purpose of establishing an effective price discovery mechanism to ensure that transactions are engaged into at terms that promote the best interest of the company and its stockholders. The price discovery mechanism may include, but is not limited to, acquiring the services of an external expert, opening the transaction to a bidding process, or publication of available property for sale.

8. Pre-approval of Related Party Transactions

The Related Party Transactions 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 not require review and approval of the Audit Committee and the Board provided that the transaction amount does not exceed the Materiality Threshold:

a. Compensation and employment of executive officers and directors approved by the Compensation Committee;

b. Transactions like loans, advances and other benefits with similar terms available to all employees generally;

c. Banking, Finance or Insurance-related services and transactions with a Related Party, if the terms are generally the same as or similar to offers of other banks in the ordinary course of business;

d. 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 governmental authority;

e. Any transaction with a Related Party involving management fees, system cost recoveries, agreements or intercompany advances in exchange for rendering of services, such as construction, construction management, procurement, engineering, property management, technical services, and other services in the ordinary course of doing business.

9. Review and Approval of Related Party Transactions and Material Related Party Transactions

a. Related Party Transaction Approval

i. Before commencement of the related party transaction, the Company's Management Committee shall report to the Audit Committee each new or proposed related party transaction for review and approval. The report should cover the following:

1. The terms, business purpose, benefits, and other details of the related party transaction;

2. The nature of the relationship of the party or parties involved in the transaction in relation to the Company;

3. 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.

ii. The Audit Committee shall review all the information reported by the Company's Management Committee and shall consider all relevant facts and circumstances available.

iii. Should the Audit Committee approve an RPT transaction that is also classified as material RPT, such transactions shall be endorsed to the Company's Board of Directors for further review and approval. 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.

iv. The Audit Committee may, at its option, require that a related party transaction that it has approved which does not require Board approval in accordance with the immediately preceding provision, be also submitted to the Board for consideration and ratification.

b. Material Related Party Transaction Approval

i. The Board of Directors of the Company has the power to 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 this Section this Policy. For this purpose, material changes in the terms and conditions of the material RPT include, but are not limited to, changes in the price, interest rate, maturity date, payment terms, commissions, fees, tenor and collateral requirement of the material RPT.

ii. The members of the Board of Directors, substantial shareholders, and officers shall fully disclose to the Board of Directors all material facts related to material RPTs as well as their direct and indirect 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.

iii. All individual material RPTs shall be approved only upon obtaining 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 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.

iv. Directors with personal interest in the transaction should 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 assessing the quorum and their votes shall not be counted for purposes of determining approval.

v. The Board may, at its option, require that a material related party transaction that it has approved, be also submitted to the stockholders for consideration and ratification.

10. Self-assessment and Periodic Review of this Policy

a. The Audit Committee of the Company 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.

b. 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. He/she shall aid in the review of the Company's transactions and identify any potential material RPT that would require review by the Board. He/she shall ensure that the company's material RPT policy is kept updated and is properly implemented throughout the company.

11. Whistle-Blowing Policy.

a. Consistent with the corporate values and codes of conduct set by the Board of directors, this Policy shall encourage all stakeholders to communicate, confidentially and without the risk of reprisal, legitimate concerns about illegal, unethical or questionable material RPTs. In line with this, the Company has adopted a WHISTLEBLOWER POLICY to encourage directors, officers and employees and all suppliers, business partners, contractors and sub-contractors to come forward and raise such serious concerns, among others. A copy of the WHISTLEBLOWER POLICY can be accessed on the Company’s website.

b. The WHISTLEBLOWER POLICY provides an avenue for directors, officers, employees, suppliers, business partners, contractors and sub-contractors and other third parties to raise their respective concerns as mentioned in the foregoing provision. Such Policy provides assurance that a person who will raise a concern (the "Whistleblower") will be protected from reprisals, harassment or disciplinary action or victimization for whistleblowing.

12. Remedies for Abusive Material Related Party Transactions

a. Non-compliance with any of the provisions of this Policy may result in the nullification of any agreement or contract involved in the execution of the RPT if after a review by the Company, the Company determines that such agreement or contract amounts to an abusive material RPT. If assets of the Company had already been transferred or paid to the related party under such nullified agreement or contract, the Company retains the right to exert efforts to obtain restitution of its assets.
b. Officers, directors, and employees who have been remiss in their duties in handling RPTs shall be subject to disciplinary measures in accordance with the Company's Employee Code of Discipline and relevant corporate governance policies, without prejudice to the applicable legal remedies which the Company may avail of.

13. Review of the Related Party Registry

The Management Committee of the Company shall quarterly review and update the Related Party Registry to capture organizational and structural changes in the company and its related parties.

14. Audit, Risk and Compliance System

The Company, through its Board of Directors, shall adopt an audit, risk and compliance system that shall (a) determine, identify and monitor related parties and material RPTs; (b) continuously review and evaluate existing relationships between and among businesses and counterparties; and (c) identify, measure, monitor and control risks arising from material RPTs.

The system shall enable the Company to define the related parties' extent of relationship with the Company; assess situations in which a non-related party (with whom a Company has entered into a transaction) subsequently becomes a related party and vice versa; and generate information on the nature and amount of exposures of the Company to a particular related party. The said system will facilitate submission of accurate reports to the regulators/supervisors. The system as well as the overarching policies shall be subject to periodic assessment by the internal audit and compliance officers and shall be updated regularly for their sound implementation. The overarching policy and the system shall be made available to the SEC and audit functions for review. Any change in the policy and procedure shall be approved by majority of the Board of Directors and approved by majority of the stockholders constituting a quorum.

15. Disclosure

Related Party Transactions will be disclosed in the relevant financial reports of the Company as required under the applicable International Accounting Standards on Related Party Disclosures and other applicable requirements.

16. Effectivity

The Policy shall take effect on the date indicated above and shall supersede any and all previous practices contrary to the provisions herein. It shall remain in full force and effect until amended in writing with the approval of the authorized signatories.

Approved on the 12th day of December 2019.

Jaime E. Ysmael
Chairman of the Board

Isagani Elias A. Elacio
Compliance Officer