

COVER SHEET

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S.E.C. Registration Number

M O N D E N I S S I N C O R P O R A T I O N

(Company's Full Name)

F E L I X R E Y E S S T . ,
B A R A N G A Y B A L I B A G O , C I T Y O F
S A N T A R O S A , L A G U N A 4 0 2 6

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

Atty. Helen G. Tiu
Corporate Secretary

Contact Person

7759 7595

Company Telephone Number

1 2 3 1
Month Day
Fiscal Year

AMENDED MATERIAL RELATED PARTY
TRANSACTIONS POLICY

Form Type

0 6 2 4
Month Day
Annual Meeting

Issuer of Securities under SEC-MSRD
No. 27, Series of 2021

Secondary License Type, If Applicable

C F D

Dept. Requiring this Doc.

Amended Articles Number/Section

21

Total No. of Stockholders

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

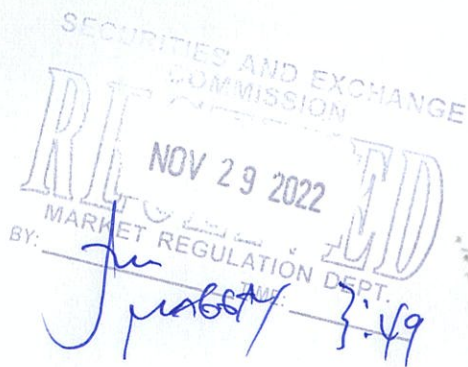
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MONDE NISSIN CORPORATION

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November 16, 2022

Securities and Exchange Commission
G/F Secretariat Building, PICC Complex
Roxas Boulevard, Pasay City

Attention: **Director Vicente Graciano P. Felizmenio, Jr.**
Markets & Securities Regulation Department

Director Rachel Esther J. Gumtang-Remalante
Corporate Governance & Finance Department

The Philippine Stock Exchange, Inc.
6/F, PSE Tower
5th Avenue corner 28th Street
Bonifacio Global City, Taguig City

Attention: **Ms. Alexandra D. Tom Wong**
PSE Disclosures Department

Subject: **Amended Material Related Party Transactions Policy**

Ladies and Gentlemen,

In compliance with the Corporate Governance requirements of the Securities and Exchange Commission ("SEC"), in particular Memorandum Circular No. 10 s. of 2019, or the Rules on Material Related Party Transactions for Publicly-Listed Companies, we hereby submit Monde Nissin Corporation's ("MNC's") amended Material Related Party Transactions ("MRPT") Policy. The amendments to MNC's MRPT Policy have been approved by MNC's Board of Directors in their meeting on November 9, 2022. This supersedes the previous MRPT Policy that was submitted to the SEC on March 8, 2021.

We trust that you find the foregoing in order. For any inquiries or questions, please do not hesitate to let us know.

Very truly yours,



Jon Edmarc R. Castillo
Chief Compliance Officer

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MONDE NISSIN CORPORATION
Material Related Party Transactions Policy
(As Amended on November 9, 2022)

1. PURPOSE OF THIS AMENDED MATERIAL RELATED PARTY TRANSACTIONS POLICY

The Board of Directors (“**Board**”) of Monde Nissin Corporation (“**MNC**”) adopts this amended group-wide *Material Related Party Transactions Policy* (“**MRPT Policy**”) applicable to MNC and its subsidiaries (collectively, the “**MNC Group**”) primarily to:

- a. promote good corporate governance and for the protection of minority investors;
- b. identify material related party transactions (“**MRPTs**”) involving MNC and any Related Party [as those terms are defined (i) under the relevant and prevailing Philippines Securities and Exchange Commission (“**SEC**”) rules and guidelines for publicly-listed corporations (“**PLCs**”) concerning MRPTs (“**Applicable Rules**”),¹ and/or (ii) under this MRPT Policy];
- c. prevent abusive MRPTs, and prevent or manage potential or actual conflicts of interest which may arise out of or in connection with MRPTs; and
- d. ensure proper and timely reporting and disclosure of MRPTs as required under Applicable Rules, MNC’s Manual on Corporate Governance, and other pertinent policies.

This MRPT Policy may be amended from time to time by the Board. The Board, assisted by its Risk and Related Party Transactions Committee (“**RRPTC**”), is tasked with overseeing the proper implementation of the MRPT Policy, with support from MNC’s Chief Compliance Officer (“**CCO**”) and Chief Risk Officer (“**CRO**”).

2. DEFINITIONS APPLICABLE TO THE MRPT POLICY

Abusive MRPT/s – Refers to an MRPT (as defined below) that is not entered into at arm’s length and unduly favors a Related Party.

Affiliate/s – Refers to an entity linked directly or indirectly to MNC through any one or a combination of any of the following:

- a. 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 MNC, or vice-versa;
- b. Interlocking directorship or officership, except in cases involving independent directors as defined under existing regulations;
- c. Common stockholders owning at least ten percent (10%) of the outstanding voting stock of MNC and the entity; or
- d. Management contract or any arrangement granting power to MNC to direct or cause the direction of management and policies of the entity, or vice-versa.

Associate/s – An entity over which MNC holds twenty percent (20%) or more of the voting power, directly or indirectly, or which MNC has Significant Influence.

Control – A person or an entity who controls MNC if and only if the person or entity has all of the following, taking into account financial standards, laws, as well as rules and regulations:

¹ e.g., SEC Memorandum Circular No. 10-19, *Rules on Material Related Party Transactions for Publicly-Listed Companies*, April 25, 2019.

- a. power to govern the financial and operating policies of MNC so as to obtain benefits from its activities;
- b. exposure or rights to variable returns from its involvement with MNC; and
- c. the ability to use its power over MNC to affect the amount of MNC's returns.

MRPTs (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 MNC's total consolidated assets based on its latest audited financial statement (AFS).

Materiality Threshold – Ten percent (10%) of MNC's total consolidated assets based on its latest AFS.

Related Party/ies – Covers MNC'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 MNC. It also covers MNC's subsidiaries, associates, affiliates, joint ventures or an entity that is controlled, jointly controlled or significantly influenced or managed by a person who is a Related Party.

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

RPTs (Related Party Transaction/s) – A transfer of resources, services or obligations between MNC and a Related Party, regardless of whether a price is charged. It should be interpreted broadly, and 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.

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

Subsidiary/ies – Refers to an entity over which a corporation holds more than fifty percent (50%) of such entity's total outstanding common shares.

Substantial Shareholder/s – Any person who is directly or indirectly the beneficial owner of more than ten percent (10%) of any class of its equity security.

3. COVERAGE

The MRPT Policy covers MRPTs between MNC and Related Party/ies, including:

- a. RPTs, either individually, or in aggregate over a twelve (12) month period from the first transaction with the same Related Party, reaching the Materiality Threshold;
- b. Outstanding transactions reaching the Materiality Threshold that were entered into with an unrelated party that subsequently becomes a Related Party, in the event of any material alterations to the terms and conditions of such transactions, or an increase in the exposure level pertaining to such transactions after the non-related counterparty becomes a Related Party; and
- c. Write-off of material exposures to Related Parties reaching the Materiality Threshold.

Excluded from the limits and approval process required in this MRPT Policy are transactions which meet the Materiality Threshold that were entered into with an unrelated party who subsequently

becomes a Related Party. However, in the event of any material alteration to the terms and conditions of such transactions, or an increase in the exposure level pertaining to such transactions after the unrelated party becomes a Related Party, such transactions shall be considered an MRPT. Material alterations include but are not limited to a change in the price, interest rate, maturity date, payment terms, commissions, fees, tenor and collateral requirement of the MRPT. This 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.

4. IDENTIFICATION, REVIEW, AND APPROVAL OF MATERIAL RELATED PARTY TRANSACTIONS

The Board oversees the proper implementation of the system for identifying, monitoring, measuring, controlling, and reporting MRPTs, including a periodic review of this MRPT Policy.

MRPTs and write-off of material exposures to Related Parties, shall be approved by at least two-thirds (2/3) vote of the Board, with at least a majority vote of the independent directors voting to approve the MRPT. In case that a majority of the independent directors' vote is not secured, the MRPT may be ratified by the vote of MNC's stockholders representing at least two-thirds (2/3) of MNC's outstanding capital stock. For aggregate RPTs within a twelve (12)-month period with the same Related Party that breach 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, provided, that, MNC's Management may submit, for the same Board approval as stated above, any contract or agreement entered into by MNC with a Related Party involving a series of transactions that Management foresees has a high potential to breach the Materiality Threshold within a twelve (12)-month period of any calendar year ("**Potential MRPT**"). If an MRPT or Potential MRPT is not identified beforehand, it must be reviewed for ratification by the Board upon discovery thereof, or the same may be discontinued, rescinded, or modified to make it acceptable for ratification, if possible.

MNC's Chief Financial Officer or his/her designees shall identify Potential MRPTs and promptly report the same to the CRO and the CCO. MNC's Management must manage and monitor Potential MRPTs on a per transaction and aggregate basis, including reporting to the CRO and the CCO and/or their designees on a weekly or monthly basis the status of identified Potential MRPTs, with the frequency of reporting increasing as the Potential MRPT nears the Materiality Threshold. Exposures to Related Parties shall also be monitored on an ongoing basis by the CRO to ensure compliance with this MRPT Policy and Applicable Rules.

With respect to MRPTs that may involve leakage of company resources, an independent third-party consultant or appraiser may be engaged by the Board to evaluate the fairness of the terms of the proposed MRPT. This rule shall not be applicable to MRPTs involving MNC and its wholly owned Subsidiaries since no leakage of company resources is involved.

5. GUIDELINES TO ENSURE ARM'S LENGTH TERMS

All MRPTs shall be entered into on an arm's length basis and thus accounted for at market prices normally charged to unrelated or unaffiliated customers or parties for equivalent or similar goods or services.

The Board shall consider the following factors in the review of the MRPTs to ensure that no preferential treatment shall be given to Related Parties that are not extended to non-related parties under similar circumstances:

- a. terms of the transaction;
- b. aggregate value of the transaction;
- c. whether the terms of the transaction are no less favorable than those generally available to unrelated parties under similar circumstances;
- d. extent of the Related Parties' interest in the transaction, taking into account the size of the transaction and the overall financial position of the counterpart Related Party;
- e. purpose and timing of the transaction;
- f. whether the transaction would present as an improper conflict of interest or special risks or contingencies for MNC or any of its Subsidiaries, or the Related Party, taking into account the size of the transaction and the overall financial position of the Related Party; and
- g. any material information or other factors that may be deemed relevant.

The following additional measures may be availed of by MNC to ensure that MRPTs involving MNC and Related Parties are entered into at terms that promote the best interest of the company and its shareholders:

- a. opening the transaction to a bidding process;
- b. publication of available property for sale, if applicable; or
- c. such other effective price discovery mechanism.

Such additional measures are not necessary for MRPTs involving MNC and its wholly owned Subsidiaries since no leakage of company resources is involved.

6. IDENTIFICATION, PREVENTION, OR MANAGEMENT OF POTENTIAL OR ACTUAL CONFLICT OF INTEREST AND DISCLOSURE REQUIREMENT OF MRPTS

Subject to the provisions of MNC's Conflict of Interest Policy, all Related Parties are required to complete any applicable mandatory forms on business interest and related party disclosure as MNC may prescribe. Directors and key officers are further required to complete any applicable forms on identification of Related Parties. For collation and monitoring, all such forms shall be submitted to MNC's Legal and Compliance Department.

Prior to entering into an MRPT, the Related Party shall be required to fully and timely disclose to the Board and initially the RRPTC, any and all material facts related to the MRPT, as well as any direct or indirect financial interest in any matter that may affect or is affecting MNC. Thereafter, the RRPTC shall provide a report regarding the foregoing disclosure not later than at the Board meeting where the MRPT will be presented for approval and before the completion or execution of the MRPT. Concurrently, at such board meeting, the RRPTC shall make recommendations to the Board with respect to the proposed MRPT for appropriate action by the Board. Directors who are Related Parties or who have a personal interest in the MRPT should recuse themselves and abstain from participating in discussions and voting on the same. In case the director 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 the required approval.

The Members of MNC's Board are also required to notify MNC's Corporate Secretary, who shall then report the same to the Board, before accepting a directorship in another company in accordance with MNC's Manual on Corporate Governance. Any change in their shareholdings or interests in MNC or

in any Subsidiary should also be promptly disclosed to the Board through MNC's Corporate Secretary, as well as to the CCO and the CRO.

In connection with MRPTs, and consistent with Applicable Rules, MNC shall submit the following to the SEC:

- a. An Advisement Report of any MRPT shall be filed as follows:
 - i. For individual contracts that reach the Materiality Threshold, the Advisement Report shall be filed within three (3) calendar days from the execution date of the contract or agreement covering the transaction.
 - ii. For one or more contracts covering multiple or a series of transactions with a Related Party that MNC reasonably expects will reach the Materiality Threshold within a twelve (12) month period during a calendar year, or are otherwise classifiable as Potential MRPTs, the Advisement Report shall be filed within three (3) calendar days from the execution date of the main contract, and in any event not later than three (3) calendar days after the RPT shall have reached the Materiality Threshold, or three (3) calendar days from execution date of the transaction.

The Advisement Report shall be signed by MNC's Corporate Secretary or any of her/his Assistants, and the Related Party or its authorized representative.

- b. A summary of MRPTs entered into during the fiscal year, which shall be disclosed in MNC's Integrated Annual Corporate Governance Report (I-ACGR) to be submitted annually every May 30 or as prescribed by the SEC in the Applicable Rules;
- c. Such other reports as may be required by the SEC.
- d. At a minimum, the disclosures in both (a) and (b) above shall include the following information, as may be relevant or applicable:
 - i. Complete name of the Related Party;
 - ii. Relationship of the parties;
 - iii. Execution date of the contract or the MRPT;
 - iv. Financial or non-financial interest of the Related Parties;
 - v. Type and nature of transaction as well as a description of the assets involved;
 - vi. Total consolidated assets of MNC based on its latest audited financial statements;
 - vii. Amount or contract price;
 - viii. Percentage of the contract price to the total consolidated assets of MNC;
 - ix. Carrying amount of collateral, if any;
 - x. Terms and conditions, unless such are deemed confidential or proprietary, or the disclosure of which would result in MNC or any of its Subsidiaries being put at a competitive disadvantage at a relevant jurisdiction;
 - xi. Rationale for entering into the transaction; and
 - xii. Approval obtained (*i.e.*, the names of the directors present, the names of the directors who approved the MRPT, and the corresponding voting percentage obtained).
- e. MNC shall also make the foregoing disclosures available to the public, for the benefit of all shareholders and other stakeholders, through the company website and in accordance with Applicable Rules, such as pursuant to the rules of The Philippine Stock Exchange, Inc.

7. RPTS IN GENERAL

RPTs that are performed in the normal course of business are not subject to this Policy for as long as they are not classified as MRPTs or Potential MRPTs. The review of the transactions listed below is delegated to Management, provided they do not breach the Materiality Threshold:

- a. Compensation of directors and employment of executive officers approved or endorsed by the Corporate Governance, Nomination, and Remuneration Committee, or the Board, or the Chief Executive Officer under delegated authority from the Board.
- b. Transactions 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. Share transactions such as dividends, repurchase, rights offerings, available to all shareholders on a pro-rata ownership basis.
- e. Any transaction with a Related Party involving 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.
- f. Transfer of resources between wholly-owned subsidiaries of an ultimate common parent company or between a wholly-owned subsidiary and its parent.

8. WHISTLEBLOWING MECHANISM

The Whistleblowing Policy of MNC extends to any concerns about illegal, unethical, or questionable MRPTs. Directors, officers, employees and stakeholders are encouraged to communicate any legitimate concerns regarding MRPTs confidentially and without the risk of reprisal.

MNC's Whistleblowing Policy can be accessed at MNC's website. The Whistleblowing Policy provides guidance on how legitimate material concerns on MRPTs should be reported, investigated, and addressed.

The Board shall ensure that Management addresses legitimate issues on MRPTs that are raised, and shall take responsibility for ensuring that stakeholders who raise concerns are protected from detrimental treatment or reprisals.

The CCO and the CRO shall report to the RRPTC any perceived violation of this MRPT Policy and sanctions imposed in accordance with MNC's Code of Conduct and Ethics ("**Code of Conduct**") and other applicable MNC disciplinary policies and handbooks.

9. REMEDIES FOR ABUSIVE MRPTS

A Related Party found to be non-compliant with the provisions of this policy and/or is proven to have entered into an Abusive MRPT shall be subject to the corresponding procedures and penalties under MNC's Code of Conduct, other applicable MNC disciplinary policies and handbooks, and pertinent laws, rules and regulations, as may be applicable. Directors or officers who are found guilty of bad faith in entering into Abusive MRPTs and/or acquiring personal interest thereon shall be liable jointly and

severally for all damages resulting therefrom and must account for the profits which otherwise would have accrued to MNC.

The RRPTC shall have the authority to recommend to the Board for appropriate action including the invalidation of the transaction and measures that would cut losses and allow recovery of losses or opportunity costs incurred by MNC arising out of or in connection with Abusive MRPTs.

An interested director or officer of MNC shall be disqualified from being a director 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 MRPTs. The disqualification shall be for a period of at least one (1) year or more, as may be determined by the SEC. This shall be without prejudice to any other administrative penalties that may be imposed by the SEC and/or civil or criminal penalties, as may be provided by the Revised Corporation Code, Securities Regulation Code, and other related laws and Applicable Rules, as each may be amended from time to time.

10. REVIEW AND UPDATING OF RELATED PARTY REGISTRY

A Related Party Registry shall be maintained by MNC's Chief Financial Officer, the CRO, and the Corporate Secretary. The Related Party Registry shall be reviewed and updated quarterly or as often as necessary to capture organizational and structural changes in MNC and its Related Parties.

11. POST VERIFICATION OF RELATED PARTY TRANSACTION

The CRO, CCO and the RRPTC shall perform periodic post verification of MRPTs to ensure that the terms and conditions recommended by the RRPTC and approved by the Board are properly and correctly implemented.

12. SELF-ASSESSMENT AND PERIODIC REVIEW OF THE MRPT POLICY

MNC's Corporate Internal Audit Department shall conduct a periodic review of the effectiveness of MNC's system and internal controls governing MRPTs 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.

MNC's CRO and CCO, together with MNC's Corporate Secretary or General Counsel, shall ensure that MNC complies with relevant rules and regulations and is informed of regulatory developments in areas affecting Related Parties and MRPTs. They shall aid Management in the review of MNC's transactions and identification of any Potential MRPT that would require review by the Board, and ensure that this MRPT Policy is kept updated and is properly implemented during any calendar year.

Adopted by the unanimous vote of the Board of Directors present on November 9, 2022.



KATALINE DARMONO
Chairperson of the Board



JON EDMARC R. CASTILLO
Chief Compliance Officer



DANIEL TEICHERT
Chief Risk Officer