

 CHELSEA <small>A UDENNA Company</small>	CHELSEA LOGISTICS AND INFRASTRUCTURE HOLDINGS CORP.	CORPORATE GOVERNANCE MANUAL	DOC CODE: CG-CIP-01-19
			Effectivity: 30 MAY 2019
CONFLICT OF INTEREST POLICY			Issue/Rev: 1 <i>Supersedes:</i>
Prepared by:	Recommended by:	Noted and Approved by the Board of Directors:	
INVESTOR RELATIONS Department	CHRYSS ALFONSUS V. DAMUY President & CEO	DENNIS A. UY Chairman	

1.0 POLICY STATEMENT

The Conflict of Interest Policy (the "Policy") requires that any business transaction must be aligned with the principles and values of Chelsea Logistics and Infrastructure Holdings Corp. ("CLIC" or the "Company") and is fair and impartial for the benefit of the Company and all its stakeholders.

On this regard, the Company prohibits its Directors, Officers, and employees from engaging in any situation which involve an actual or potential conflict of interest.

2.0 OBJECTIVE

The purpose of this Policy is to ensure that all transactions between and among the Company or any of its subsidiaries, affiliates, associates, employees, Officers, Directors and major stockholders are conducted at arm's length by setting guidelines in identifying and dealing with actual and potential conflict of interest situations.

3.0 SCOPE

This Policy applies to CLIC Directors, Officers and employees, as well as to transactions between the Company, its subsidiaries, affiliates, associates and major stockholders. This Policy is to be applied in conjunction with existing laws .

4.0 DISCLOSURE AND REVIEW PROCESS

4.1 APPROVAL BY THE AUDIT COMMITTEE

The Audit Committee of the Board of Directors ("Audit Committee") shall approve the Conflict of Interest Policy upon endorsement of the Company's Executive Committee and Internal Audit Department.

The Audit Committee shall oversee the implementation of this Policy and the actions taken by the Executive Committee to resolve the identified conflicts of interest.

4.2 RESOLUTION BY THE EXECUTIVE COMMITTEE

The Company's Executive Committee shall ensure the effectiveness and efficiency of the implementation of this Policy.

The Executive Committee shall resolve the disclosed actual or potential conflict of interest upon receipt of the report and recommendation by the Internal Audit Department of the Company.

4.3 CONFLICT OF INTEREST DISCLOSURE FORM

The Company's Internal Audit Department ("Internal Audit") shall provide guidance to CLIC employees, Officers and Directors concerning conflict of interest situations.

4.3.1 CONFLICT OF INTEREST CONCERNING EMPLOYEES AND OFFICERS

CLIC employees and Officers must disclose actual or potential conflict of interest situations to the Internal Audit through accomplishment of the **Conflict of Interest Disclosure Form** (the "CID Form"), which shall be administered by the Human Resources Department ("HR") during the employment recruitment process and annually thereafter (on or before January 31).

Additionally, CLIC employees and Officers are required to re-submit the CID form to their Immediate Superior with a copy furnished to Internal Audit and HR within 30 days of any subsequent change to their disclosure (i.e. a termination of a relationship, a change to an existing relationship, or a new relationship). Individual circumstances may necessitate frequent reporting, particularly if there is continuing significant change in their disclosure that would result in a conflict of interest as defined by this Policy.

The employee or Officer must read and understand the Conflict of Interest Policy prior to signing the acknowledgement portion of the CID Form. Deliberate non-disclosure of a conflict of interest situation may result to termination of employment with CLIC.

The Internal Audit shall review the disclosed actual and potential conflicts of interest and provide a report and recommendation to the Executive Committee for resolution. The Internal Audit shall also periodically update the Audit Committee on significant matters relating to conflict of interest.

4.3.2 CONFLICT OF INTEREST CONCERNING DIRECTORS

CLIC Directors, upon nomination, must accomplish the CID Form which shall be provided by the Company's Corporate Secretary. CLIC Directors must disclose their business, financial and other similar interests, including details of all their other directorships and any shareholdings owned by them or members of their family that could potentially put him/her in conflict with the Company's interest.

CLIC Directors must submit the accomplished CID Form and any changes therein must be communicated promptly to the Audit Committee through the Corporate Secretary.

The Audit Committee shall determine whether the information disclosed by the nominated Director will result to an actual or potential conflict of interest, and its findings shall be subsequently discussed with the Nomination Committee of the Board of Directors.

4.4 GENERAL GUIDELINE

It is the responsibility of each employee, Officer, and Director to promptly notify the Internal Audit Head or the Corporate Secretary of the Company of any actual or potential conflict of interest as soon as they become aware of it and obtain the approval of the Executive Committee or Audit Committee prior to entering into the transaction. The conflicted individual shall not be part of the discussion and approval process.

All Company transactions requiring the approval of the Board of Directors characterized by an actual or potential conflict of interest shall be reviewed and endorsed by the Audit Committee prior to approval.

5.0 CONFLICT OF INTEREST SITUATIONS

A conflict of interest situation is present in a business transaction where the pursuit of such will potentially have an adverse effect on the Company's best interests and that of its stakeholders.

The following transactions may give rise to conflict of interests:

5.1 RELATED PARTY TRANSACTIONS

A "related party transaction" is a transaction between the Company or any of its subsidiaries and any "related party" as defined in the Company's audited financial statements.

5.2 MANAGEMENT AGREEMENTS

A "Management Agreement" refers to any agreement to manage or operate all or significant part of the business of another company between the Company and/or any of its subsidiaries. If the shareholders representing the same interests in both the managing and the managed companies own or control more than one-third (1/3) of the voting rights in the managing corporation, or a majority of the Directors of the managing corporation also constitute a majority of the Directors of the managed corporation, there is a conflict of interest situation.

5.3 TRANSACTIONS BETWEEN INTERLOCKING DIRECTORS

Transactions between companies with Interlocking Directors must be deliberated and approved without the benefit of the vote of the proponent Directors. Prior to the approval, the Board of Directors must ensure the fairness and reasonableness of the proposed transaction.

5.4 EXTERNAL BUSINESS ENGAGEMENTS

These refer to engagements with businesses involved in shipping, logistics, infrastructure, and other related services performed outside of CLIC, which include but not limited to the following:

1. Any sole proprietorship, partnership, corporate ownership
2. Direct or indirect shareholdings of more than 5% of a publicly-listed company

5.5 EMPLOYMENT IN OR ENGAGEMENT WITH ANOTHER ENTITY

This refers to services rendered outside CLIC, which may or may not be paid, such as but not limited to the following:

1. Full-time or part-time employment
2. Engagement as an agent, broker, advisor or consultant
3. Officer, Directorship, Trustee position
4. Political agency affiliation or Government position, whether elected or appointed

5.6 TRANSACTIONS WITH RELATIVES

This refers to transactions with spouse or relatives by affinity or consanguinity within the fourth degree¹, legitimate or common-law, which include grandparents, parents, siblings, children, and grandchildren.

6.0 EFFECTIVITY AND POLICY ADMINISTRATION:

- 6.1 This Policy shall take effect upon approval and shall supersede all previously issued policies, procedures and guidelines covering this matter.
- 6.2 The administration, interpretation, and implementation of the provisions of this Policy shall be the responsibility of the Internal Audit Head, HR Head, the Corporate Secretary, and the Audit Committee of the Company.
- 6.3 Implementing guidelines and procedures in support of this Policy may be prepared by the Internal Audit Department subject to the approval of the Executive Committee.
- 6.4 Any exception to this Policy must have the prior approval of the President and CEO or the Chairman of the Board, in cases where the President and CEO is the direct beneficiary of the exception.

7.0 FORMS:

- 7.1 Conflict of Interest Disclosure Form (CID Form)

THIS POLICY SHALL BE SUBJECT TO PERIODIC REVIEW, AMENDMENTS OR REVISIONS WHEN NECESSARY, UPON THE ABSOLUTE DISCRETION OF THE AUDIT COMMITTEE.

¹ Republic Act No. 11232, Revised Corporation Code of the Philippines, sec. 31