

	<b>CORPORATE GOVERNANCE MANUAL</b>	DOC CODE:
		Effectivity:
<b>WHISTLE-BLOWING POLICY</b>		Issue/Rev: 0  Supersedes:
<b>Prepared by:</b>  INTERNAL AUDIT DEPARTMENT	<b>Recommended by:</b>	<b>Approved by:</b>  CLC BOARD OF DIRECTORS

### 1.0 POLICY STATEMENT:

**1.1** Integrity is one of the Core Values of Chelsea Logistics and Infrastructure Holdings Corp. and its subsidiaries (the 'Chelsea Group' or the 'Company'). Under this Policy, 'Integrity' means adherence to the highest ethical and professional standards.

**1.2** All employees of the Chelsea Group are expected to conduct themselves with integrity and honesty, particularly in their business transactions. It is their responsibility to ensure that any behavior which can compromise the best interests of the Chelsea Group, its shareholders and customers, and of the public does not occur.

**1.3** In order for the Chelsea Group to achieve its Vision to be the finest shipping and logistics Company known for its unrivalled customer service, and to maintain its good corporate reputation, the Chelsea Group has adopted this Whistle-blowing Policy.

### 2.0 PURPOSE OF THE POLICY:

**2.1** The purpose of this Policy is to raise awareness among the employees of the Chelsea Group on the need to observe the value of Integrity in all corporate transactions and matters.

**2.2** This Policy aims to encourage employees to responsibly raise serious concerns internally rather than ignoring the problem or "whistle-blowing" in public.

**2.3** This Policy will provide the employees of the Chelsea Group with guidance on 'whistle-blowing' and also the procedure to report concerns on possible misconduct, inappropriate behavior or irregularity which can cause damage to the Chelsea Group's interests and corporate reputation.

### 3.0 DEFINITION OF TERMS

'**Whistle-blowing**' refers to any situation where an employee of the Chelsea Group reports any misconduct, malpractice or irregularity which said employee has become aware of or genuinely believes that the Chelsea Group has become involved in.

**'Whistleblower'** refers to a person who reports a whistle-blowing matter or reportable condition.

**'Whistle-blowing Report'** refers to a complaint filed by a Whistleblower about a whistle-blowing matter or reportable condition.

**'Whistle-blowing Matters or Reportable Conditions'** refer to acts or omissions which should be brought to the attention of the appropriate officers of the Chelsea Group under this Policy for being illegal, unethical or constitute unsound business practices which are grossly disadvantageous to the Chelsea Group, or which are in violation of good morals, such as but not limited to:

- a. Abuse of authority / workplace bullying;
- b. Bribery;
- c. Conflict of interest;
- d. Destruction/ Manipulation of records;
- e. Fraud relating to internal controls, accounting, and financial matters;
- f. Human rights violations and exploitation of employees;
- g. Gross mismanagement and resource wastage;
- h. Making false statements / forgery or alteration of documents;
- i. Malversation;
- j. Misappropriation of Company funds and assets for personal use or gain;
- k. Money laundering;
- l. Nepotism;
- m. Pollution or environmental damage;
- n. Plunder;
- o. Social media misconduct relating to / damaging to the Company;
- p. Solicitation / receiving of gifts;
- q. Taking advantage of Company opportunities;
- r. Undue influence;
- s. Unsafe and grossly negligent work practices;
- t. Violation of procurement rules;
- u. Willful suppression of facts or any deception in reports / recommendations which may result in wrongful gain or loss;
- v. Wrongdoing which has caused or may possibly cause damage or fraud to Chelsea Group stakeholders, other than to its employees;
- w. Any other acts or omissions which expose the Chelsea Group to legal action or reputational risks or damage, including deliberate concealment of any of the above matters.

#### **4.0 PROCEDURE**

**4.1** As a matter of procedure, all concerns relating to internal controls, accounting and auditing matters, malpractice or wrongdoing, or matters covered by this Policy, shall be communicated directly or anonymously, in writing or otherwise, in person or thru electronic mail, to the Internal Audit Head:

Maria Katherine Agbay  
Chelsea Logistics and Infrastructure Holdings Corp.  
18<sup>th</sup> Fl., Udena Tower, Bonifacio Global City, Taguig City

[katherine.agbay@chelseashipping.ph](mailto:katherine.agbay@chelseashipping.ph)

or

[whistleblower@chelsealogistics.ph](mailto:whistleblower@chelsealogistics.ph)

Should the concern involve the Internal Audit Head, then communication may be directed to the President & CEO of Chelsea Logistics and Infrastructure Holdings Corp.

- 4.2** The Internal Audit Head will review the complaint and decide how the investigation will proceed. Depending on the circumstances, the Internal Audit Head may consider creating a special committee to investigate the complaint. The special investigating committee may be composed, as needed, of any of the heads of Legal, Human Resources, Finance, Security and Information Technology.
- 4.3** The format and length of the investigation may vary depending on the nature and the attending circumstances of the complaint. The Internal Audit Head will communicate to the complainant (the 'Whistleblower') within a reasonable period from the receipt of the complaint, to advise him/her of the following:
- a. acknowledgment of receipt of the complaint;
  - b. whether or not the matter is to be investigated further and if so, the description of the investigation to be made;
  - c. an estimate of the length of the investigation and the estimated time to provide a final response to the complaint.
- 4.4.** All communications received by the Internal Audit Head under this Policy shall be kept confidential. The identity of the Whistleblower shall be protected and kept confidential unless the Whistleblower otherwise allows disclosure of his identity. However, the investigation process may require revelation of the source of the information, and a statement by the Whistleblower or by the individual providing information regarding the complaint, as part of evidence-gathering on the complaint, and in case the Whistleblower or any other concerned individual is not willing to furnish a written statement, then the Internal Audit Head shall record the details in writing, as narrated by the Whistleblower or concerned individual in the Whistle-blowing Report.
- 4.5** Investigation results will not be disclosed or discussed by the Internal Audit Head with any one other than those who have a legitimate need to be informed of the same. This is important in order to avoid harm or damage to the reputation of the person(s) subject of the complaint in the event he/ she is subsequently found innocent of wrongful act or omission, and also to protect the Chelsea Group from potential civil liability. The Whistleblower shall have the right to be informed of the progress and the outcome of the investigation, within the constraints of maintaining confidentiality and observing legal restrictions.
- 4.6** In the event the Whistleblower withdraws his complaint or in the event the respondent resigns prior to the final resolution of the case against him/her, the investigation shall continue, provided that the evidence gathered is sufficient as determined by the Internal Audit Head / Investigating Committee.
- 4.7** The Internal Audit Head will submit the report on the results of the investigation and on the recommendations to the Audit Committee / Corporate Governance Committee of Chelsea Logistics and Infrastructure Holdings Corp. The Audit Committee / Corporate Governance Committee shall determine and direct the necessary action or response as deemed appropriate.

## **5.0 GENERAL PROVISIONS**

- 5.1 Protection of the Whistleblower Against Retaliation.** The Company shall ensure that the Whistleblower who submits a complaint in good faith shall be protected and that no retaliatory acts against him/her shall be tolerated, such as:
- a. Discrimination or harassment in the workplace;
  - b. Demotion;
  - c. Deliberate or manifest unjust performance evaluation;
  - d. Reduction or withholding of salary or employee benefits;
  - e. Contract termination;
  - f. Unwarranted disciplinary action;
  - g. Any other acts / threats which adversely affect the rights, interest, physical, mental and emotional well-being of the Whistleblower.

Except in cases described in Article 5.2 below, the Whistleblower shall be assured of protection against the above

acts of retaliation, even if the concern he/she raised turned out to be substantiated.

The Management of the Company will support all employees and encourage employees to raise concerns / matters covered by this Policy without fear of reprisals.

**5.2 False Reports.** If an employee makes a false report with malice or ulterior motive, or for personal gain, the Company reserves the right to take appropriate action against the employee to recover any loss or damage as a result of the false report. In particular, the employee may face disciplinary action, including dismissal, where appropriate.

**5.3 Confidentiality and Anonymity.** As the Company takes reporting of misconducts, malpractices, and irregularities seriously, and would want to conduct warranted investigations of both potential and actual violations, all incident reports will be treated as confidential, and each report and the identity of the reporter will be kept confidential to the extent permissible by law, and feasible to permit proper investigation and resolution. Reports will only be accessible to those who Internal Audit determines to have a 'need to know', and also where such access will not otherwise compromise or interfere with the independence, effectiveness, and integrity of the investigation. Ordinarily, a 'need to know' arises from an obligation to investigate or to take remedial action based on the information contained in the Incident Report. For clarity, sharing incident information in a manner required by this Policy will not be considered a breach of confidentiality.

**5.4 Impeding / Interference with Investigation.** The Company will consider it a serious disciplinary action for any person to impede or interfere with the investigation of any complaint under this Policy, or who prevents the filing of a complaint under this Policy.

**5.5 Record Retention.** The Internal Audit Head shall keep a record of all reported misconducts, malpractices and irregularities in the Chelsea Group. In the event a reported irregularity leads to an investigation, the Internal Audit Head or the party responsible for leading/ conducting the investigation shall ensure that all relevant information relating to the case is retained, including details of corrective action taken for a period not exceeding ten (10) years.

## **6.0 APPROVAL AND EFFECTIVITY**

6.1 This Policy shall take effect upon approval of the Board of Directors of Chelsea Logistics and Infrastructure Holdings Corp.

6.2 The Audit Committee / Corporate Governance Committee has the overall responsibility for the implementation, monitoring and review of this policy.

## **7.0 WHISTLE-BLOWING REPORT FORM**

7.1 The Chelsea Group encourages its employees to disclose any whistle-blowing matter or reportable concern mentioned in Item 3.

7.2 If an employee wishes to report, he/she will use the Whistle-Blowing Report Form attached to this Policy.

7.3 The Whistle-Blowing Report Form will be treated with outmost confidentiality.

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*\* This Policy is a proposed policy subject to the approval of the Board of Directors of Chelsea Logistics and Infrastructure Holdings Corp.*