

LBC EXPRESS HOLDINGS, INC. CONFLICT OF INTEREST POLICY

1.0 INTRODUCTION

LBC Express Holdings, Inc. (the "Corporation"), as the leading publicly listed a leading provider of courier and freight forwarding services, as well as a leading non-bank provider of domestic remittance services and inbound international remittance services in the Philippines, has a duty to its stakeholders (i.e. stockholders and investors, directors, officers and employees, customers and business partners; the public it serves, and the government and regulators) to ensure that the principles of integrity, transparency, accountability and fairness are upheld in all transactions and official actions of Corporation. In this regard, we must make sure that all work-related decisions, business directions, actions or inactions of Corporation directors, officers, and employees are above-board and based on sound business principles and judgment and devoid of bias or partiality.

2.0 GENERAL STATEMENT OF THE POLICY

As a policy, transactions which are or may have the potential of being deemed as Conflict of Interest transactions are discouraged and must be avoided. All business decisions of the Directors and Employees must be based on the best interest of Corporation and the Group and must not be motivated by personal considerations and other relationships that can interfere with their independent judgment.

3.0 APPLICABILITY

This policy applies to, and shall be implemented by, all members of the Board of Directors (each, a "Director" and collectively, the "Directors"), officers, executives and employees (each, an "Employee" and collectively, the "Employees"), and Consultants of Corporation ("Corporation" or the "Company").

Directors and Employees may become involved in situations where their private interests or those of their Affiliates may conflict with the interest of Corporation and/or the Corporation Group of Companies (the "Group"). It is the obligation of each Director, Employee and Consultant to avoid any actual or apparent Conflict of Interest between Corporation and/or the Group and the Director/Employee/Consultant and/or his Affiliate. At all times, Directors and Employees must be loyal to Corporation and the Group.

For purposes of this policy, the Corporation Group of Companies ("Group") shall refer to Corporation and its Subsidiaries or any individual member company of the Group (subject to applicable laws).

This policy sets standards to govern conduct in such situations.

It is the intention of the Corporate Governance Committee of the Corporation's Board that a similar policy shall be adopted and implemented by each of Corporation's subsidiary and their respective subsidiaries and the respective Presidents of these companies shall recommend the adoption of this policy (or a similar policy) to their respective Boards of Director, subject to: (a) laws of the place of incorporation of the relevant subsidiaries; and (b) the demands and needs of the operations of the businesses of the relevant subsidiaries.

4.0 DEFINITION OF TERMS

For purposes of this policy:

a. **AFFILIATE** - any person, entity, organization, business or venture with whom/which a Director, Employee or Consultant has an affiliation, personal relationship or financial involvement. These include among others:

- i. Relatives (as hereinafter defined);
- ii. Associates (as hereinafter defined);
- iii. Corporations or firms where a Director/Employee and/or his Relative holds a position as director, officer or executive of such corporations or firms.
- iv. Corporations or firms where a Director/Employee and/or his Relative, either singly or collectively, holds/owns more than ten percent (10%) of the subscribed capital or equity of such corporations or firms.
- v. Corporations or firms wholly or majority owned or controlled by the corporation or firm where a Director/Employee/Consultant and/or his Relative, either singly or collectively, holds/owns more than ten percent (10%) of the subscribed capital or equity of such corporations or firms.
- vi. Partnerships of which a Director/Employee or his Affiliate is a general partner.
- vii. A co-ownership in which a Director/Employee or his Affiliate is one of the co-owners of a property sold, assigned or leased to Corporation or any company within the Group, except where the sale, assignment and/or lease covers only the other co-owner's (who is not the Director/Employee/Consultant or his Affiliate) undivided interest in the property.

b. **ASSOCIATES** - third parties with existing or previous close personal or business affiliation or relationship with a Director or Employee or Consultant in view of which a Director, Employee or Consultant's decisions or actions in the best interest of Corporation and/or the Group is unduly affected or compromised.

c. **CONFLICT OF INTEREST** - occurs when the private interest of a Director or Employee or Consultant and/or his Affiliate interferes or appears to interfere in any way with the interest of Corporation and/or the Group. It can arise when a Director or Employee or Consultant has interests that may make it difficult to perform his or her work objectively and effectively regardless of whether or not he or his Affiliate receives or will receive Personal Benefit (as hereinafter defined). Conflict of interest can also arise when a Director, Employee or Consultant and/or his Affiliate receives or will receive improper Personal Benefit from a transaction with Corporation and/or the Group as a result of the Director, Employee or Consultant's position in Corporation and/or any company within the Group.

d. **EMPLOYEE** - any individual hired by Corporation for salaries and/or benefits provided in regular amounts at stated intervals in exchange for services rendered personally for the Company's business on a regular basis and who does not provide such services as part of an independent business. This includes Corporation's officers, executives, supervisors, rank and file, and, only for purposes of this policy, Subsidiaries' employees who also work for/serve Corporation (e.g. on seconded basis).

e. **PERSONAL BENEFIT** - refers to gain or advantage, whether material or non-material, directly or indirectly provided to or received by a Director, Employee or Consultant and/or his

Affiliate, such as financial gain, professional advancement, travel, facilities and/or accommodation benefits, entertainment, preferential treatment in personal transactions, and other similar advantages.

f. RELATIVES - relatives of up to the third degree, by consanguinity, affinity or legal adoption, including, spouse, parents, children (and their spouses), siblings (and their spouses), nieces and nephews (limited to children of brothers and sisters) [and their spouses], grandparents, and aunts and uncles (limited to brothers or sisters of parents); and a domestic partner and his relatives of up to third degree, by consanguinity, affinity or legal adoption.

5.0 AREAS IN WHICH CONFLICT OF INTEREST MAY ARISE

The areas enumerated are descriptive only and not exhaustive.

a. Dealings with and as Suppliers, Contractors, Business Partners, and Third Parties.

Directors or Employees are enjoined from giving undue preferential treatment to any individual or entity with whom Corporation and/or any company within the Group does business. Further, Directors or Employees shall avoid circumstances that could, or could be reasonably expected to, impair their objectivity in the performance of their duties and obligations to Corporation and/or any company within the Group. In this regard, Directors or Employees are proscribed from participating in any part of the transactions, dealings or decision-making process with respect to any existing or potential supplier, or business partner of the Company in which they or their Affiliate have an interest, including any acts that may be deemed as seeking to influence any action or inaction with respect to such parties.

Authorized Employees shall select and deal with suppliers, business partners, and third parties doing or seeking to do business with Corporation and/or any company within the Group in an impartial manner. In this connection, authorized Employees shall award and maintain contracts or transactions on arm's length commercial terms, based only on the best interest of Corporation and/or the relevant company within the Group and under strict rules of fairness and confidentiality. The foregoing standards shall also be observed with respect to contracts and transactions between companies within the Group.

b. Dealings with Directors, Employees, and Prospective Employees.

Conflict of Interest can arise in a wide range of human resources matters, such as recruitment and selection, promotion, disciplinary procedures, staff development, performance review, benefits and remuneration. In this area, Directors and Employees shall ensure that they treat each other, as well as prospective employees, with respect, fairness, impartiality, and equal opportunity, including respect for varying views and individual ideas, regardless of rank, seniority or relationship. Directors and Employees shall avoid any action or inaction that gives undue preferential treatment or discriminates against any Director/Employee or prospective employee. In this regard, Directors and Employees are proscribed from taking part in any decision-making process on human resources matters with respect to their Affiliates, including any action that may be deemed as seeking to influence any official action with respect to such Affiliates.

c. Directorship, Executive Positions and Employment in Other Companies or Organizations

Directors and Employees shall avoid accepting positions or employment, or carrying out work outside of Corporation or the Group where a Conflict of Interest or loyalty may arise and which may significantly affect the Director and Employee's efficiency in the performance of his duties and obligations to Corporation and/or any company within the Group, or otherwise adversely affect his work for Corporation and/or any company within the Group. For Directors, the requirements and conditions in this policy shall be in addition to those contained in the Corporation By-laws, Revised Manual on Corporate Governance, the Corporate Governance Charter and other applicable laws, rules and regulations.

d. Use of Property, Services and Other Resources

Directors and Employees are expected to use the property, services or other resources of Corporation and/or the Group responsibly, efficiently, with care and only for purposes authorized or allowed under the policies or guidelines issued by Corporation or any company within the Group, as the case may be. Accordingly, Directors and Employees are reminded to avoid the more than inconsequential use of the property, services or other resources of Corporation or any company within the Group for their Personal Benefit or in any manner not solely for the benefit of Corporation or the Group, unless the applicable policy or guidelines expressly allow personal use of such property, services or other resources (e.g. Company-issued executive cars, cellular phones, landlines, club rights, etc.). Further, Directors and Employees shall refrain from taking advantage of the property, information of, or their positions in Corporation or any company within the Group, or opportunities arising from these, for their Personal Benefit or to act against the best interest of Corporation or the Group.

e. Dealings with Dealers and Distributors of Corporation Group's Products

Conflicts of Interest may also arise in situations where Directors and Employees and/or their Affiliates are or become dealers and/or distributors of the products and/or services of Corporation and/or any company within the Group. Directors and Employees shall ensure that they treat all dealers and/or distributors with respect, fairness, impartiality and equal opportunity. Directors and Employees shall avoid any action or inaction that gives undue preferential treatment or discriminates against any dealer, distributor, or potential dealer/distributor. In this regard, Directors and Employees are proscribed from participating in any part of the transactions, dealings or decision-making process with respect to any dealers or distributors in which they and/or their Affiliate have an interest, including any acts that may be deemed as seeking to influence any such action or inaction with respect to such dealers or distributors.

f. Dealings with Customers or Clients

Directors and Employees shall ensure that they treat all customers and clients of Corporation and the Group with respect, fairness, impartiality and equal opportunity. Directors and Employees shall avoid granting to their Affiliates preferential terms including discounts not ordinarily available to other customers/clients, from which Personal Benefit will be derived by such Affiliate.

g. Prohibited Conflict of Interest Situations

g.1. No Director or officer shall, in breach of his fiduciary duty to the Company, acquire or attempt to acquire directly or indirectly through an Affiliate any business opportunity in the line of the Company's business, in which the Company has an interest or a reasonable

expectancy and which the Company is financially able to undertake, where the personal interest of the Director or officer will be in conflict with the interest of the Company.

g.2. The Company shall not, directly or indirectly, including through any Subsidiary or Affiliate, grant or arrange for any credit (or extensions thereof) in the form of personal loans to any Director or officer, unless allowed by applicable laws and regulations.

6.0 PROCEDURE

Primarily, Directors and Employees must fully disclose in writing any actual or potential instances and/or situations where they may have a Conflict of Interest or the appearance of a Conflict of Interest to the relevant authorities specified herein, as soon as they become aware of such actual or potential instances and/or situations. Depending on the nature of the conflict situation, conflicted Directors and Employees may be required to comply with other requirements.

a. In situations falling under Item No. 5 (a) above, and where the Conflict of Interest business transactions cannot be avoided or where a particular business transaction has the potential of being categorized as a Conflict of Interest business transaction or official action, the Director, Employee or Consultant concerned shall make a full written disclosure of such transaction and his or his Affiliate's private interest in the transaction or official action, as follows:

a.1. For Directors

To: The Board of Directors through its Chairman

a.2. For Officers

To: The President & CEO

Cc: The Corporate Governance Committee through its Chairman

a.3. For Rank and File ("R&F"), Supervisory Employees and Managers

To: The President & CEO

The Director or Employee concerned shall likewise inhibit himself from any direct or indirect participation or involvement at any stage of the transactional process flow and cannot sign any paper or document related to the transaction.

7.0 EFFECTIVITY

This policy shall take effect immediately. All existing Administrative Orders and System Practices, and related implementing guidelines concerning the same matters covered by this policy are deemed superseded. In the event of any inconsistency between the policy and guidelines contained herein and the terms of other existing policies, system practices and related implementing guidelines, the policy and guidelines contained herein shall prevail.

8.0 AMENDMENT OR ALTERATION OF THIS POLICY

This policy shall not be amended, altered or varied unless such amendment, alteration or variation shall have been approved by resolutions of the Board of Directors.

Approved by:

MIGUEL A. CAMAHORT
President & CEO