

LBC EXPRESS HOLDINGS, INC.

INSIDER TRADING POLICY

INTRODUCTION

LBC Express Holdings, Inc. (the "Corporation") is fully committed to comply with all the laws, rules and regulations related to its business operations including compliance with the Insider Trading rules prescribed under the Securities Regulation Code (SRC) of the Philippines or Republic Act No. 8799, as may be amended.

As part of its commitment to ensure proper compliance with regulations and to align the Blackout Period policy with the industry's best practices, this policy is hereby adopted to guide the Corporation and its subsidiaries' directors, officers' employees and their associates in the trading of the Corporation's shares.

GENERAL STATEMENT OF THE POLICY

It is the policy of the Corporation not to take undue advantage of material non-public information in dealing or trading Corporation shares while in possession of such information. Corporation Insiders, as defined in this policy, are persons who are considered to have knowledge of material facts or changes in the affairs of the Corporation which are not yet publicly disclosed. They shall abstain from disseminating such information or engaging in the trading (buying or selling) of the Corporation shares until clearance is given by the proper authority.

DEFINITION OF TERMS

For purposes of this policy:

- a. Insider - covers any of the following persons in the Corporation or its subsidiaries:
 - i. All members of the Board of Directors;
 - ii. All Key Officers as specified in the Corporation's and its subsidiaries' By-Laws and other similar corporate documents.
 - iii. All Heads of Organizations and members of the Management Team.
 - iv. Consultants and Advisers of the Corporation.
 - v. All other employees of the Corporation or its subsidiaries with regular access to material information which are not yet publicly disclosed.
 - vi. All Secretaries and Executive Assistants of the above.
 - vii. Relatives of the above persons who are living in the same household with them.
- b. Material non-public information¹ - refers to any information which (a) has not been generally disclosed to the public and would likely affect the market price of the security after being disseminated to the public and the lapse of a reasonable time for the market to absorb the information; or (b) would be considered by a reasonable person important under the circumstances in determining his course of action whether to buy, sell or hold a security.

¹ As defined in Section 27.2 of the Securities Regulation Code

While it is not possible to define all categories of material information, there are various types of information that are particularly sensitive and, as a general rule, should always be considered material in nature unless properly cleared by concerned authority. Such material information includes, but are not limited to:

- a. Financial results
- b. Projections of future earnings or losses
- c. News of a pending or proposed merger
- d. Change in the corporate structure such as a re-organization
- e. Acquisition/Divestitures/Joint venture
- f. Dividend declaration and changes in dividend policy
- g. Stock splits
- h. New significant equity investments or debt offerings
- i. Significant litigation exposure
- j. Major changes in key senior management positions
- k. Public or private sale of company securities

Note: Both positive or negative information may be considered material.

- c. Relatives² - 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.
- d. Structured Disclosures³ - are the defined periodic reportorial requirements required by the Securities and Exchange Commission (SEC), Philippine Stock Exchange (PSE) and the Philippine Dealing Exchange Corporation (PDEX).
- e. Unstructured Disclosures⁴ - any material fact or event that occurs, not covered by the structured reports, which would reasonably be expected to affect investors' decisions in relation to the trading of its securities.

GENERAL RULES

(A) Blackout Period

- a. Blackout Period - the following shall be used as guide in determining the Blackout Period coverage:
 - Structured Disclosures - Ten (10) trading days before and two (2) trading days after the disclosure of structured reports.

² As defined in Corporation's Conflict of Interest Policy

³ Definition as provided in the PSE's Revised Disclosure Rules, Penalties and Fines Implementing Guidelines

⁴ Definition as provided in the PSE's Revised Disclosure Rules, Penalties and Fines Implementing Guidelines

- Unstructured Disclosures - Two (2) trading days after the disclosure of any material information other than the structured reports.
- b. An Insider is enjoined from buying or selling, directly or indirectly, listed and publicly traded shares of the Corporation within the Blackout Period.
- c. To avoid possible violation of the Blackout Period policy, an Insider may consult the Corporate Governance Office or the Legal Department prior to the trading of Corporation shares.
- d. The Corporation's Compliance Officer is tasked to announce or disseminate Blackout period at least one week prior to the release of structured reports or one trading day for the unstructured reports.
- e. The Corporation or its Subsidiaries Directors, Key Officers, Heads of Organizations, Secretaries, Assistants or any of their employees covered by this Policy shall be responsible for relaying the Blackout Period announcement to their Relatives for their guidance.
- f. Exception Handling:

In case of personal emergency or exceptional situation when a Participant is constrained to trade the Corporation shares while the Blackout Period is imposed, the following rules shall be observed:

- (i) The concerned person shall ask permission in writing from the Corporation's President/CEO, or in the case of the CEO, the Chairman of the Board of Directors, prior to the trading of the shares.
- (ii) Written permission shall clearly state the date when trading is allowed.
- (iii) In the absence of the specified trading days in the written permission, the trading of shares shall be within seven (7) working days from the date approval is granted.
- (iv) The Corporate Secretary or Assistant Corporate Secretary shall keep the records of the decisions taken on exceptional cases for future reference.

(B) Trading of Directors and Key Officers of the Corporation (Excluding Subsidiaries)

Section 23 of the Securities Regulation Code prescribed that a director or an officer of the issuer of the security, shall file, at the time either such requirement is first satisfied or within ten (10) days after he becomes such a beneficial owner, director, or officer, a statement with the SEC and to the PSE and the PDEX (if the security is listed for trading) of the amount of all equity securities of such issuer of which he is the beneficial owner, and within ten (10) days after the close of each calendar month thereafter, if there has been a change in such ownership during such month.

Likewise, Section 13 of the PSE's Revised Disclosure Guidelines, requires the disclosure of the direct and indirect ownership of its directors and principal officers of the Corporation securities (or shares) within two (2) trading days after in any of the following circumstances:

1. The Issuer's securities are first admitted in the Official Registry of the Exchange;
2. Director is first elected or an Officer is appointed; or
3. Any acquisition, disposal, or change in the shareholdings of the Directors and Officers.

All Directors and Key Officers of the Corporation shall submit their accomplished Statement of Changes in Beneficial Owners given the abovementioned circumstances not later than one (1) trading day after the occurrence of the event to the Compliance Officer.

In any of the above circumstances, the concerned Corporation Director or Key Officer shall immediately accomplish the Statement of Changes in Beneficial Ownership or SCBO and submit the same to the Compliance Officer for review and validation.

(C) Consequences of Non-Compliance

Violation of this Policy shall be subject to disciplinary action under the Corporation's Code of Business Conduct and Ethics without prejudice to any civil or criminal proceedings which the Corporation or regulators may file for violation of existing laws. Insider trading under the law may be subject to penalty for damages or fine and/or imprisonment which includes the following:

1. Section 61 of the Securities Regulation Code (SRC) provides that, "any insider, who violates Section 27.1 (Insider's Duty to Disclose When Trading) and any person in the case of a tender offer who violates Subsection 27.4 (a)(i), or any rule or regulation thereunder, by purchasing or selling a security while in possession of material information not generally available to the public, shall be liable in a suit brought by any investor who, contemporaneously with the purchase or sale of securities that is the subject of the violation, purchased or sold securities of the same class unless such insider, or such person in the case of a tender offer, proves that such investor knew the information or would have purchased or sold at the same price regardless of disclosure of the information to him."
2. Section 2 of the Revised PSE Disclosure Guidelines prescribes the penalty for non-compliance with the requirement for Non-Structured Disclosures to the Corporation (as the Listed Corporation), which include the submission of the Statement of Beneficial Ownership within a 12-month period, as follows:
 - a. First violation - Php 50,000.00
 - b. Second violation of a similar nature - Php 75,000.00
 - c. Third violation - suspension of trading of the issuer for a period of one (1) month
 - d. Fourth violation - ground for delisting.

An additional fine of Php 1,000.00 shall be imposed for each trading day during which the offense continues until and including the day on which the violation is rectified. Failure to pay within one (1) month from the imposition of the penalty and any additional fine imposed will result in the suspension of trading of the securities of the Listed Corporation.

The Corporation shall have recourse against the Insider for monetary penalties assessed by regulators for violation of insider trading rules.

EFFECTIVITY

This policy will take effect immediately. All existing policies, systems, practices, and related implementing guidelines concerning the same matters covered by this Policy, including Blackout Period/Restriction on Trading of Shares, are deemed revoked and superseded by this Policy. In the event of any inconsistency

between the Policy and guidelines contained in this document and the terms of other existing systems, practices, and related implementing guidelines, this Policy shall prevail.

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