

2.08 OTHER EMPLOYMENT POLICIES

2.08.01 Policy on Conflict of Interest.

2.08.01.01 Rationale. In holding the trust and confidence of management, all officers and managers, as well as other Company personnel are expected to exhibit loyalty in all matters pertaining to the affairs of Chemphil or any of its affiliates. They are also expected to be honest, objective and diligent in the performance of their duties and responsibilities.

2.08.01.02 Policy Statement.

- a. Competitive Bidding** – All officers, managers and other employees are required to put the Company's interest first and foremost. And this is without regard for any personal benefit, which may result from transactions with suppliers of goods or services, and with Chemphil's customers. As a general rule, competitive bidding should therefore be held in the procurement of materials, equipment, supplies or services.
- b. Independence** – All officers, managers and other employees are obliged to refrain from entering into any activity which may be in conflict with the interest of Chemphil or any of its affiliates. This covers any situation, which would tend to weaken their independence of judgment and action, consequently prejudicing their ability to carry out objectively their duties and responsibilities.
- c. Conflict of Interest Declaration and Disclosure Statement** – To avoid any conflict of interests, Chemphil requires its concerned employees to inform management of all existing business interests, activities outside of their employment with Chemphil, and all situations that may give rise to potential conflict of interests.

2.08.01.03 **Definition**

A conflict of interest situation occurs when a business decision is influenced by an employee's personal interest. And, such personal interest, when given more weight, would lead to a decision and action that is less favorable to the Company.

2.08.01.04 **Situations Involving a Conflict of Interests**

It is not practicable to enumerate all possible conflict-of-interest situations. However, the following are some clear-cut examples, which should normally be avoided.

- a. To serve as an officer, director or manager, consultant, or employee, or in any capacity, for whatever time frame, in any company or outfit that—or for any person who is in direct competition with the Company.
- b. To use, divulge or release to anyone, any data or information which could adversely affect the Company in any way—right then and there, or in the future; and whether or not it is for personal gain or for any gratification, material or otherwise. (e.g. to do a favor to another.)
- c. To accept gifts, in cash or in kind, commissions, share in profits, loans or advances, materials and services at unreasonably low prices, excessive or extravagant entertainment, paid travel from any firm doing or seeking to do business with the Company, except those which are customarily accepted in the usual course of business and allowed by management. If the employee is uncertain about what constitutes nominal or reasonable gift or "lunch", the employee should discuss the matter with his/her immediate superior.
- d. To deal with a supplier of goods, services, including construction and repairs and maintenance contractors, where a relationship of any kind with a supplier leads to favoring that supplier despite any disadvantageous consequence to the Company.
- e. To deliberately overlook the behavior of co-employees, subordinates, or superiors which should otherwise be pointed out to the appropriate

