

**Appendix A**  
**Code of Business Conduct and Ethics**

**NICKEL ASIA CORPORATION**

**CONFLICT OF INTEREST POLICY**

This Policy on Conflict of Interest supplements the policy contained in the Company's CG Manual (Sec. 3.6.3) is supplemented in this Code.

**Policy Statement**

Directors, Officers and Employees are charged with the duty of loyalty to the corporate interest. Their personal interests should never prevail against the interests of the Corporation. We recognize that it is not only conflict of interest but also the appearance of conflict of interest that must be avoided. This means that any activity that may compromise or seem to compromise the integrity of the Company or of any Director, Officer or Employee must be avoided.

The Company recognizes that while transactions affected by conflict of interest must generally be avoided, there may be instances when such transactions are nevertheless fair and appropriate and may in fact be in the Company's best interest. Even in cases where transactions with or involving Directors, Officers or Employees are deemed beneficial to the Company, the voting and disclosure rules herein contained shall be complied with.

**A. What is conflict of interest**

A conflict of interest exists when an individual's personal interest or activities, direct or indirect, interfere or appear to interfere with the ability to act in the best interest of the Company. A clash between duties and responsibilities to the Company and personal interests arises if the individual tries to perform a duty to the Company while at the same time trying to achieve personal gain.

**B. When does conflict of interest arise**

Conflicts of interest include, but are not limited to, situations where a Director, Officer or Employee:

1. Supplies or attempts to supply goods or services to the Company and/or its subsidiaries or has a personal interest, directly or indirectly, in a contract for the supply of goods or services to the Company and/or its subsidiaries.
2. Acquires or attempts to acquire, directly or indirectly, a business opportunity which properly belongs to the Company and/or its subsidiaries.

3. Accepts consideration, directly or indirectly, in any form whatsoever, for delivering the Company's business to a third party and/or in consideration of influencing or attempting to influence any decision of the Company and/or its Directors, Officers or Employees.
4. Enters into transactions with the Company and/or its subsidiaries, or accepts employment or positions other than with the NAC Group, where the ability to perform duties and responsibilities to the Company or the exercise of judgment towards the best interest of the Company may be adversely affected.

### **C. What "interest" includes**

"Interest" means any economic or other interest, whether or not substantial in relation to the Company or to the Director, Officer, or Employee, for as long as there is potential for, or the possibility of, interference or the appearance of interference with the ability to act in the best interest of the Company.

Indirect interest shall include the interests of a Relative, as defined in this Code, and/or any interest of a Director, Officer, Employee or Relative in any company or entity with which the Company has business dealings in any form.

### **D. Disclosure**

Conflict of interest situations and circumstances should be promptly and fully disclosed and discussed as provided in this Code. Directors and Officers are enjoined to abstain from participating in any action, transaction, discussion, evaluation, or decision involving such conflict of interest.

#### **1. Directors**

Directors shall disclose any potential conflict of interest to the Chairman who, in consultation with the Chief Executive Officer (CEO), the Compliance Officer (CO) and as appropriate with legal counsel, shall determine whether there is indeed conflict of interest, in which case there shall be disclosure to the Board and the approval requirements under this Code (Section F)[1]) shall be complied with. In the event the Chairman after due consultation finds that there is no conflict, the matter shall nevertheless be disclosed to the Board.

Directors shall abstain from participating in the discussions of the Board regarding matters in which they are in a conflict of interest situation and shall not vote thereon, in accordance with Section F of this Policy.

## 2. Officers

Officers shall disclose any potential conflict of interest to the CEO who, in consultation with the Chairman, the CO and as appropriate with legal counsel shall determine whether there is indeed a conflict of interest. In the event after due consultation the CEO finds that there is indeed a conflict of interest, the Officer shall refrain from pursuing the transaction or activity; provided that if such is deemed beneficial to the interests of the Company, the transaction may be pursued subject to full disclosure to and approval by the Board of Directors. In such situation, the CEO and the CO shall ensure that the interests of the Company and its subsidiaries are duly protected.

## 3. Employees who are not Directors or Officers

Employees who are not Directors or Officers shall disclose any potential conflict of interest to their immediate superior, who shall have the responsibility of consulting the CO and, as appropriate, the CEO regarding the matter. If the finding is that there is conflict of interest, the Employee shall refrain from pursuing the transaction or activity.

## **E. Review and monitoring of related party transactions**

The Board shall adopt a process for reviewing and monitoring any related party transactions, which shall be specific as to the definition of related party transactions, the types of transactions covered, and the positions and levels involved.

As necessary or appropriate, the Board shall constitute a committee, the membership of which must include at least two independent directors, to review significant related party transactions to determine whether they are in the best interests of the Company and the terms and conditions are fair and reasonable.

Related party transactions shall be disclosed in the Company's financial reports and its annual report to shareholders. Immediate disclosure under the rules of the Securities and Exchange Commission ("SEC") and the Philippine Stock Exchange (the "Exchange") shall be subject to materiality and significance of the transaction.

## **F. Approval**

No act or transaction involving a potential conflict of interest shall be pursued unless there shall have been review as provided in this Code, shall have reviewed the transaction as provided the immediately preceding section, and until the procedure set forth below, consistent with the Philippine Corporation Code, has been complied with:

## **1. Directors**

- a. Any potential conflict of interest involving a Director shall be disclosed to the Board and shall require Board approval.
- b. When the matter is submitted to the Board for approval, the presence of the Director concerned must not be necessary to constitute a quorum and the Director's vote must not be necessary to obtain Board approval.
- c. Where these conditions are not met, a contract or transaction where a Director has an interest may be ratified by shareholders representing at least 2/3 of the outstanding capital stock at a meeting of stockholders duly called. Full disclosure of the interest of the Director must be made to the shareholders prior to the meeting, in accordance with applicable rules of the SEC and the Exchange; provided that the contract is fair and reasonable under the circumstances.

## **2. Officers**

Approval of an act or transaction involving conflict of interest of an officer shall be in accordance with this Code (Section D [2]). An Officer shall disclose a potential conflict of interest to the Board of Directors. Prior authority of the Board must be obtained before an Officer may enter into a contract or transaction involving conflict of interest as defined herein.

## **G. Recording**

The CO shall be informed of all reported instances of potential conflict of interest and shall keep a record thereof, without prejudice to the keeping of records and monitoring by the appropriate or responsible Officers or departments, including but not limited to Finance and Internal Audit.