



**Liberty  
Insurance**  
#LiveWorryFree

**Liberty Insurance Corporation**  
📍 JCS Building, 119 Dela Rosa corner  
C. Palanca Sts., Legaspi Village,  
Makati City, Philippines

☎ 8819-1961 to 66  
📠 8818-8639 / 8819-5217  
✉ info@libertyinsurance.com.ph  
🌐 www.libertyinsurance.com.ph

May 30, 2024

**HON. REYNALDO A. REGALADO**  
Insurance Commissioner  
**Insurance Commission**  
1071 United Nations Ave.,  
Ermita, Manila

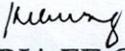


Sir,

In compliance with your Circular Letter No. 2020-72 "Submission of the Annual Corporate Governance" dated June 13, 2020. We are pleased to submit our Annual Corporate Governance Report for the Year 2023 in Two (2) copies.

We trust you will find the report in order.

Very truly yours,

  
**MARIA FE G. LIWAG**  
Vice-President-Finance and Administration

Email Add: [mafe@libertyinsurance.com.ph](mailto:mafe@libertyinsurance.com.ph)



## ANNUAL CORPORATE GOVERNANCE REPORT

|   | COMPLIANT/<br>NON-<br>COMPLIANT | ADDITIONAL INFORMATION  | EXPLANATION   |
|---|---------------------------------|---|---|
| <b>The Board's Governance Responsibilities</b>  |                                 |   |   |
| <b>Principle 1:</b> The company should be headed by a competent, working board to foster the long- term success of the corporation, and to sustain its competitiveness and profitability in a manner consistent with its corporate objectives and the long- term best interests of its shareholders and other stakeholders. |                                 |   |   |
| <b>Recommendation 1.1</b>   |                                 |   |   |
| 1. Board is composed of directors with collective working knowledge, experience or expertise that is relevant to the company's industry/sector.   | Compliant                       | <p>Provide information or link/reference to a document containing information on the following:</p> <ol style="list-style-type: none"> <li>1. Academic qualifications, industry knowledge, professional experience, expertise, and relevant trainings of directors</li> <li>2. Qualification standards for directors to facilitate the selection of potential nominees and to serve as benchmark for the evaluation of its performance</li> </ol> | <p>The Board of Directors of Liberty Insurance Corporation is composed of 11 directors, three of whom are independent directors, with collective qualifications, professional and work experience, expertise, and training relevant to the business of insurance. The background, experience and/or expertise and training of each director can be found in the Corporate Governance section of the Company's website:</p> <p style="text-align: center;"><a href="https://www.libertyinsurance.com.ph">https://www.libertyinsurance.com.ph</a></p> <p style="text-align: center;">under the heading Profiles of Directors.</p> |
| 2. Board has an appropriate mix of competence and expertise.  | Compliant                       |   | <p>The qualification standards for directors are stated in Subsections 1.1 to 1.4 of the Company's Revised Manual on Corporate Governance 2022 (pages 3-4), which are posted in the Corporate</p>   |

|  |           |  |  |
|--|-----------|--|--|
|  |           |  | Governance section of the Company's website.   |
| 3. Directors remain qualified for their positions individually and collectively to enable them to fulfill their roles and responsibilities and respond to the needs of the organization. | Compliant |  | <p>Paragraph 2 of Subsection 1.1 of the Revised Manual declares that the Board shall be composed of directors with a collective working knowledge, experience, or expertise that is relevant to the Corporation's industry/sector. The Board shall always ensure that it has an appropriate mix of competence and expertise and that its members remain qualified for their positions individually and collectively, to enable it to fulfill its roles and responsibilities and respond to the needs of the organization based on the evolving business environment and strategic direction.</p> <p>See Subsections 1.1 to 1.4 of Liberty Insurance's Revised Manual on Corporate Governance 2022. (Pages 3-4)</p> |

**Recommendation 1.2**

|  |           |   |  |
|--|-----------|---|--|
| 1. Board is composed of a majority of non-executive directors. | Compliant | Identify or provide link/reference to a document identifying the directors and the type of their directorships. | The list of the Company's Board of Directors and Corporate Officers, which can be found in the Corporate Governance section of the Company's website, clearly shows that majority of the members of the Board are non-executive directors. |
|--|-----------|---|--|

|  |                  |   |   |
|--|------------------|---|---|
|  |                  |   | <p>Non-Executive Directors: Luisita C. Bautista, Maria Ernestina C. Teopaco, Ramon V. Ocampo, Leonardo C. Guison III, Carol Daisy P. Velasco, and Vida T. Chiong.</p> <p>Executive Directors: Fernando C. Cojuangco, Josefina M. Salvador, Enrique Robert C. Reyes, Maria Elena A. Cruz, and Jaime C. Lopa.</p> <p>The Company's SEC General Information Sheet (GIS) for 2023, which can also be found in the Corporate Governance section of the Company's website, identifies the eleven directors and the types of their directorships. (Page 4 of Liberty's GIS for 2023)</p> |
| <b>Recommendation 1.3</b>  |                  |   |   |
| <p>1. Company provides in its Board Charter and Manual on Corporate Governance a policy on training of directors.</p>              | <p>Compliant</p> | <p>Provide link or reference to the company's Board Charter and Manual on Corporate Governance relating to its policy on training of directors.</p> | <p>Subsection 1.3 (Training), found in page 3 of the Company's Revised Manual on Corporate Governance 2022, provides a policy on training of directors.</p>   |
| <p>2. Company provides in its Board Charter or Manual on Corporate Governance an orientation program for first time directors.</p> | <p>Compliant</p> |   | <p>Subsection 1.3, Paragraph 1 of the Company's Revised Manual on Corporate Governance 2022 (page 3), states that the Corporation shall provide an eight-hour orientation program for first-time directors covering IC-mandated topics on</p>   |

|  |                  |  |   |
|--|------------------|--|---|
|  |                  |  | <p>corporate governance and an introduction to the Corporation's business, Articles of Incorporation, and Code of Conduct.</p>  |
| <p>3. Company has relevant annual continuing training for all directors.</p> | <p>Compliant</p> |  | <p>Subsection 1.3, Paragraph 2 (page 3) states that the Corporation shall also provide a relevant annual continuing training for all directors to promote effective board performance and continuing qualification of the directors in carrying out their duties and responsibilities. The topics will include corporate governance matters relevant to the Corporation, audit, internal controls, risk management, sustainability, and strategy.</p> <p>Section 11 of the Company's Board Charter (page 13), which can be found in the Corporate Governance section of the Company's website, states that "the Company shall provide an eight-hour orientation program for first-time directors covering SEC-mandated topics on corporate governance and an introduction to the Company's business, Articles of Incorporation, and Code of Conduct.</p> <p>The Company shall also provide a four-hour relevant annual continuing training for all directors aimed at promoting effective board</p> |

|  |                  |  |  |
|--|------------------|--|--|
|  |                  |  | <p>performance and continuing qualification of the directors in carrying out their duties and responsibilities. xxx xxx xxx"</p> <p>The Company's current directors have attended at least four hours of corporate governance seminars in 2023. The details on the seminars attended are included in their respective profiles, which can be found in the Corporate Governance section of the Company's website under the heading Profiles of Directors.</p>   |
| <b>Recommendation 1.4</b>                        |                  |  |  |
| <p>1. Board has a policy on board diversity.</p> | <p>Compliant</p> | <p>Provide information on or link/reference to a document containing information on the company's board diversity policy.</p> <p>Indicate gender composition of the board.</p> | <p>The Board of Directors is composed of five men and six women, all of whom possess the necessary qualifications to carry out the duties and responsibilities of their office.</p> <p>Subsection 1.4 (Board Diversity) of the Company's Revised Manual on Corporate Governance 2022 asserts that the Corporation believes in the principle of board diversity as a tool of corporate governance to achieve optimal decision-making. To respond to its current needs and evolving business environment and strategic direction, the Corporation shall endeavor to diversify the composition of its Board, which includes diversity on,</p> |

|  |  |  |   |
|--|--|--|---|
|  |  |  | <p>among others, gender, age, ethnicity, culture, skills, competence, and knowledge. (Page 4)</p> <p>Subsection 2.3 of the Company's Board Charter (page 1) similarly sets forth the Company's policy on board diversity.</p> |
|--|--|--|---|

**Recommendation 1.5**

|  |           |  |  |
|--|-----------|--|--|
| 1. Board is assisted by a Corporate Secretary. | Compliant | Provide information on or link/reference to a document containing information on the Corporate Secretary, including his/her name, qualifications, duties, and functions. | <p>The Company's Corporate Secretary, Mr. Eufrocino C. de la Merced Jr., is a lawyer by profession, with more than 30 years' experience as a corporate lawyer.</p> <p>The Minutes of the Organizational Meeting of the Board of Directors for 2023 includes the information that Mr. de la Merced was elected Corporate Secretary of the Company for 2023-2024. The said minutes were submitted to the Insurance Commission together with the Minutes of the Annual Stockholders' Meeting. Please refer to the Corporate Governance section of the Company's website to find the Minutes of the Organizational Meeting for 2023.</p> <p>Article V Section 6 of the Company's Amended By-Laws, which can be found among the downloadable documents in the Corporate</p> |
|--|-----------|--|--|

|  |           |  |
|--|-----------|--|
|  |           | <p>Governance section of the Company's website, lists the duties and functions of the Secretary of the Corporation. (Page 9 of the Amended By-Laws)</p> <p>Subsection 1.5 (Corporate Secretary) of the Company's Revised Manual on Corporate Governance 2022 (pages 4-5) enumerates the qualifications, duties, and functions of the Corporate Secretary.</p> <p>Mr. de la Merced's <i>curriculum vitae</i> may be viewed in the Corporate Governance section of the Company's website under the heading Profiles of Corporate Secretary and Compliance Officer.</p> |
| 2. Corporate Secretary is a separate individual from the Compliance Officer. | Compliant | Mr. de la Merced is the Company's Corporate Secretary while Mr. Addison B. Castro is the Compliance Officer.   |
| 3. Corporate Secretary is not a member of the Board of Directors.            | Compliant | <p>Mr. de la Merced is not a member of the Board of Directors.</p> <p>The Company's General Information Sheet (GIS) for 2023 contains the information that Mr. de la Merced is the Corporate Secretary and is not a Director of the Corporation. (Page 4 of the GIS for 2023)</p>  |

|  |           |   |   |
|--|-----------|---|---|
|  |           |   | The Report on the Annual Stockholders' Meeting for 2023, which can be found in the Corporate Governance section of the Company's website, enumerates the elected Members of the Board of Directors, and confirms that Mr. de la Merced is not a director of Liberty Insurance Corporation.  |
| 4. Corporate Secretary attends training/s on corporate governance. | Compliant | Provide information or link/reference to a document containing information on the corporate governance training attended, including number of hours and topics covered. | Mr. de la Merced attended the following online corporate governance seminars conducted by the Institute of Corporate Directors (ICD): (1) 17 October 2023, from 2:00PM to 5:00PM, with the topic Anti-Money Laundering Act Compliance in the Age of Digital World; and (2) 27 October 2023, from 4:00PM to 6:00PM, with the topic Masterclass Third Series Session 4: Transforming Companies with Digital Disruption-Ready Boards of Directors.<br><br>This information is included in the profile of Mr. de la Merced which is posted on the Corporate Governance Section of the Company's website under the heading Profiles of Corporate Secretary and Compliance Officer. |
| <b>Recommendation 1.6</b>  |           |   |   |
| 1. Board is assisted by a Compliance Officer.                      | Compliant | Provide information on or link/reference to a document containing information   | Mr. Addison B. Castro is the Company's Compliance Officer.  |

|  |  |  |   |
|--|--|--|---|
|  |  | <p>on the Compliance Officer, including his/her name, position, qualifications, duties, and functions.</p> | <p>The Minutes of the Organizational Meeting of the Board of Directors for 2023 include the information that Mr. Castro was elected Compliance Officer for 2023-2024. The said minutes were submitted to the Insurance Commission together with the Minutes of the Annual Stockholders' Meeting. The Minutes of the Organizational Meeting can be found in the Corporate Governance section of the Company's website.</p> <p>Article V Section 8 of the Company's Amended By-Laws, which can be found among the downloadable documents in the Corporate Governance section of the Company's website, lists the duties and functions of the Compliance Officer of the Corporation. (Page 9 of the Amended By-Laws)</p> <p>Subsection 1.6 of the Company's Revised Manual on Corporate Governance 2022 enumerates the qualifications, responsibilities, and functions of the Compliance Officer. (Pages 5-6)</p> <p>Mr. Castro's <i>curriculum vitae</i> may be viewed in the Corporate Governance section of the Company's website under the heading Profiles of</p> |
|--|--|--|---|

|  |           |  |   |
|--|-----------|--|---|
|  |           |  | Corporate Secretary and Compliance Officer.   |
| 2. Compliance Officer has a rank of Vice President or an equivalent position with adequate stature and authority in the corporation. | Compliant |  | Mr. Castro, a lawyer, is a name partner in the Gatchalian and Castro Law Office. He is an external legal counsel of Liberty Insurance Corporation.  |
| 3. Compliance Officer is not a member of the board.  | Compliant |  | <p>Mr. Castro is not a member of the Board of Directors of Liberty Insurance Corporation.</p> <p>The Report on the Annual Stockholders' Meeting for 2023, which can be found in the Corporate Governance section of the Company's website, enumerates the Members of the Board of Directors, and confirms that Mr. Castro is not a director of Liberty Insurance Corporation.</p> <p>The Company's General Information Sheet (GIS) for 2023 contains the information that Mr. Castro is the Company's Compliance Officer and is not a director of the Corporation. (Page 4 of the GIS for 2023)</p> |
| 4. Compliance Officer attends training/s on corporate governance.  | Compliant | Provide information on or link/reference to a document containing information on the corporate governance training attended, including number of hours and topics covered. | Mr. Castro attended the following online corporate governance seminars conducted by the Institute of Corporate Directors (ICD): (1) 17 October 2023, from 2:00PM to 5:00PM, with the topic Anti-Money Laundering  |

|  |  |  |  |
|--|--|--|--|
|  |  |  | <p>Act Compliance in the Age of Digital World; and (2) 27 October 2023, from 4:00PM to 6:00PM, with the topic Masterclass Third Series Session 4: Transforming Companies with Digital Disruption-Ready Boards of Directors.</p> <p>This information was added to the profile of Mr. Castro in the Corporate Governance section of the Company's website under the heading Profiles of Corporate Secretary and Compliance Officer</p> |
|--|--|--|--|

**Principle 2:** The fiduciary roles, responsibilities and accountabilities of the Board as provided under the law, the company's articles and by-laws, and other legal pronouncements and guidelines should be clearly made known to all directors as well as to stockholders and other stakeholders.

**Recommendation 2.1**

|   |                  |  |   |
|---|------------------|--|---|
| <p>1. Directors act on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the company.</p> | <p>Compliant</p> | <p>Provide information or reference to a document containing information on how the directors performed their duties (can include board resolutions, minutes of meeting)</p> | <p>The minutes of the annual stockholders' meeting and regular board meetings contain information on how the Company's directors performed their duties and responsibilities during the year.</p> <p>The Minutes of the Annual Stockholders' Meeting for 2023 are posted in the Corporate Governance section of the Company's website.</p> <p>The Minutes of the regular board meetings were collated and submitted</p> |
|---|------------------|--|---|

|  |                  |  |   |
|--|------------------|--|---|
|  |                  |  | <p>to the Insurance Commission at the end of each year.</p> <p>The board resolutions that were approved by the Board of Directors in 2023 were enumerated in the minutes of the regular board meetings, which were submitted to the Insurance Commission at the end of the year. The minutes of the regular board meetings can be found in the Corporate Governance section of the Company's website.</p>   |
| <b>Recommendation 2.2</b>  |                  |  |   |
| <p>1. Board oversees the development, review and approval of the company's business objectives and strategy.</p> | <p>Compliant</p> | <p>Provide information or link/reference to a document containing information on how the directors performed this function (can include board resolutions, minutes of meeting)</p> <p>Indicate frequency of review of business objectives and strategy</p> | <p>Subsection 2.1.2 of Liberty's Revised Manual on Corporate Governance 2022 (page 6) pronounces that the Board shall oversee the development of and approve the Corporation's business objectives and strategy, and monitor their implementation, in order to sustain the Corporation's long-term viability and strength. The Board shall review and guide corporate strategy, major plans of action, risk management policies and procedures, annual budgets, and business plans; set performance objectives; monitor implementation and corporate performance; and oversee major capital expenditures, acquisitions, and divestitures.</p> |

|  |           |  |   |
|--|-----------|--|---|
|  |           |  | <p>The minutes of the annual stockholders' meeting and regular board meetings contain information on how the Company's Board of Directors performed their responsibility of overseeing the development, review and approval of the Company's business objectives and strategy during the year.</p> <p>The Minutes of the Annual Stockholders' Meeting for 2023 are posted in the Corporate Governance section of the Company's website.</p> <p>The minutes of the regular board meetings are collated and submitted to the Insurance Commission at the end of each year. The said minutes can also be found in the Corporate Governance section of the Company's website.</p> |
| 2. Board oversees and monitors the implementation of the company's business objectives and strategy. | Compliant |  | Please see Subsection 2.1.2 of the Company's Revised Manual on Corporate Governance 2022 above.   |
| <b>Recommendation 2.3</b>  |           |  |   |
| 1. Board is headed by a competent and qualified Chairperson.   | Compliant | Provide information or reference to a document containing information on the Chairperson, including his/her name and qualifications. | The Chairman of the Board, Mr. Fernando C. Cojuangco, is a lawyer by profession, with over thirty years of experience in corporate law and business. His <i>curriculum vitae</i> can be found in the Corporate Governance   |

|  |           |  |   |
|--|-----------|--|---|
|  |           |  | section of the Company's website, under the heading Profiles of Directors.  |
| <b>Recommendation 2.4</b>  |           |  |   |
| 1. Board ensures and adopts an effective succession planning program for directors, key officers and management. | Compliant | Disclose and provide information or link/reference to a document containing information on the company's succession planning and retirement policies and programs and its implementation | <p>Under the Company's By-Laws, the Board of Directors have the duty to determine the manner and conditions under which employees of the corporation shall be granted pension, retirement, gratuity or life insurance protection. (Article IV, Section 6[o]) (page7) The Amended By-Laws can be found in Corporate Governance section of the Company's website.</p> <p>Subsection 2.1.3 of the Company's Revised Manual on Corporate Governance 2022 states that the Board shall adopt an effective succession planning program for directors, key officers, and management to ensure growth and a continued increase in the shareholders' value. This shall include a policy on the retirement age for directors and key officers as part of management succession and to promote dynamism in the Corporation.</p> |
| 2. Board adopts a policy on the retirement of directors and key officers.  | Compliant |  | The succession planning and retirement policies and programs of the Company and its implementation are in the Company's Amended By-Laws, pages 4-7, which can be found  |

|  |  |  |  |
|--|--|--|--|
|  |  |  | <p>in the Corporate Governance section of the Company's website.</p> <p>The latest Report of Independent Auditor (2023), which can also be found in the Corporate Governance section of the Company's website, includes an explanation on the Company's Retirement Benefits. (Pages 34-36)</p> |
|--|--|--|--|

**Recommendation 2.5**

|  |                  |  |  |
|--|------------------|--|--|
| <p>1. Board formulates and adopts a policy specifying the relationship between remuneration and performance of key officers and board members.</p> | <p>Compliant</p> | <p>Provide information on or link/reference to a document containing information on the company's remuneration policy and its implementation, including the relationship between remuneration and performance.</p> | <p>Subsection 2.1.4 of the Company's Manual on Corporate Governance (pages 6-7) states that the Board shall align the remuneration of key officers and board members with the long-term interests of the Corporation. In doing so, it shall formulate and adopt a policy specifying the relationship between remuneration and performance, which includes specific financial and non-financial metrics to measure performance and set specific provisions for employees in control functions who have a significant influence on the overall risk profile of the Corporation.</p> <p>Subsection 3.2.2.8 of the Manual states that the Corporate Governance Committee is responsible for the establishment of a formal and transparent procedure to develop a</p> |
|--|------------------|--|--|

|   |           |   |   |
|---|-----------|---|---|
|   |           |   | policy for determining the remuneration of directors and officers that is consistent with the Corporation's culture and strategy as well as the business environment in which it operates. (Pages 15-16)  |
| 2. Board adopts a policy specifying the Relationship between remuneration and performance.          | Compliant |   | Please see Subsection 2.1.4 of the Company's Revised Manual on Corporate Governance 2022 above.   |
| 3. Directors do not participate in discussions or deliberations involving his/her own remuneration. | Compliant |   | Under Subsection 2.1.4, one of the remuneration policies is that no director shall participate in discussions or deliberations involving his/her own remuneration. (Page 7)   |
| <b>Recommendation 2.6</b>   |           |   |   |
| 1. Board has a formal and transparent board nomination and election policy.                         | Compliant | Provide information or reference to a document containing information on the company's nomination and election policy and process and its implementation, including the criteria used in selecting new directors, how the shortlisted candidates and how it encourages nominations from shareholders.<br><br>Provide proof if minority shareholders have a right to nominate candidates to the board. | The information on the Company's nomination and election policy and process and its implementation are articulated in Subsection 2.3 (Nomination and Election of Directors, pages 8-9) of the Revised Manual on Corporate Governance 2022.<br><br>The criteria used in selecting new directors can be found in Subsections 2.4 (Qualifications of Directors), 2.5 (Permanent Disqualifications of Directors) and 2.6 (Temporary Disqualifications of Directors). (Pages 9-12) |

|  |                  |  |   |
|--|------------------|--|---|
| <p>2. Board nomination and election policy is disclosed in the company's Manual on Corporate Governance.</p>             | <p>Compliant</p> | <p>Provide information if there was an assessment of the effectiveness of the Board's processes in the nomination, election, or replacement of a director.</p> | <p>Please refer to Subsection 2.3 of the Revised Manual on Corporate Governance 2022. (Pages 8-9)</p>   |
| <p>3. Board nomination and election policy includes how the company accepted nominations from minority shareholders.</p> | <p>Compliant</p> |  | <p>In Subsection 6.1.2.1 of the Company's original Manual on Corporate Governance, which discusses Rights of Investors/Minority Interests, it is stated that "Shareholders shall have the right to elect, remove and replace directors and vote on certain corporate acts in accordance with the Corporation Code." (Page 10)</p> <p>The proof that minority stockholders have the right to nominate candidates to the board can be found in the Corporate Governance section of the Company's website under the heading "Notice to Minority Stockholders".</p> |
| <p>4. Board nomination and election policy includes how the board reviews nominated candidates.</p>                      | <p>Compliant</p> |  | <p>Subsection 2.3.2 of the Revised Manual states that the Corporate Governance Committee shall ensure that the nominees possess the necessary qualifications and none of the disqualifications provided by existing laws, rules and regulations, the Corporation's By-Laws, and this Manual. The qualifications and disqualifications shall be continuously monitored. (Page 9)</p>   |

|  |           |  |   |
|--|-----------|--|---|
|  |           |  | <p>The Board reviews the suitability of the nominated candidates based on the criteria used in selecting new directors. These can be found in Subsections 2.4 (Qualifications of Directors), 2.5 (Permanent Disqualifications of Directors) and 2.6 (Temporary Disqualifications of Directors). (Pages 9-12)</p>  |
| <p>5. Board nomination and election policy includes an assessment of the effectiveness of the Board's processes in the nomination, election, or replacement of a director.</p> | Compliant |  | <p>The functions of the Nomination and Remuneration Committee under the Manual on Corporate Governance were assigned to the Company's Corporate Governance Committee. At least thirty days before the holding of the 2023 annual stockholders' meeting, the Company's Corporate Governance Committee convened to examine and evaluate the skills and qualifications of board candidates to determine whether the nominees possessed the qualifications and none of the disqualifications to hold such office.</p> |
| <p>6. Board has a process for identifying the quality of directors that is aligned with the strategic direction of the company.</p>  | Compliant |  | <p>See Subsections 2.4 to 2.6 of the Revised Manual on Corporate Governance 2022 (pages 9-12), which enumerates the qualifications and disqualifications of nominee directors.</p>  |

**Recommendation 2.7**

|   |                  |  |  |
|---|------------------|--|--|
| <p>1. Board has overall responsibility in ensuring that there is a group-wide policy and system governing related party transactions (RPTs) and other unusual or infrequently occurring transactions.</p> | <p>Compliant</p> | <p>Provide information on or reference to a document containing the company's policy on related party transactions, including policy on review and approval of significant RPTs.</p> <p>Identify transactions that were approved pursuant to the policy.</p> | <p>Subsection 2.1.5 of the Revised Manual on Corporate Governance 2022 discloses that the Board shall have the overall responsibility of ensuring that there is a group-wide policy and system governing related party transactions (RPTs) and other unusual or infrequently occurring transactions, particularly those which pass certain thresholds of materiality. The policy shall include the appropriate review and approval of material or significant RPTs, which guarantee fairness and transparency of the transactions. The policy shall encompass all entities within the group, taking into account their size, structure, risk profile and complexity of operations. (Page 7)</p> <p>Subsection 6.5 of the Company's Board Charter reiterates the Board's overall responsibility of ensuring that there is a policy and system governing related party transactions (RPTs). (Page 9)</p> <p>The Company's policy on RPTs including the policy on review and approval of significant RPTs are being formulated to conform with the requirements of the Revised Manual on Corporate Governance 2022.</p> |
|---|------------------|--|--|

|  |                  |   |   |
|--|------------------|---|---|
| <p>2. RPT policy includes appropriate review and approval of material RPTs, which guarantee fairness and transparency of the transaction.</p>  | <p>Compliant</p> |   | <p>Subsection 8.5 of the Revised Manual on Corporate Governance 2022 declares that the Corporation shall disclose its policies governing Related Party Transactions (RPTs) and other unusual or infrequently occurring transactions. The material or significant RPTs shall be reviewed and approved by the Board and submitted for confirmation by majority vote of the stockholders in the annual stockholders' meeting. All material or significant RPTs for the year shall be disclosed in its Annual Company Report or Annual Corporate Governance Report. (Page 22)</p> |
| <p>3. RPT policy encompasses all entities within the group, taking into account their size, structure, risk profile and complexity of operations.</p>  | <p>Compliant</p> |   | <p>Please refer to the Corporate Governance section of the Company's website and see pages 30-31 of the 2023 Report of Independent Auditor, which discusses related party transactions and relationships.</p>   |
| <p><b>Recommendation 2.8</b></p>   |                  |   |   |
| <p>1. Board is primarily responsible for approving the selection of Management led by the Chief Executive Officer (CEO) and the heads of the other control functions (Chief Risk Officer, Chief Compliance Officer and Chief Audit Executive).</p> | <p>Compliant</p> | <p>Provide information on or reference to a document containing the Board's policy and responsibility for assessing the performance of management.</p> <p>Identify the Management team appointed.</p> | <p>Article IV Section 6(d) of the Amended By-Laws states that the Board of Directors shall have the power to appoint the officers, agents, and employees as it may deem necessary for the proper conduct of the corporation's business. (Page 6)</p>  |

|  |  |  |   |
|--|--|--|---|
|  |  |  | <p>Section 8 also speaks of the Board's power to create, at its discretion, an Executive Committee that shall exercise the powers of the Board of Directors as may be delegated to it in the management and direction of the affairs of the corporation. (Page 7)</p> <p>Article V of the Amended By-Laws enumerates the officers of the corporation and the manner of their selection/appointment. (Pages 8-9)</p> <p>Subsection 2.1.6 of the Revised Manual on Corporate Governance 2022 (page 7) states that the Board shall be primarily responsible to appoint a competent management team at all times. The Board shall approve the selection and assessment of the performance of Management led by the Chief Executive Officer (CEO), and control functions led by their respective heads (Chief Risk Officer, Chief Compliance Officer, and Chief Audit Executive).</p> <p>The Board is in the process of evaluating the potential candidates for the positions of Chief Risk Officer and Chief Audit Executive.</p> <p>The Management Team will be led by the President, Mrs. Josefina M.</p> |
|--|--|--|---|

|   |           |  |  |
|---|-----------|--|--|
|   |           |  | Salvador. Mr. Addison B. Castro is the Chief Compliance Officer.   |
| 2. Board is primarily responsible for assessing the performance of Management led by the Chief Executive Officer (CEO) and the heads of the other control functions (Chief Risk Officer, Chief Compliance Officer and Chief Audit Executive). | Compliant | <p>Provide information on or reference to a document containing the Board's policy and responsibility for assessing the performance of management.</p> <p>Provide information on the assessment process and indicate frequency of assessment of performance.</p> | <p>Subsection 2.1.7 of the Revised Manual on Corporate Governance 2022 empowers the Board to establish an effective performance management framework that will ensure the continuing fitness and propriety of Management, including the Chief Executive Officer, and personnel in carrying out their respective duties and responsibilities. This is to ensure that their performance is at par with the standards set by the Board and Senior Management. (Page 7)</p> <p>Subsection 3.2.2.2 of the Revised Manual on Corporate Governance 2022 (page 15) declares that the Corporate Governance Committee shall oversee the periodic performance evaluation of the Board and its committees as well as executive management and conducts an annual self-evaluation of its performance.</p> |
| <b>Recommendation 2.9</b>   |           |  |  |
| 1. Board establishes an effective performance management framework that ensures that Management, including the Chief Executive Officer performance is at par with the standards set by the Board and Senior Management.                       | Compliant | Provide information on or link/reference to a document containing the Board's performance management framework for management and personnel.   | Please refer to Subsection 2.1.7 of the Revised Manual on Corporate Governance 2022 above. (Page 7)  |

|  |                  |   |   |
|--|------------------|---|---|
| <p>2. Board establishes an effective performance management framework that ensures that personnel's performance is at par with the standards set by the Board and Senior Management.</p> | <p>Compliant</p> |   | <p>Article IV Section 8 of the Amended By-Laws also states that the Board may, at its discretion, create an Executive Committee which shall exercise all the powers and attributes of the Board of Directors as may be lawfully delegated to it in the management direction of the affairs of the corporation. All actions of the Executive Committee shall be reported to the Board of Directors for the latter's approval at its next meeting succeeding such action. (Page 7)</p> <p>Section 9 indicates that the Board of Directors shall have the power to create committees as may be necessary and beneficial in the operation and internal regulation of the Corporation. xxx xxx xxx The Board shall have the power to appoint and remove the members of such Committees at any time, with or without cause. (Pages 7-8)</p> |
| <p><b>Recommendation 2.10</b></p>  |                  |   |   |
| <p>1. Board oversees that an appropriate internal control system is in place.</p>  | <p>Compliant</p> | <p>Provide information on or link/reference to a document showing the Board's responsibility for overseeing that an appropriate internal control system is in place and what is included in the internal control system</p> | <p>Article IV Section 6(c) of the Company's Amended By-Laws grants the Board of Directors the authority to make rules for the internal regulation of the company. (Page 5)</p> <p>Under Section 8 of the Amended By-Laws, the Board has the discretion to</p>   |

|  |  |  |  |
|--|--|--|--|
|  |  |  | <p>create an Executive Committee which shall manage and direct the affairs of the corporation. (Page 7)</p> <p>Section 9 empowers the Board to create Committees as may be necessary and beneficial in the operation and internal regulation of the Corporation. (Pages 7-8)</p> <p>Subsection 2.1.8 of the Revised Manual on Corporate Governance 2022 states that the Board shall oversee that an appropriate internal control system is in place, including setting up a mechanism for monitoring and managing potential conflicts of interest of Management, board members, and shareholders. (Page7)</p> <p>Section 12 and Subsection 12.1 of the Revised Manual on Corporate Governance 2022 (page 23) declares that the Board shall ensure that the Corporation shall have a strong and effective internal control system and an enterprise risk management framework to ensure the integrity, transparency, and proper governance in the conduct of its business, taking into account its size, risk profile and complexity of operations.</p> |
|--|--|--|--|

|   |                  |  |   |
|---|------------------|--|---|
|   |                  |  | <p>Subsection 3.1.2 of the Revised Manual asserts that the Audit Committee shall be primarily responsible for overseeing the senior management in establishing and maintaining an adequate, effective, and efficient internal control framework. That Audit Committee shall ensure that systems and processes are designed to provide assurance in areas including reporting, monitoring compliance with laws, regulations and internal policies, efficiency and effectiveness of operations and safeguarding of assets. (Pages 13-15)</p>  |
| <p>2. The internal control system includes a mechanism for monitoring and managing potential conflict of interest of the Management, members, and shareholders.</p> | <p>Compliant</p> |  | <p>Please refer to Subsection 2.1.8 of the Revised Manual on Corporate Governance 2022 above.</p> <p>Section 8 of the Revised Manual on Corporate Governance 2022 states that the Corporation shall establish corporate disclosure policies and procedures that are practical and in accordance with best practices and regulatory expectations. (Page 21)</p> <p>Subsection 8.3 declares that the Board shall fully disclose all relevant and material information on individual board members and key executives to evaluate their experience and qualifications and assess any potential</p> |

|  |               |   |   |
|--|---------------|---|---|
|  |               |   | conflicts of interest that might affect their judgment. (Page 21)   |
| 3. Board approves the Internal Audit Charter | Non-Compliant | Provide reference or link to the company's Internal Audit Charter | <p>Subsection 2.1.8 of the Revised Manual on Corporate Governance 2022 states that among the duties and responsibilities of the Board is to approve the Internal Audit Charter. (Page 7)</p> <p>Under Subsection 3.1.2.1 of the Revised Manual on Corporate Governance 2022 (Page 13), among the duties and responsibilities of the Audit Committee is to recommend the approval of the Internal Audit Charter (IA Charter), which formally defines the role of Internal Audit and the audit plan as well as oversees the implementation of the IA Charter.</p> <p>Subsection 12.3 of the Revised Manual states that the Board may appoint a qualified Chief Audit Executive (CAE), who will be tasked with the responsibility of periodically reviewing the internal audit charter and presenting it to senior management and the Board Audit Committee for approval. (Page 25)</p> <p>The functions of the internal audit are</p> |

|  |           |   |   |
|--|-----------|---|---|
|  |           |   | <p>enumerated In Subsection 12.2 (page 24) of the Revised Manual on Corporate Governance 2022.</p> <p>The Company's Audit Committee Charter can be found in the Corporate Governance section of the Company's website under the heading Board Charter and Committee Charters.</p> |
| <b>Recommendation 2.11</b>   |           |   |   |
| 1. Board oversees that the company has in place a sound enterprise risk management (ERM) framework to effectively identify, monitor, assess and manage key business risks.             | Compliant | Provide information on or link/reference to a document showing the Board's oversight responsibility on the establishment of a sound enterprise risk management framework and how the board was guided by the framework. | Board ensures and adopts an effective succession planning program for directors, key officers and management.   |
| 2. The risk management framework guides the Board in identifying units/business lines and enterprise-level risk exposures, as well as the effectiveness of risk management strategies. | Compliant | Provide proof of effectiveness of risk management strategies, if any.   | Please see Subsection 2.1.9 above.  |
| <b>Recommendation 2.12</b>   |           |   |   |
| 1. Board has a Board Charter that formalizes and clearly states its roles, responsibilities, and accountabilities in carrying out its fiduciary duties.                                | Compliant | Provide link to the company's website where the Board Charter is disclosed.   | Article IV Section 6 of the Company's Amended By-Laws enumerates the duties, powers and attributes of the Board of Directors. (Pages 5-7)   |
| 2. Board Charter serves as a guide to the directors in the performance of their functions.   | Compliant |   | Subsection 2.1.10 of the Revised Manual of Corporate Governance 2022 states that the Board shall have a Board Charter that formalizes and clearly states its roles, responsibilities,   |

|   |           |  |   |
|---|-----------|--|---|
|   |           |  | and accountabilities in carrying out its fiduciary duties. The Board Charter shall serve as a guide to the directors in the performance of their functions and shall be publicly available and posted on the Corporation's website.<br>(Page 7) |
| 3. Board Charter is publicly available and posted on the company's website. | Compliant |  | The Company's Board Charter can be found in the Corporate Governance section of the Company's website under the heading Board Charter and Committee Charters.   |

**Principle 3:** Board committees should be set up to the extent possible to support the effective performance of the Board's functions, particularly with respect to audit, risk management, related party transactions, and other key corporate governance concerns, such as nomination and remuneration. The composition, functions and responsibilities of all committees established should be contained in a publicly available Committee Charter.

**Recommendation 3.1**

|   |           |  |  |
|---|-----------|--|--|
| 1. Board establishes board committees that focus on specific board functions to aid in the optimal performance of its roles and responsibilities. | Compliant | Provide information or link/reference to a document containing information on all the board committees established by the company. | Section 3 (Establishing Board Committees) of the Revised Manual on Corporate Governance 2022 states that Board committees shall be set up to the extent possible to support the effective performance of the Board's functions, and other key corporate governance concerns, such as nomination and remuneration. The composition, functions, and responsibilities of all committees established shall take into consideration the Corporation's size, risk profile, and complexity of |
|---|-----------|--|--|

|  |  |  |   |
|--|--|--|---|
|  |  |  | <p>operations, among others. The respective charter of the committees shall be made publicly available. (Page 12)</p> <p>Subsection 3.1 discusses the establishment of the Audit Committee and details its composition and duties and responsibilities. (Pages 12-15)</p> <p>Subsection 3.2 discloses the establishment of the Corporate Governance Committee and explains its composition and duties and responsibilities. (Pages 15-16)</p> <p>Subsection 3.3 states that the Board may establish such other committees as it may deem fit, taking into careful consideration the Corporation's size, risk profile and complexity of operations, among other factors. (Page 16)</p> <p>Article IV Section 8 of the Company's Amended By-Laws explains the Board's authority to create an Executive Committee that shall exercise the powers of the Board of Directors as may be delegated to it in the management and direction of the affairs of the Corporation. (Page 7)</p> |
|--|--|--|---|

**Recommendation 3.2**

|   |                  |   |   |
|---|------------------|---|---|
| <p>1. Board establishes an Audit Committee to enhance its oversight capability over the company's financial reporting, internal control system, internal and external audit processes, and compliance with applicable laws and regulations.</p> | <p>Compliant</p> | <p>Provide information or link/reference to a document containing information on the Audit Committee, including its functions. Indicate if it is the Audit Committee's responsibility to recommend the appointment and removal of the company's external auditor.</p> | <p>Subsection 3.1 of the Revised Manual discusses the establishment of the Audit Committee and details its composition and duties and responsibilities. (Pages 12-15)</p> <p>Subsection 3.1.2.9 states that the Audit Committee recommends to the Board the appointment, reappointment, removal, and fees of the External Auditor, duly accredited by the Commission. xxx (Page 14)</p>                             |
| <p>2. Audit Committee is composed of at least three appropriately qualified non-executive directors, the majority of whom, including the Chairman is independent.</p>   | <p>Compliant</p> | <p>Provide information or link/reference to a document containing information on the members of the Audit Committee, including their qualifications and type of directorship.</p>   | <p>Subsection 3.1.1 (Composition) explains the composition of the Audit Committee, including the qualifications of each member. (Pages 12-13)</p>   |
| <p>3. All the members of the committee have relevant background, knowledge, skills, and/or experience in the areas of accounting, auditing and finance.</p>   | <p>Compliant</p> | <p>Provide information or link/reference to a document containing information on the background, knowledge, skills, and/or experience of the members of the Audit Committee.</p>  | <p>The Minutes of the Organizational Meeting of the Board of Directors dated 28 June 2023, which was submitted to the Insurance Commission, disclosed the information that the following directors were elected members of the Audit Committee:</p> <p>Chairman: Ramon V. Ocampo<br/> Members: Luisita C. Bautista<br/> Leonardo C. Guison III</p> <p>Mr. Ocampo and Mr. Guison are Independent (Non-Executive)</p> |

|  |           |  |  |
|--|-----------|--|--|
|  |           |  | <p>Directors. Mrs. Bautista is a Non-Executive Director.</p> <p>Information on the background, knowledge, skills, and/or experience of the members of the Audit Committee can be found in the Corporate Governance section of the Company's website under the heading Profiles of Directors.</p> <p>The Agenda and Minutes of the Organizational Meeting for 2023 may be found in the Corporate Governance section of the Company's website.</p> |
| 4. The Chairman of the Audit Committee is not the Chairman of the Board or of any other committee. | Compliant | Provide information or link/reference to a document containing information on the Chairman of the Audit Committee. | <p>The Chairman of the Board is Mr. Fernando C. Cojuangco. The Chairman of the Audit Committee is Mr. Ramon V. Ocampo, an Independent Director. Mr. Ocampo is not the Chairman of any other Committee.</p> <p>The <i>curriculum vitae</i> of Mr. Ocampo can be found in the Corporate Governance section of the Company's website under the heading Profiles of Directors.</p>   |
| <b>Recommendation 3.3</b>  |           |  |  |
| 1. Board establishes a Corporate Governance Committee tasked to assist the Board in the            | Compliant | Provide information or link/reference to a document containing information on the                                  | Subsection 3.2 of the Revised Manual on Corporate Governance 2022  |

|  |                  |   |   |
|--|------------------|---|---|
| <p>performance of its corporate governance responsibilities, including the functions that were formerly assigned to a Nomination and Remuneration Committee.</p> |                  | <p>Corporate Governance Committee, including its functions.</p> <p>Indicate if the Committee undertook the process of identifying the quality of directors aligned with the company's strategic direction, if applicable.</p> | <p>discloses the establishment of the Corporate Governance Committee and explains its composition and duties and responsibilities. (Pages 15-16)</p> <p>Subsection 3.2.2.7 says that the Corporate Governance Committee determines the nomination and election process for the Corporation's directors and has the special duty of defining the general profile of board members that the Corporation may need and ensuring appropriate knowledge, competencies, and expertise that complement the existing skills of the Board. (Page 16)</p> <p>The Company's Corporate Governance Committee Charter sets forth the purpose, composition, structure, and responsibilities of the Corporate Governance Committee of Liberty Insurance Corporation. The Charter may be viewed at the Corporate Governance section of the Company's website.</p> |
| <p>2. Corporate Governance Committee is composed of at least three members, majority of whom should be independent directors.</p>                                | <p>Compliant</p> | <p>Provide information or link/reference to a document containing information on the members of the Corporate Governance Committee, including their qualifications and type of directorship.</p>                              | <p>The Minutes of the Organizational Meeting of the Board of Directors dated 28 June 2023, which was submitted to the Insurance Commission, disclosed the information that the following directors were</p>   |

|  |           |   |   |
|--|-----------|---|---|
|  |           |   | <p>elected members of the Corporate Governance Committee:</p> <p>Chairman: Vida T. Chiong<br/>Members: Maria Ernestina C. Teopaco<br/>Leonardo C. Guison III</p> <p>Mrs. Chiong and Mr. Guison are Independent Directors. Ms. Teopaco is a Non-Executive Director.</p> <p>Information on the background, knowledge, skills, and/or experience of the members of the Corporate Governance Committee can be found in the Corporate Governance section of the Company's website under the heading Profiles of Directors.</p> |
| 3. Chairman of the Corporate Governance Committee is an independent director.  | Compliant | Provide information or link/reference to a document containing information on the Chairman of the Corporate Governance Committee.                 | The Chairman of the Corporate Governance Committee is Mrs. Vida T. Chiong, an Independent Director. Her <i>curriculum vitae</i> can be found in the Corporate Governance section of the Company's website under the heading Profiles of Directors.  |
| <b>Recommendation 3.4</b>  |           |   |   |
| 1. Board establishes a separate Board Risk Oversight Committee (BROC) that should be responsible for the oversight of a company's Enterprise Risk Management system to ensure its functionality and effectiveness. | Compliant | Provide information or link/reference to a document containing information on the Board Risk Oversight Committee (BROC), including its functions. | The Board, after taking into consideration the Company's size, risk profile and complexity of operations, agreed to delegate the functions of the Board Risk Oversight Committee (BROC) and Related Party Transactions  |

|   |                  |  |   |
|---|------------------|--|---|
|   |                  |  | <p>Committee (RPTC) to the Audit Committee. This decision was arrived at during the Organizational Meeting of the Board on 25 May 2022. The Minutes of the 2022 Organizational Meeting were submitted to the Insurance Commission.</p> <p>Under Subsection 3.1.2.11 of the Revised Manual on Corporate Governance 2022, the Audit Committee shall assume such other duties and responsibilities assigned to the committee by the Board. (Page 15)</p>   |
| <p>2. BROC is composed of at least three members, the majority of whom should be independent directors, including the Chairman.</p> | <p>Compliant</p> | <p>Provide information or link/reference to a document containing information on the members of the BROC, including their qualifications and type of directorship.</p> | <p>The Minutes of the Organizational Meeting of the Board of Directors dated 28 June 2023, which was submitted to the Insurance Commission, disclosed the information that the following directors were elected members of the Audit Committee:</p> <p>Chairman: Ramon V. Ocampo<br/> Members: Luisita C. Bautista<br/> Leonardo C. Guison III</p> <p>Mr. Ocampo and Mr. Guison are Independent Directors. Mrs. Bautista is a Non-Executive Director.</p> <p>Information on the background, knowledge, skills, and/or experience of</p> |

|   |           |  |   |
|---|-----------|--|---|
|   |           |  | the members of the Audit Committee can be found in the Corporate Governance section of the Company's website under the heading Profiles of Directors.   |
| 3. At least one member of the BROCC has relevant thorough knowledge and experience on risk and risk management,   | Compliant | Provide information or link/reference to a document containing information on the background, skills, and/or experience of the members of the BROCC.   | Information on the background, knowledge, skills, and/or experience of the members of the Audit Committee can be found in the Corporate Governance section of the Company's website under the heading Profiles of Directors.  |
| <b>Recommendation 3.5</b>   |           |  |   |
| 1. Board establishes a Related Party Transactions (RPT) Committee, which is tasked with reviewing all material related party transactions of the company. | Compliant | Provide information or link/reference to a document containing information on the Related Party Transactions (RPT) Committee, including its functions. | <p>The Board, after taking into consideration the Company's size, risk profile and complexity of operations, agreed to delegate the functions of the Board Risk Oversight Committee (BROCC) and Related Party Transactions Committee (RPTC) to the Audit Committee. This decision was arrived at during the Organizational Meeting of the Board on 25 May 2022. The Minutes of the 2022 Organizational Meeting were submitted to the Insurance Commission.</p> <p>Under Subsection 3.1.2.11 of the Revised Manual on Corporate Governance 2022, the Audit Committee shall assume such other</p> |

|   |           |  |   |
|---|-----------|--|---|
|   |           |  | duties and responsibilities assigned to the committee by the Board. (Page 15)   |
| 2. RPT Committee is composed of at least three non-executive directors, majority of whom should be independent, including the Chairman. | Compliant | Provide information or link/reference to a document containing information on the members of the RPT Committee, including their qualifications and type of directorship. | <p>The Minutes of the Organizational Meeting of the Board of Directors dated 28 June 2023, which was submitted to the Insurance Commission, disclosed the information that the following directors were elected members of the Audit Committee:</p> <p>Chairman: Ramon V. Ocampo<br/> Members: Luisita C. Bautista<br/> Leonardo C. Guison III</p> <p>Mr. Ocampo and Mr. Guison are Independent (Non-Executive) Directors. Mrs. Bautista is a Non-Executive Director.</p> <p>Information on the background, knowledge, skills, and/or experience of the members of the Audit Committee can be found in the Corporate Governance section of the Company's website under the heading Profiles of Directors.</p> |

**Recommendation 3.6**

|  |           |  |  |
|--|-----------|--|--|
| 1. All established committees have Committee Charters stating in plain terms their respective purposes, memberships, structures, operations, | Compliant | Provide information on or link/reference to the company's committee charters, containing all the required information, | The Committee Charters may be found in the Corporate Governance section of the Company's website under the |
|--|-----------|--|--|

|  |                  |   |  |
|--|------------------|---|--|
| <p>reporting process, resources and other relevant information.</p>                              |                  | <p>particularly the functions of the Committee that is necessary for performance evaluation purposes.</p> | <p>heading Board Charter and Committee Charters.</p>   |
| <p>2. Committee Charters provide standards for evaluating the performance of the Committees.</p> | <p>Compliant</p> |   | <p>No. 6 of the Audit Committee Charter (page 5) states:</p> <p>6. PERFORMANCE AND EVALUATION</p> <p>To ensure that the Committee fulfills its responsibilities following global best practices and in compliance with the Revised Manual on Corporate Governance and other relevant regulatory requirements, the Committee should review and assess its performance annually.</p> <p>No. 7 of the Corporate Governance Committee Charter (Page 4) states:</p> <p>7. Performance and Evaluation</p> <p>To ensure that the CG Committee fulfills its responsibilities in accordance with global best practices and in compliance with the Revised Manual on Corporate Governance and other relevant regulatory requirements, the CG Committee should assess its performance at least annually. The CG Committee shall obtain and subject itself to an independent assessment by</p> |

|  |           |   |   |
|--|-----------|---|---|
|  |           |   | the Board of Directors relative to its performance in accordance with expectations set out in this Charter.   |
| 3. Committee Charters were fully disclosed on the Company's website. | Compliant | Provide link to company's website where the Committee Charters are disclosed. | <p>Please visit:</p> <p><a href="https://www.libertyinsurance.com.ph">https://www.libertyinsurance.com.ph</a></p> <p>The Committee Charters may be found in the Corporate Governance section of the Company's website under the heading Board Charter and Committee Charters.</p> |

**Principle 4:** To show full commitment to the company, the directors should devote the time and attention necessary to properly and effectively perform their duties and responsibilities, including sufficient time to be familiar with the corporation's business.

**Recommendation 4.1**

|  |           |   |  |
|--|-----------|---|--|
| 1. The Directors attends and actively participates in all meetings of the Board, Committees, and shareholders in person or through tele-/videoconferencing conducted in accordance with the rules and regulations of the Commission. | Compliant | <p>Provide information or link/reference to a document containing information on the process and procedure for tele/videoconferencing board and/or committee meetings.</p> <p>Provide information or link/reference to a document containing information on the attendance and participation of directors to Board, Committee and shareholders' meetings.</p> | <p>Subsection 4.1 of the Revised Manual on Corporate Governance 2022 states that the directors shall attend and actively participate in all meetings of the Board, Committees, and Shareholders in person or through tele-/videoconferencing conducted in accordance with the rules and regulations of the Commission. (Page 16)</p> <p>The Minutes of the Corporation's 2023 Annual Stockholders' Meeting and</p> |
|--|-----------|---|--|

|   |                  |  |  |
|---|------------------|--|--|
|   |                  |  | <p>Regular Board Meetings which were conducted via remote communication (videoconferencing) were submitted to the Insurance Commission.</p> <p>The Minutes of the 2023 Annual Stockholders' Meeting can be found in the Corporate Governance section of the Company's website.</p>   |
| <p>2. The directors review meeting materials for all Board and Committee meetings</p> | <p>Compliant</p> |  | <p>Subsection 4.2 of the Revised Manual requires that in Board and Committee meetings, the director shall review meeting materials and if called for, ask the necessary questions, or seek clarifications and explanations.</p> <p>Please refer to the contents of the Minutes of the 2023 Virtual Meetings of the Stockholders and Board of Directors, which will confirm that the meeting materials for stockholders' and board meetings were emailed and disseminated to its participants before the dates of the meetings.</p> <p>The Minutes of the Virtual Meetings can be found in the Corporate Governance section of the Company's website.</p> |

|  |                  |  |  |
|--|------------------|--|--|
| <p>3. The directors ask the necessary questions or seek clarifications and explanations during the Board and Committee meetings.</p> | <p>Compliant</p> | <p>Provide information or link/reference to a document containing information on any questions raised or clarification/ explanation sought by the directors.</p> | <p>The contents of the 2023 Minutes, which were submitted to the Insurance Commission and can be found in the Corporate Governance section of the Company's website, reflect the questions, clarifications and comments raised/made during the board and committee meetings.</p> |
|--|------------------|--|--|

**Recommendation 4.2**

|   |                  |  |   |
|---|------------------|--|---|
| <p>1. Non-executive directors concurrently serve as directors to a maximum of five Insurance Commission Regulated Entities (ICREs) and publicly-listed companies to ensure that they have sufficient time to fully prepare for meetings, challenge Management's proposals/views, and oversee the long-term strategy of the company.</p> | <p>Compliant</p> | <p>Disclose if the company has a policy setting the limit of board seats that a non-executive director can hold simultaneously. Provide information or reference to a document containing information on the directorships of the company's directors in both listed and non-listed companies.</p> | <p>Subsection 4.3 of the Revised Manual on Corporate Governance 2022 states that the Board's non-executive directors shall concurrently serve as directors to a maximum of five (5) Insurance Commission Regulated Entities and Publicly Listed Companies to ensure that they have sufficient time to fully prepare for meetings, challenge Management's proposals/views, and oversee the long-term strategy of the Corporation. (Page 17)</p> <p>Please refer to the Company's Profiles of Directors in the Corporate Governance section of the Company's website for information on the directorships of the Company's directors in both listed and non-listed companies.</p> |
|---|------------------|--|---|

**Recommendation 4.3**

|  |                  |  |   |
|--|------------------|--|---|
| <p>1. The directors notify the company's board where he/she is an incumbent director before accepting a directorship in another company.</p> | <p>Compliant</p> | <p>Provide copy of written notification to the board or minutes of board meeting wherein the matter was discussed.</p> | <p>Subsection 4.4 of the Revised Manual on Corporate Governance (page 17) requires that a director shall notify the Board where he/she is an incumbent director before accepting a directorship in another Corporation. (Page 17)</p> <p>This was among the matters discussed in the Company's Regular Board Meeting of 29 November 2022.</p> |
|--|------------------|--|---|

**Principle 5:** The board should endeavor to exercise an objective and independent judgment on all corporate affairs.

**Recommendation 5.1**

|  |                  |  |  |
|--|------------------|--|--|
| <p>1. The Board is composed of at least 20% independent directors.</p> | <p>Compliant</p> | <p>Provide information or link/reference to a document containing information on the number of independent directors in the board.</p> | <p>Article IV Section 1 of the Company's Amended By-Laws states that the Board of Directors shall be eleven (11) members, at least twenty percent (20%) of which must be independent directors. (Page 4)</p> <p>Subsection 5.1 (Independent Directors) of the Revised Manual on Corporate Governance 2022 states that the Board shall have at least two (2) Independent Directors or such Independent Directors as shall constitute at least twenty percent (20%) of the members of the Board of Directors, whichever is higher. (Page 17)</p> |
|--|------------------|--|--|

**Recommendation 5.2**

|  |                  |  |   |
|--|------------------|--|---|
| <p>1. The independent directors possess a necessary qualifications and none of the disqualifications to hold the position.</p> | <p>Compliant</p> | <p>Provide information or link/reference to a document containing information on the qualification of independent directors.</p> | <p>Article IV Section 1 of the Company's By-Laws defines an independent director as a director independent of the management, who is neither an officer or employee of the Corporation, its parent or subsidiaries or any other person having a relationship with the Corporation, and who apart from the shareholdings in and fees received as director from the Corporation could, or could reasonably be perceived to, materially interfere with his exercise of independent judgment in carrying out his responsibilities as a director of the Corporation. (Pages 4-5)</p> <p>Subsection 5.2 of the Revised Manual enumerates the necessary qualifications of independent directors. (Pages 17-19)</p> |
|--|------------------|--|---|

**Recommendation 5.3**

|  |                  |   |   |
|--|------------------|---|---|
| <p>1. The independent directors serve for a maximum cumulative term of nine years. As far as Insurance Companies are concerned, the foregoing term limit shall be reckoned from 02 January 2015 while the reckoning date for the Pre-Need Companies and Health Maintenance Organizations shall be from 21 September 2016. For other covered entities, all previous terms served by existing Independent Directors prior to the effectivity of this Circular shall not be</p> | <p>Compliant</p> | <p>Provide information or link/reference to a document showing the years IDs have served as such.</p> | <p>The Company complied with the provisions of IC Circular Letter No. 2018-36 on the rules on Number of Seats, Qualifications and Term Limits of Independent Directors, by naming Mr. Ramon V. Ocampo, Dr. Leonardo C. Guison III and Mrs. Vida T. Chiong as its Independent Directors. This was reflected in the Company's General Information Sheet for 2023, which can</p> |
|--|------------------|---|---|

|   |                  |   |  |
|---|------------------|---|--|
| <p>included in the application of the term limit prescribed in this item.</p>   |                  |   | <p>be found in the Corporate Governance section of the Company's website.</p> <p>For Mr. Ocampo and Dr. Guison, their maximum cumulative term limit of nine years will be reckoned from 2 January 2015. As indicated in her Profile, which can also be found in the Corporate Governance section of the Company's website, Mrs. Chiong was first elected a Member of the Board of Directors on 28 August 2019.</p>                         |
| <p>2. The company bars an independent director from serving in such capacity after the term limit of nine years.</p>  | <p>Compliant</p> | <p>Provide information or link/reference to a document containing information on the company's policy on term limits for its independent director.</p>                        | <p>Subsection 5.3 (Term of Independent Director) of the Revised Manual on Corporate Governance 2022 indicates a maximum cumulative term of nine (9) years for independent directors. (Page 19)</p>   |
| <p>3. In the instance that the company retains an independent director in the same capacity after nine years, the board submits to the Insurance Commission a formal written justification and seek shareholders' approval during the annual shareholders' meeting.</p> | <p>Compliant</p> | <p>Provide proof on submission of a formal written justification to the Insurance Commission and proof of shareholders' approval during the annual shareholders' meeting.</p> | <p>Subsection 5.3 of the Revised Manual states that in the event that the Corporation wants to retain an independent director who has served for nine years, the Board shall provide a meritorious justification duly approved by the shareholders during the annual stockholders' meeting, to be submitted to the Insurance Commission. (Page 19)</p> <p>Should the Company retain any of its independent directors after their nine-</p> |

|   |               |   |  |
|---|---------------|---|--|
|   |               |   | year terms, the Board shall submit to the Insurance Commission a formal written justification and obtain the stockholders' approval during the annual stockholders' meeting, in accordance with Subsection 5.3 of the Revised Manual on Corporate Governance 2022. |
| <b>Recommendation 5.4</b>   |               |   |  |
| 1. The positions of Chairman of the Board and Chief Executive Officer are held by separate individuals.   | Compliant     | Identify the company's Chairman of the Board and Chief Executive Officer.   | Mr. Fernando C. Cojuangco is the Chairman of the Board.<br><br>The President & Chief Executive Officer is Mrs. Josefina M. Salvador.   |
| 2. The Chairman of the Board and Chief Executive Officer have clearly defined responsibilities.   | Compliant     | Provide information or link/reference to a document containing information on the roles and responsibilities of the Chairman of the Board and Chief Executive Officer. Identify the relationship of Chairman and CEO. | Article V, Section 2 of the Company's Amended By-Laws discusses the duties and responsibilities of the Chairman of the Board. (Page 8)<br><br>Article V, Section 3 articulates the powers and duties of the President and Chief Executive Officer. (Page 8)        |
| <b>Recommendation 5.5</b>   |               |   |  |
| 1. If the Chairman of the Board is not an independent director or where the roles of Chairman and CEO are being held by one person, the Board should designate a lead director among the independent directors. | Non-Compliant | Provide information or link/reference to a document containing information on a lead independent director and his roles and responsibilities, if any.<br><br>Indicate if Chairman is an independent director.         | The positions of Chairman (Mr. Fernando C. Cojuangco) and President & CEO (Mrs. Josefina M. Salvador) are held by two different individuals. The duties and responsibilities of the Chairman and the President & CEO are entirely separate                         |

|  |                |   |  |
|--|----------------|---|--|
|  |                |   | and distinct as reflected in the Company's Amended By-Laws. The Chairman is not an Independent Director.   |
| <b>Recommendation 5.6</b>  |                |   |  |
| 1. Directors with material interest in a transaction affecting the corporation should abstain from taking part in the deliberations for the same.  | Not Applicable | Provide proof of abstention if this was the case.   | Subsection 5.6 of the Revised Manual on Corporate Governance 2022 (page 20) states that a Director with a material interest in any transaction affecting the Corporation shall abstain from taking part in the deliberations for the same.   |
| <b>Recommendation 5.7</b>  |                |   |  |
| 1. The non-executive directors (NEDs) have separate periodic meetings with the external auditor and heads of the internal audit, compliance and risk functions, without any executive directors present to ensure that proper checks and balances are in place within the corporation. | Non-Compliant  | Provide proof and details of said meeting, if any.<br><br>Provide information on the frequency and attendees of meetings. | Under Subsection 5.7 of the Revised Manual, (page 20) the non-executive directors (NEDs) shall have separate periodic meetings with the external auditor and heads of the internal audit, compliance, and risk functions, without any executive directors present to ensure that proper checks and balances are in place within the corporation. (Page 20) |
| 2. The meetings are chaired by the lead independent director.  | Non-Compliant  |   | Under Subsection 5.5 of the Company's Revised Manual on Corporate Governance (pages 19-20), "the Board may, whenever practicable, designate a lead director among the independent directors if the Chairman of the Board is not  |

|  |  |  |  |
|--|--|--|--|
|  |  |  | <p>independent, including a situation where the positions of the Chairman of the Board and Chief Executive Officer are held by one person. The functions of the lead director include, among others, the following:</p> <p>xxx xxx xxx</p> <p>5.5.2 Convenes and chairs meetings of the non-executive directors;</p> <p>xxx xxx xxx</p> <p>The Lead Independent Director has not been named.</p> |
|--|--|--|--|

**Principle 6:** The best measure of the Board's effectiveness is through an assessment process. The Board should regularly carry out evaluations to appraise its performance as a body, and assess whether it possesses the right mix of backgrounds and competencies.

**Recommendation 6.1**

|   |           |  |   |
|---|-----------|--|---|
| 1. The Board conducts an annual assessment of its performance as a whole. | Compliant | Provide proof of self-assessments conducted for the whole board, the individual members, the Chairman and the Committees | <p>The Company's Revised Manual on Corporate Governance 2022, which encapsulates the process for assessing board performance, was approved by the Board during its Regular Board Meeting held on 29 November 2022.</p> <p>Section 6 of the Revised Manual (Assessing Board Performance) asserts that the Board shall regularly carry out evaluations to appraise its performance as a body and assess whether it possesses the right mix of backgrounds and competencies.</p> |
|---|-----------|--|---|

|  |                      |  |   |
|--|----------------------|--|---|
|  |                      |  | <p>6.1 The Board shall conduct an annual self-assessment of its performance, including the performance of the Chairman, individual members, and committees. Every three years, the assessment may be supported by an external facilitator to increase objectivity.</p> <p>6.2 The Board shall have in place a system that provides, at the minimum, criteria and processes to determine the performance of the Board, the individual directors, committees and such system shall allow for a feedback mechanism from the shareholders. (Pages 20-21)</p> <p>The annual self-assessment of the Chairman and the Board of Directors in (1) their individual capacities and (2) the Board as a whole were conducted on 1 December 2023. The results thereof were reported and discussed by the Compliance Officer in the regular meeting of the Board of Directors on 31 January 2024.</p> |
| <p>2. The performance of the Chairman is assessed annually by the Board.</p> | <p>Non-Compliant</p> |  | <p>The Board commenced annual self-assessments at the end of 2023 (see above). These assessments will be expanded in 2024 to include the performance of the Chairman and the</p>  |

|  |                |  |  |
|--|----------------|--|--|
|  |                |  | Audit and Corporate Governance Committees.   |
| 3. The performance of the individual member of the Board is assessed annually by the Board.  | Compliant      |  | The annual self-assessment of the Board of Directors in (1) their individual capacities and (2) the Board as a whole were conducted on 1 December 2023. The results thereof were reported and discussed by the Compliance Officer in the regular meeting of the Board of Directors on 31 January 2024. |
| 4. The performance of each committee is assessed annually by the Board.  | Non-Compliant  |  | The Board commenced annual self-assessments at the end of 2023 (see above). These assessments will be expanded in 2024 to include the performance of the Chairman and the Audit and Corporate Governance Committees.   |
| 5. Every three years, the assessments are supported by an external facilitator.  | Not Applicable | Identify the external facilitator and provide proof of use of an external facilitator.   | The External Facilitator has not yet been named.   |
| <b>Recommendation 6.2</b>  |                |  |  |
| 1. Board has in place a system that provides, at the minimum, criteria and process to determine the performance of the Board, individual directors and committees. | Compliant      | Provide information or link/reference to a document containing information on the system of the company to evaluate the performance of the board, individual directors and committees, including a feedback mechanism from shareholders. | Please refer to Section 6 and Subsections 6.1 and 6.2 of the Revised Manual on Corporate Governance 2022 above.  |
| 2. The system allows for a feedback mechanism from the shareholders.   | Compliant      |  | Please see Subsection 6.2 of the Revised Manual on Corporate Governance above.   |

**Principle 7:** Members of the Board are duty-bound to apply high ethical standards, taking into account the interests of all stakeholders.

**Recommendation 7.1**

|  |                  |   |  |
|--|------------------|---|--|
| <p>1. Board adopts a Code of Business Conduct and Ethics, which provide standards for professional and ethical behavior, as well as articulate acceptable and unacceptable conduct and practices in internal and external dealings of the company.</p> | <p>Compliant</p> | <p>Provide information on or link/reference to the company's Code of Business Conduct and Ethics.</p>                         | <p>Section 7 (Strengthening Board Ethics) of the Revised Manual on Corporate Governance 2022 contains provisions on the Company's Code of Business Conduct and Ethics.</p> <p>Subsection 7.1 states that the Board shall adopt a Code of Business Conduct and Ethics, which would provide standards for professional and ethical behavior, as well as articulate acceptable and unacceptable conduct and practices in internal and external dealings. (Page 21)</p> <p>The Company has an Employee Handbook that is currently undergoing extensive updates and revisions to comply with the requirements of the Company's Revised Manual on Corporate Governance 2022. This handbook includes a Code of Conduct for Officers and Employees of the Company.</p> |
| <p>2. The Code is properly disseminated to the Board, senior management and employees.</p>   | <p>Compliant</p> | <p>Provide information on or discuss how the company disseminated the Code to its Board, senior management and employees.</p> | <p>The Employee Handbook was distributed among existing officers and employees of the Company. New employees are given a copy of</p>   |

|   |           |  |  |
|---|-----------|--|--|
|   |           |  | the Employee Handbook at the start of their employment.  |
| 3. The Code is disclosed and made available to the public through the company website.  | Compliant | Provide a link to the company's website where the Code of Business Conduct and Ethics is posted/disclosed.   | The original Employee Handbook and Code of Conduct is currently undergoing extensive revisions to conform with the requirements of the Revised Manual on Corporate Governance 2022.  |
| <b>Recommendation 7.2</b>   |           |  |  |
| 1. Board ensures the proper and efficient implementation and monitoring of compliance with the Code of Business Conduct and Ethics. | Compliant | Provide proof of implementation and monitoring of compliance with the Code of Business Conduct and Ethics and internal policies.<br><br>Indicate who are required to comply with the Code of Business Conduct and Ethics and any findings on non-compliance. | Subsection 7.3 of the Revised Manual relays that the Board shall ensure the proper and efficient implementation and monitoring of compliance with the Code of Business Conduct and Ethics and internal policies through a communication and awareness campaign, continuous training to reinforce the code, strict monitoring and implementation, and setting in place proper avenues where issues may be raised and addressed without fear of retribution. (Page 21) |
| 2. Board ensures the proper and efficient implementation and monitoring of compliance with company internal policies.               | Compliant |  | Subsection 7.2 states that the Code shall be properly disseminated to the Board, senior management, and employees. It shall also be disclosed and made available to the public through the Corporation website. (Page 21)  |

**Principle 8:** The company should establish corporate disclosure policies and procedures that are practical and in accordance with best practices and regulatory expectations.

**Recommendation 8.1**

|   |                  |  |   |
|---|------------------|--|---|
| <p>1. Board establishes corporate disclosure policies and procedures to ensure a comprehensive, accurate, reliable and timely report to shareholders and other stakeholders that gives a fair and complete picture of a company's financial condition, results and business operations.</p> | <p>Compliant</p> | <p>Provide information on or link/reference to the company's disclosure policies and procedures including reports distributed/made available to shareholders and other stockholders.</p> | <p>Section 8 (Enhancing Corporation Disclosure Policies and Procedures) of the Revised Manual on Corporate Governance 2022 states that the Corporation shall establish corporate disclosure policies and procedures that are practical and in accordance with best practices and regulatory expectations.</p> <p>8.1 The Board shall establish corporate disclosure policies and procedures to ensure a comprehensive, accurate, reliable, and timely report to shareholders and other stakeholders that gives a fair and complete picture of a Corporation's financial condition, results and business operations. (Page 21)</p> <p>Please refer to the Corporate Governance section of the Company's website to see, among others, the Report of Independent Auditor, the General Information Sheet, the Agenda and Minutes of the Annual Stockholders' Meeting and the Report on Annual Stockholders' Meeting.</p> |
|---|------------------|--|---|

**Recommendation 8.3**

|   |                  |   |  |
|---|------------------|---|--|
| <p>1. Board fully discloses all relevant and material information on individual board members to evaluate their experience and qualifications, and assess any potential conflicts of interest that might affect their judgment.</p> | <p>Compliant</p> | <p>Provide link or reference to the directors' academic qualifications, share ownership in the company, membership in other boards, other executive positions, professional experiences, expertise and relevant trainings attended.</p> | <p>Subsection 8.3 states that the Board shall fully disclose all relevant and material information on individual board members and key executives to evaluate their experience and qualifications and assess any potential conflicts of interest that might affect their judgment. (Page 21)</p> <p>Please refer to the Corporate Governance section of the Company's website to peruse the academic qualifications, etc. of the Members of the Board under the heading Profiles of Directors.</p> <p>The directors' share ownership in the company are listed in the 2023 General Information Sheet posted in the Corporate Governance section of the Company's website.</p> <p>The directors' shareholdings in the Corporation can also be found in the 2023 Minutes of the Annual Stockholders' Meeting, which are posted in the Corporate Governance section of the Company's website.</p> |
| <p>2. Board fully discloses all relevant and material information on key executives to evaluate their experience and qualifications and assess any potential conflicts of interest that might affect their judgment.</p>            | <p>Compliant</p> | <p>Provide link or reference to the key officers' academic qualifications, share ownership in the company, membership in other boards, other executive positions,</p>   | <p>Please refer to Subsection 8.3 above.</p> <p>The educational background and qualifications of the Chairman of the Board, President, Vice President,</p>   |

|   |                  |   |   |
|---|------------------|---|---|
|   |                  | <p>professional experiences, expertise and relevant trainings attended.</p>                                 | <p>Treasurer and Assistant Treasurer of the Corporation can likewise be found in the Profiles of Directors, under the Corporate Governance section of the Company's website.</p> <p>The <i>curricula vitae</i> of the Corporate Secretary (Atty. Eufrocino C. de la Merced Jr.) and Compliance Officer (Atty. Addison B. Castro) can also be found in the Corporate Governance section of the Company's website under the heading Profiles of Corporate Secretary and Compliance Officer.</p>   |
| <b>Recommendation 8.4</b>   |                  |   |   |
| <p>1. Company provides a clear disclosure of its policies and procedure for setting Board remuneration, including the level and mix of the same in the Annual Corporate Governance Report consistent with ASEAN Corporate Governance Scorecard (ACGS) and the Revised Corporation Code.</p> | <p>Compliant</p> | <p>Disclose or provide link/reference to the company policy and practice for setting board remuneration</p> | <p>Subsection 8.4 of the Revised Manual on Corporate Governance 2022 articulates that the Corporation shall provide a clear disclosure of its policies and procedure for setting Board and executive remuneration, as well as the level and mix of the same in the Annual Corporate Governance Report (ACGR) consistent with ASEAN Corporate Governance Scorecard (ACGS) and the Revised Corporation Code. (Page 22)</p> <p>Subsection 3.2.2.8 of the Revised Manual states that it is the duty and responsibility of the Corporate Governance Committee to establish a</p> |

|  |  |  |  |
|--|--|--|--|
|  |  |  | <p>formal and transparent procedure to develop a policy for determining the remuneration of directors and officers that is consistent with the Corporation's culture and strategy as well as the business environment in which it operates. (Page 16)</p> <p>In Page 2 of the Company's Corporate Governance Committee Charter, it is stated that "the Corporate Governance Committee (CG Committee) shall be responsible for ensuring compliance with and proper observance of corporate governance principles and practices. It has the following duties and functions, among others:</p> <p>xxx xxx xxx</p> <p>(d) Recommends continuing education/training programs for directors, assignment of tasks/projects to board committees, succession plan for the board members and senior officers including but not limited to policy on retirement age for directors and key officers, and <i>remuneration packages for corporate and individual performance, by formulating a policy specifying the relationship between remuneration and performance using</i></p> |
|--|--|--|--|

|  |           |  |  |
|--|-----------|--|--|
|  |           |  | <p><i>financial and non-financial metrics to measure performance.</i></p> <p>xxx xxx xxx</p> <p>(h) Establishes a formal and transparent procedure to develop a policy for determining the remuneration of directors and officers that is consistent with the corporation's culture and strategy as well as the business environment in which it operates.</p> |
| 2. Company provides a clear disclosure of its policies and procedure for setting Executive remuneration, including the level and mix of the same in the Annual Corporate Governance Report consistent with ASEAN Corporate Governance Scorecard (ACGS) and the Revised Corporation Code. | Compliant | Disclose or provide link/reference to the company policy and practice for determining executive remuneration.    | Please refer to Subsections 8.4 (page 22) and 3.2.2.8 (page 16) of the Revised Manual on Corporate Governance 2022 above and the pertinent provisions of the Company's Corporate Governance Committee Charter.   |
| 3. Company discloses the remuneration on an individual basis, including termination and retirement provisions.   | Compliant | Provide breakdown of director remuneration and executive compensation, particularly the remuneration of the CEO. | Under Subsection 8.4 of the Revised Manual, the Corporation shall also disclose the remuneration on an individual basis, including termination and retirement provisions. (Page 22)  |
| <b>Recommendation 8.5</b>  |           |  |  |
| 1. Company discloses its policies governing Related Party Transactions (RPTs) and other unusual or infrequently occurring transactions.  | Compliant | Disclose or provide reference/link to company's RPT policies   | Subsection 8.5 states that the Corporation shall disclose its policies governing Related Party Transactions (RPTs) and other unusual or infrequently occurring transactions. The material or   |

|   |                  |  |   |
|---|------------------|--|---|
|   |                  | <p>Indicate if the director with conflict of interest abstained from the board discussion on that particular transaction.</p>  | <p>significant RPTs shall be reviewed and approved by the Board and submitted for confirmation by majority vote of the stockholders in the annual stockholders' meeting. All material and significant RPTs for the year shall be disclosed in its Annual Company Report or Annual Corporate Governance Report.</p> <p>The 2023 Report of Independent Auditor, which can be found in the Corporate Governance section of the Company's website, discusses the Company's policies concerning related party transactions and relationships on pages 30-31.</p> |
| <p>2. Company discloses material or significant RPTs in its Annual Company Report or Annual Corporate Governance Report, reviewed and approved by the Board, and submitted for confirmation by majority vote of the stockholders in the annual stockholders' meeting during the year.</p> | <p>Compliant</p> | <p>Provide information on all RPTs for the previous year or reference to a document containing the following information on all RPTs:</p> <ol style="list-style-type: none"> <li>1. Name of the related counterparty;</li> <li>2. Relationship with the party;</li> <li>3. Transaction date;</li> <li>4. Type/nature of transaction;</li> <li>5. Amount or contract price;</li> <li>6. Terms of the transaction;</li> <li>7. Rationale for entering into the transaction;</li> <li>8. The required approval (i.e., names of the board of directors approving, names and</li> </ol> | <p>Please refer to pages 30-31 of the Report of Independent Auditor for 2023 for information on all RPTs for the year, which can be found in the Corporate Governance section of the Company's website.</p>   |

|  |           |   |   |
|--|-----------|---|---|
|  |           | percentage of shareholders who approved) based on the company's policy; and<br>9. Other terms and conditions.   |   |
| <b>Recommendation 8.7</b>  |           |   |   |
| 1. Company's corporate governance policies, programs and procedures are contained in its Manual on Corporate Governance (MCG).   | Compliant | Provide link to the company's website where the Manual on Corporate Governance is posted.   | Please visit the Company's website at:<br><a href="https://www.libertyinsurance.com.ph">https://www.libertyinsurance.com.ph</a><br>to find the Company's Revised Manual on Corporate Governance 2022 and its original Manual on Corporate Governance.             |
| 2. Company's MCG is posted on its company website.   | Compliant |   | The Revised Manual on Corporate Governance 2022 and Manual on Corporate Governance can be found in the Corporate Governance section of the Company's website.   |
| <b>Principle 9:</b> The company should establish standards for the appropriate selection of an external auditor, and exercise effective oversight of the same to strengthen the external auditor's independence and enhance audit quality. |           |   |   |
| <b>Recommendation 9.1</b>  |           |   |   |
| 3. Audit Committee has a robust process for approving and recommending the appointment, reappointment, removal, and fees of the external auditors.   | Compliant | Provide information or reference to a document containing information on the process for approving and recommending the appointment, reappointment, removal and fees of the company's external auditor. | Subsection 9.1 of the Revised Manual declares that the Audit Committee shall have a robust process for approving and recommending the appointment, reappointment, removal, and fees of the external auditor. The appointment, reappointment, removal, and fees of |

|  |           |   |   |
|--|-----------|---|---|
|  |           |   | the external auditor shall be recommended by the Audit Committee, approved by the Board and ratified by the shareholders. For removal of the external auditor, the reasons for removal or change shall be disclosed to the regulators and the public through the Corporation website and required disclosures. (Page 22)  |
| 4. The appointment, reappointment, removal, and fees of the external auditor is recommended by the Audit Committee, approved by the Board and ratified by the shareholders.    | Compliant | Indicate the percentage of shareholders that ratified the appointment, reappointment, removal, and fees of the external auditor.  | Please see Subsection 9.1 above.<br><br>Please refer to the Corporate Governance section of the Company's website to find the 2023 Agenda and Minutes of the Annual Stockholders' Meeting, which reported on the unanimous agreement of the stockholders to appoint Reyes Tacandong & Co. as the Corporation's External Auditor for 2023-2024.                                    |
| 5. For removal of the external auditor, the reasons for removal or change are disclosed to the regulators and the public through the company website and required disclosures. | Compliant | Provide information on or link/reference to a document containing the company's reason for removal or change of external auditor. | Please see Subsection 9.1 above.<br><br>Subsection 2.3.4.2 of the original Manual on Corporate Governance (page 8), states that the reason/s for the resignation, dismissal or cessation from service of the External Auditor and the date thereof shall be reported in the Company's annual and current reports. Said report shall include a discussion of any disagreement with |

|   |           |   |   |
|---|-----------|---|---|
|   |           |   | <p>said former external auditor on any matter of accounting principles or practices, financial statement disclosure or auditing scope or procedure.</p> <p>The removal, resignation or dismissal of the Company's External Auditor did not occur in 2023. However, should this circumstance arise, the Company shall make the proper and timely disclosure as required by the Manual on Corporate Governance.</p>   |
| <b>Recommendation 9.2</b>   |           |   |   |
| <p>1. Audit Committee Charter includes the Audit Committee's responsibility on:</p> <ul style="list-style-type: none"> <li>i. assessing the integrity and independence of external auditors;</li> <li>ii. exercising effective oversight to review and monitor the external auditor's independence and objectivity; and</li> <li>iii. exercising effective oversight to review and monitor the effectiveness of the audit process, taking into consideration relevant Philippine professional and regulatory requirements.</li> </ul> | Compliant | Provide link/reference to the Company's Audit Committee Charter | <p>Subsection 9.2 of the Revised Manual on Corporate Governance 2022 states that the Audit Committee Charter shall include the Audit Committee's responsibility on assessing the integrity and independence of external auditors and exercising effective oversight to review and monitor the external auditor's independence and objectivity and the effectiveness of the audit process, taking into consideration relevant Philippine professional and regulatory requirements. The Charter shall also contain the Audit Committees responsibility on reviewing and monitoring the external auditor's suitability and effectiveness on an annual basis. (Page 22)</p> |

|  |           |  |  |
|--|-----------|--|--|
|  |           |  | Please refer to the Corporate Governance section of the Company's website to find the Company's Audit Committee Charter.   |
| 2. Audit Committee Charter contains the Committee's responsibility on reviewing and monitoring the external auditor's suitability and effectiveness on an annual basis.  | Compliant | Provide reference to the company's Audit Committee Charter.                          | Section 4 of the Company's Audit Committee Charter enumerates the Audit Committee's "Oversight functions over the Company's External Auditor." (Pages 2-3)   |
| <b>Recommendation 9.3</b>  |           |  |  |
| 1. Company discloses the nature of non-audit services performed by its external auditor in the Annual Report to deal with the potential conflict of interest.  | Compliant | Disclose the nature of non-audit services performed by the external auditor, if any. | Subsection 9.3 of the Revised Manual states that the Corporation shall disclose the nature of non-audit services performed by its external auditor in the Annual Report to deal with the potential conflict of interest. The Audit Committee shall determine any potential conflict of interest situations, given the guidelines or policies on non-audit services, which could be viewed as impairing the external auditor's objectivity. (Page 23) |
| 2. Audit Committee stays alert for any potential conflict of interest situations, given the guidelines or policies on non-audit services, which could be viewed as impairing the external auditor's objectivity. | Compliant | Provide link or reference to guidelines or policies on non-audit services.           | Among the Audit Committee's oversight functions over the Company's External Auditor (Section 4) is to:<br><br>(d) Evaluate and determine the non-audit work, if any, of the External Auditor, and periodically review the  |

|  |  |  |   |
|--|--|--|---|
|  |  |  | non-audit fees paid to the External Auditor in relation to the total fees paid to him and to the Corporation's overall consultancy expenses. The committee shall disallow any non-audit work that will conflict with his/her duties as an External Auditor or may pose a threat to his/her independence. The non-audit work, if allowed, shall be disclosed in the Corporation's Annual Report and Annual Corporate Governance Report. (Page 3) |
|--|--|--|---|

**Principle 10:** The company should ensure that the material and reportable non-financial and sustainability issues are disclosed.

**Recommendation 10.**

|   |           |   |  |
|---|-----------|---|--|
| 1. Board has a clear and focused policy on the disclosure of non-financial information, with emphasis on the management of economic, environmental, social and governance (EESG) issues of its business, which underpin sustainability. | Compliant | Disclose or provide link on the company's policies and practices on the disclosure of non-financial information, including EESG issues. | Subsection 10.1 of the Revised Manual on Corporate Governance (page 23) articulates that the Board shall have a clear and focused policy on the disclosure of non-financial information, with emphasis on the management of economic, environmental, social and governance (EESG) issues of its business, which underpin sustainability. |
| 2. Company adopts a globally recognized standard/framework in reporting sustainability and non-financial issues.  | Compliant | Provide link to Sustainability Report, if any. Disclose the standards used.   | Subsection 10.1 adds that the Corporation shall adopt a globally recognized standard/framework in reporting sustainability and non-financial issues. (Page 23)   |

|   |                  |  |   |
|---|------------------|--|---|
| <p>3. Company recognizes the need for financial resilience towards natural disasters to hasten the recovery of communities after a devastating loss and has participated in the Philippine Catastrophe Insurance Facility (PCIF).</p> | <p>Compliant</p> | <p>Disclose or provide link for the involvement or participation of the company to PCIF.</p> | <p>Mr. Antonio Roderick B. Cabusao, Vice President for Corporate Strategy, has participated in the online PCIF Committee meetings that he was invited to attend as the representative of Liberty Insurance Corporation. These meetings began during the pandemic, hence the decision to convene online. According to Mr. Cabusao, the PCIF was an offshoot of PIRA's technical working group (TWG) on Catastrophe, which he has been a member of since 2010.</p> <p>When the late President Benigno Aquino III sought the help of the Asian Development Bank (ADB) and the private sector to create a pool to handle earthquake catastrophes since the government could neither pay for nor subsidize the expected earthquake losses, the PCIF was created by the Insurance Commission and the TWG on Catastrophe was then converted to the PCIF.</p> <p>The most recent PCIF1 Briefing attended by Mr. Cabusao was held via Zoom Meeting on 13 March 2024.</p> |
|---|------------------|--|---|

**Principle 11:** The company should maintain a comprehensive and cost-efficient communication channel for disseminating relevant information. This channel is crucial for informed decision-making by investors, stakeholders and other interested users.

**Recommendation 11.1**

|   |           |   |   |
|---|-----------|---|---|
| 1. The company should have a website to ensure a comprehensive, cost efficient, transparent, and timely manner of disseminating relevant information to the public. | Compliant | Disclose and identify the communication channels used by the company (i.e., website, Analyst's briefing, Media briefings/press conferences, Quarterly reporting, Current reporting, etc.). Provide links, if any. | Please visit the Company's website at:<br><br><a href="https://www.libertyinsurance.com.ph">https://www.libertyinsurance.com.ph</a> |
|---|-----------|---|---|

**Internal Control System and Risk Management Framework**

**Principle 12:** To ensure the integrity, transparency and proper governance in the conduct of its affairs, the company should have a strong and effective internal control system and enterprise risk management framework.

**Recommendation 12.1**

|  |           |   |   |
|--|-----------|---|---|
| 1. Company has an adequate and effective internal control system in the conduct of its business. | Compliant | List quality service programs for the internal audit functions.<br><br>Indicate frequency of review of the internal control system. | Section 12 and Subsection 12.1 of the Revised Manual on Corporate Governance 2022 (page 23) states that the Board shall ensure that the Corporation shall have a strong and effective internal control system and an enterprise risk management framework to ensure the integrity, transparency, and proper governance in the conduct of its business, taking into account its size, risk profile and complexity of operations.<br><br>Subsection 2.3.5.1 of the Manual on Corporate Governance (pages 8-9) states that the Corporation shall have in place an independent internal audit function which shall be performed by an Internal Auditor or a group of Internal Auditors, through which its Board, senior management, and |
|--|-----------|---|---|

|  |  |  |   |
|--|--|--|---|
|  |  |  | <p>stockholders shall be provided with reasonable assurance that its key organizational and procedural controls are effective, appropriate, and complied with.</p> <p>The Company's Audit Committee Charter articulates that among the authority and responsibilities vested in the Audit Committee are the "Oversight of the Internal Audit Function." (Subsection 4.4[a-g]) (Pages 3-4)</p> <p>Subsection 4.4(b) of the Audit Committee Charter states that the Audit Committee shall "evaluate the performance, responsibilities, budget and staffing of the Company's internal audit function and <b>review</b> the <b>annual</b> internal audit plan and the result of the internal audits for each audited department. Such evaluation shall include a review of the responsibilities, budget and staffing of the Company's internal audit function as well as an evaluation of the thoroughness and effectiveness in identifying actual and potential weaknesses in internal controls and make any recommendations to improve the internal audit function as may be appropriate." (Page 3)</p> |
|--|--|--|---|

|  |                  |   |   |
|--|------------------|---|---|
| <p>2. Company has an adequate and effective enterprise risk management framework in the conduct of its business.</p> | <p>Compliant</p> | <p>Identify international framework used for Enterprise Risk Management</p> <p>Provide information or reference to a document containing information on:</p> <ol style="list-style-type: none"> <li>1. Company's risk management procedures and processes</li> <li>2. Key risks the Compliant Company is currently facing</li> <li>3. How the company manages the key risks</li> </ol> <p>Indicate frequency of review of the enterprise risk management framework.</p> | <p>Please see Section 12 and Subsection 12.1 of the Revised Manual above. (Page 23)</p> <p>The Company's Audit Committee Charter articulates that among the authority and responsibilities vested in the Audit Committee are the "Oversight of the Risk Management Function." (Subsection 4.5[a-f]) (Pages 4-5)</p> <p>The Audit Committee Charter can be found in the Corporate Governance Section of the Company's website.</p> |
|--|------------------|---|---|

**Recommendation 12.2**

|   |                      |   |   |
|---|----------------------|---|---|
| <p>1. Company has in place an independent internal audit function that provides an independent and objective assurance, and consulting services designed to add value and improve the company's operations.</p> | <p>Non-Compliant</p> | <p>Disclose if the internal audit is in-house or outsourced. If outsourced, identify external firm.</p> | <p>Subsection 12.2 of the Revised Manual states that the Corporation shall have in place an independent internal audit function that provides an independent and objective assurance, and consulting services designed to add value and improve the Corporation's operations. The internal audit activity may be a fully resourced activity housed within the organization or may be outsourced to qualified independent third-party service providers. (Page 24)</p> |
|---|----------------------|---|---|

**Recommendation 12.3**

|   |                      |  |   |
|---|----------------------|--|---|
| <p>1. Company has a qualified Chief Audit Executive (CAE) appointed by the Board.</p>   | <p>Non-Compliant</p> | <p>Identify the company's Chief Audit Executive (CAE) and provide information on or reference to a document containing his/her responsibilities.</p> | <p>Subsection 12.3 of the Revised Manual states that the Board may appoint a qualified Chief Audit Executive (CAE) subject to the Corporation's size, risk profile and complexity of operations. The CAE shall oversee and be responsible for the internal audit activity of the organization, including that portion that is outsourced to a third-party service provider. In case of a fully outsourced internal audit activity, a qualified independent executive or senior management personnel shall be assigned the responsibility for managing the fully outsourced internal audit activity. (Page 25)</p> <p>Subsections 12.3.1 to 12.3.6 enumerate the responsibilities of the CAE. (Page 25)</p> <p>The Company is currently in the process of looking into the appointment of a qualified Chief Audit Executive (CAE).</p> |
| <p>2. CAE oversees and is responsible for the internal audit activity of the organization, including that portion that is outsourced to a third party service provider.</p> | <p>Non-Compliant</p> |  | <p>Please see Subsection 12.3 above.</p>  |
| <p>3. In case of a fully outsourced internal audit activity, a qualified independent executive or senior management personnel is assigned the</p>                           | <p>Compliant</p>     | <p>Identify qualified independent executive or senior management personnel, if applicable.</p>   | <p>Please refer to Subsection 12.3 of the Revised Manual above.</p>   |

|  |               |  |   |
|--|---------------|--|---|
| responsibility for managing the fully outsourced internal audit activity.  |               |  | Mr. Antonio Roderick B. Cabusao, VP for Corporate Strategy, is the Company's qualified senior management personnel assigned to manage the fully outsourced internal audit activity, if any.   |
| <b>Recommendation 12.4</b>   |               |  |   |
| 1. The company has a separate risk management function to identify, assess and monitor key risk exposures.   | Compliant     | Provide information on company's risk management function.   | Subsection 12.4 (12.4.1 – 12.4.7) of the Revised Manual details the activities involved in the risk management function of the Company. (Pages 25-26)   |
| <b>Recommendation 12.5</b>   |               |  |   |
| 1. In managing the company's Risk Management System, the company has a Chief Risk Officer (CRO), who is the ultimate champion of Enterprise Risk Management (ERM). | Non-Compliant | Identify the company's Chief Risk Officer (CRO) and provide information on or reference to a document containing his/her responsibilities and qualifications/background. | The Company is still in the process of selecting and designating its Chief Risk Officer in accordance with its Revised Manual on Corporate Governance 2022.   |
| 2. CRO has adequate authority, stature, resources and support to fulfill his/her responsibilities.   | Non-Compliant |  | Subsection 12.5 of the Revised Manual states that the Corporation may appoint a Chief Risk Officer (CRO), who is the ultimate champion of Enterprise Risk Management (ERM) and has adequate authority, stature, resources, and support to fulfill his/her responsibilities. (Page 26)<br><br>Subsections 12.5.1 to 12.5.5 of the Revised Manual enumerate the functions of the CRO. (Page 26) |

**Cultivating a Synergic Relationship with Shareholders**

**Principle 13:** The company should treat all shareholders fairly and equitably, and also recognize, protect and facilitate the exercise of their rights.

**Recommendation 13.1**

|   |           |   |  |
|---|-----------|---|--|
| 1. Board ensures that basic shareholder rights are disclosed in the Manual on Corporate Governance. | Compliant | Provide link or reference to the company's Manual on Corporate Governance where shareholders' rights are disclosed. | Subsection 13.1 of the Revised Manual on Corporate Governance 2022 discusses in detail the shareholders' rights. (Page 27) |
|---|-----------|---|--|

**Recommendation 13.2**

|  |           |  |   |
|--|-----------|--|---|
| 1. Board encourages active shareholder participation by sending the Notice of Annual and Special Shareholders' Meeting with sufficient and relevant information at least 21 days before the meeting, | Compliant | <p>Indicate the number of days before the annual stockholders' meeting or special stockholders' meeting when the notice and agenda were sent out.</p> <p>Indicate whether shareholders' approval of remuneration or any changes therein were included in the agenda of the meeting.</p> <p>Provide link to the Agenda included in the company's Information Statement.</p> | <p>Please visit the Corporate Governance section of the Company's website and see the 2023 Notice of Annual Meeting of Stockholders &amp; Proxy Forms, which reflects that the Notice, dated and disseminated on 30 May 2023, was uploaded at least 21 days before the Annual Stockholders' Meeting scheduled on 28 June 2023.</p> <p>The Agenda of the Meeting was attached to the Notice of Annual Meeting of Stockholders &amp; Proxy Forms.</p> <p>The Agenda may also be found in the Corporate Governance section of the Company's website under the heading Agenda &amp; Minutes of Annual Stockholders' Meeting 2023.</p> |
|--|-----------|--|---|

**Recommendation 13.3**

|  |           |  |  |
|--|-----------|--|--|
| Board encourages active shareholder participation by making the result of the votes taken during the most recent Annual or | Compliant | Provide information or reference to a document containing information on all relevant questions raised and answers | The Agenda & Minutes of the 2023 Annual Stockholders' Meeting contains the questions and answers articulated |
|--|-----------|--|--|

|   |                  |   |  |
|---|------------------|---|--|
| <p>Special Shareholders' Meeting publicly available the next working day.</p>   |                  | <p>during the ASM and special meeting and the results of the vote taken during the most recent ASM/SSM.</p>   | <p>during the ASM and the results of the vote taken during the most recent ASM/SSM.</p> <p>The Report on the Annual Stockholders' Meeting 2023, which can also be found in the Corporate Governance Section of the Company's website, divulges the result of the votes taken during the Annual Stockholders' Meeting and was made publicly available on the same day as the ASM, 28 June 2023.</p>   |
| <p>Minutes of the Annual and Special Shareholders' Meetings are available on the company website within five business days from the end of the meeting.</p> | <p>Compliant</p> | <p>Provide link to minutes of meeting in the company website.</p> <p>Indicate voting results for all agenda items, including the approving, dissenting and abstaining votes.</p> <p>Indicate also if the voting on resolutions was by poll.</p> <p>Include whether there was opportunity to ask question and the answers given, if any.</p> | <p>Please visit the following website:</p> <p><a href="https://www.libertyinsurance.com.ph">https://www.libertyinsurance.com.ph</a></p> <p>to find the Agenda &amp; Minutes of the 2023 ASM in the Corporate Governance section of the Company's website.</p> <p>The Minutes include the voting results for all agenda items, including the approving, dissenting, and abstaining votes.</p> <p>Voting on resolutions were done by poll and stockholders were given the opportunity to ask questions, if any.</p> <p>Please refer to the Report on the 2023 ASM which was uploaded to the Company's website on the same day,</p> |

|  |               |  |  |
|--|---------------|--|--|
|  |               |  | after the holding of the annual stockholders' meeting on 28 June 2023.   |
| <b>Recommendation 13.4</b>   |               |  |  |
| 1. Board has an alternative dispute mechanism to resolve intra-corporate disputes in an amicable and effective manner.   | Non-Compliant | Provide details of the alternative dispute resolution made available to resolve intra-corporate disputes.  | Subsection 13.4 of the Revised Manual states that the Board shall adopt a policy on alternative dispute mechanism to resolve intra-corporate disputes in an amicable and effective manner. (Page 27)<br><br>An alternative dispute mechanism is currently being formulated in compliance with the Revised Manual on Corporate Governance 2022. |
| 2. The alternative dispute mechanism is included in the company's Manual on Corporate Governance.  | Non-Compliant | Provide link/reference to where it is found in the Manual on Corporate Governance  | Please see the explanation in Subsection 13.4 above.   |
| <b>Duties to Stakeholders</b>  |               |  |  |
| <b>Principle 14:</b> The rights of stakeholders established by law, by contractual relations and through voluntary commitments must be respected. Where stakeholders' rights and/or interests are at stake, stakeholders should have the opportunity to obtain prompt effective redress for the violation of their rights. |               |  |  |
| <b>Recommendation 14.1</b>   |               |  |  |
| 1. Board identifies the company's various stakeholders and promotes cooperation between them and the company in creating wealth, growth and sustainability.  | Compliant     | Identify the company's shareholders and provide information or reference to a document containing information on the company's policies and programs for its stakeholders. | Subsections 14.1 to 14.3 of the Revised Manual (page 28) discusses the Company's policies and programs for its shareholders.<br><br>Under Subsection 2.2.1.2 of the Company's Manual on Corporate Governance, it shall be the responsibility of the Board of Directors   |

|   |           |   |  |
|---|-----------|---|--|
|   |           |   | <p>to identify the Corporation's major and other stakeholders and formulate a clear policy on communicating or relating with them through an effective investor relations program. (Page 2)</p> <p>Subsection 6.1 of the Company's Manual on Corporate Governance (Investors' Rights and Protection) explains the rights and benefits of shareholders and investors. (Pages 10-12)</p> <p>The Agenda and Minutes of the 2023 Annual Stockholders' Meeting, which can be found in the Corporate Governance section of the Company's website, contains the list of the Company's shareholders.</p> |
| <b>Recommendation 14.2</b>  |           |   |  |
| 1. Board establishes clear policies and programs to provide a mechanism on the fair treatment and protection of stakeholders.                                       | Compliant | Identify policies and programs for the protection and fair treatment of company's stakeholders.   | Subsection 6.1 of the Revised Manual identifies the policies and mechanisms followed to ensure the fair treatment of the Company's stakeholders. (Pages 10-12)   |
| <b>Recommendation 14.3</b>  |           |   |  |
| 1. Board adopts a transparent framework and process that allow stakeholders to communicate with the company and to obtain redress for the violation of their rights | Compliant | Provide the contact details (i.e., name of contact person, dedicated phone number or e-mail address, etc.) which stakeholders can use to voice their concerns and/or complaints for possible violation of their rights. | Go to the Corporate Governance section of the Company's website and find the heading Notice to Minority Stockholders, which provides the Company's pertinent email address.  |

|  |  |   |  |
|--|--|---|--|
|  |  | Provide information on whistleblowing policy, practices and procedures for stakeholders | The Company's website also has a Contact Us section where all of the Company's Contact Information are listed. |
|--|--|---|--|

**Principle 15:** A mechanism for employee participation should be developed to create a symbiotic environment, realize the company's goals and participate in its corporate governance processes.

**Recommendation 15.1**

|   |           |   |   |
|---|-----------|---|---|
| Board establishes policies, programs and procedures that encourage employees to actively participate in the realization of the company's goals and in its governance. | Compliant | Provide information on or link/reference to company policies, programs and procedures that encourage employee participation | <p>Section 15 (Encouraging Employees' Participation) of the Revised Manual on Corporate Governance 2022 articulates the Company's policies to promote and encourage employees' participation in the corporate governance process. (Pages 28-29)</p> <p>The Company's Employee Handbook states that "one of Human Resources' main tasks is to ensure that the employee's welfare, needs, and concerns are properly addressed in order that set performance levels are maintained, if not surpassed, at all times. In line with this, it is paramount that: 1) employees are timely and properly informed of what is going on in the company; 2) communication lines are kept open between them and management; 3) their safety, security, and well-being, in and around their work premises, are assured; and 4) they are properly motivated."</p> |
|---|-----------|---|---|

**Recommendation 15.2**

|  |               |   |   |
|--|---------------|---|---|
| 1. Board sets the tone and makes a stand against corrupt practices by adopting an anti-corruption policy and program in its Code of Conduct. | Non-Compliant | Identify or provide link/reference to the company's policies, programs, and practices on anti-corruption. | Subsection 15.2 declares that the Board shall set the tone and make a stand against corrupt practices by adopting an anti-corruption policy and program in its Code of Conduct. Further, the Board shall disseminate the policy and program to employees across the organization through training to embed them in the Corporation's culture. (Page 28)<br><br>The Employee Handbook is being revised to include an anti-corruption policy and program. |
| 2. Board disseminates the policy and program to employees across the organization through trainings to embed them in the company's culture.  | Non-Compliant | Identify how the board disseminated the policy and program to employees across the organization.          | Please see the explanation provided above.  |

**Recommendation 15.3**

|  |               |   |   |
|--|---------------|---|---|
| 1. Board establishes a suitable framework for whistleblowing that allows employees to freely communicate their concerns about illegal or unethical practices, without fear of retaliation. | Non-Compliant | Disclose or provide link/reference to the company's whistle-blowing policy and procedure for employees.<br><br>Indicate if the framework includes procedures to protect the employees from retaliation.<br><br>Provide contact details to report any illegal or unethical behavior. | Subsection 15.3 of the Revised Manual on Corporate Governance 2022 states that the Board shall establish a suitable framework for whistleblowing that allows employees to freely communicate their concerns about illegal or unethical practices, without fear of retaliation, and to have direct access to an independent member of the Board or a unit created to |
|--|---------------|---|---|

|   |               |  |   |
|---|---------------|--|---|
|   |               |  | <p>handle whistleblowing concerns. (Page 28)</p> <p>The Employee Handbook is currently being revised to include a whistleblowing policy and procedure in order to comply with the provisions of the Revised Manual on Corporate Governance. This will be presented for the approval of the Board.</p> |
| 2. Board establishes a suitable framework for whistleblowing that allows employees to have direct access to an independent member of the Board or a unit created to handle whistleblowing concerns. | Non-Compliant |  | Please see the explanation above.   |
| 3. Board supervises and ensures the enforcement of the whistleblowing framework.  | Non-Compliant | Provide information on how the board supervised and ensured enforcement of the whistleblowing framework, including any incident of whistleblowing. | Please see the explanation above.   |

**Principle 16:** The company should be socially responsible in all its dealings with the communities where it operates. It should ensure that its interactions serve its environment and stakeholders in a positive and progressive manner that is fully supportive of its comprehensive and balanced development.

**Recommendation 16.1**

|   |           |   |   |
|---|-----------|---|---|
| 1. Company recognizes and places importance on the interdependence between business and society and promotes a mutually beneficial relationship that allows the company to grow its business, while contributing to the advancement of the society where it operates. | Compliant | Provide information or reference to a document containing information on the company's community involvement and environment- related programs. | Section 16 of the Revised Manual declares that The Corporation shall recognize and place an importance on the interdependence between business and society and promote a mutually beneficial relationship that allows the Corporation to grow its |
|---|-----------|---|---|

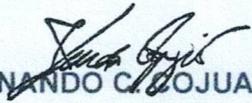
|  |  |  |   |
|--|--|--|---|
|  |  |  | <p>business, while contributing to the advancement of the society where it operates.</p> <p>The Company's Employee Handbook has a provision on Community Relations, which discusses the following:</p> <ul style="list-style-type: none"><li>A. <b>Outreach Program</b> - through the "Kalinga ng Liberty" (just an example), a volunteer group from the employees' ranks, and in coordination with the parish priest or barangay captain, the program extends medical assistance and donates gifts and food items to residents of less fortunate communities/organizations. This is done twice a year.</li><li>B. <b>Other Community Assistance Programs</b> - these are programs outside of the semi-annual outreach program which the company also provides either directly or through government, civic, or religious organizations.</li></ul> <p>Please visit the Events section of the Company's website to see the</p> |
|--|--|--|---|

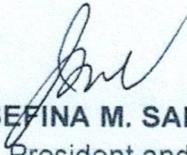
|  |  |  |   |
|--|--|--|---|
|  |  |  | <p>Company's community involvement and environment-related programs.</p> <p>On 17 June 2023, the Company organized a medical and dental mission in the San Roque de Mandaluyong Parish, Mandaluyong City, in cooperation with the Philippine Coast Guard. A total of 121 patients received medical and/or dental care on that day.</p> <p>In December 2023, the Company donated P100,000.00 to <i>Caritas Manila</i> in support of its charity works, human development and poverty alleviation programs.</p> |
|--|--|--|---|

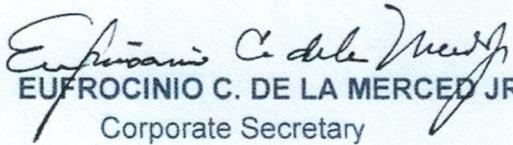
**CERTIFICATION**

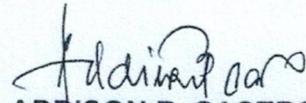
The undersigned certify that the responses and explanations set forth in the above Company's Annual Corporate Governance Report are true, complete and correct of our own personal knowledge and/or based on authentic records.

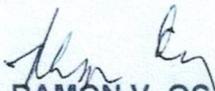
Signed in the City of MAKATI **MAY 30 2024**  
on the.....of.....20.....

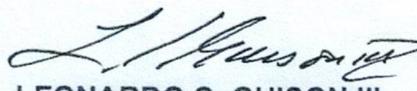
  
**FERNANDO C. SOJUANGCO**  
Chairman of the Board

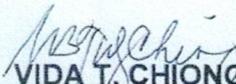
  
**JOSEFINA M. SALVADOR**  
President and CEO

  
**EUFROCINIO C. DE LA MERCED JR.**  
Corporate Secretary

  
**ADDISON B. CASTRO**  
Corporate Governance  
Compliance Officer

  
**RAMON V. OCAMPO**  
Independent Director

  
**LEONARDO C. GUISON III**  
Independent Director

  
**VIDA T. CHIONG**  
Independent Director

**SUBSCRIBED AND SWORN** to before me this **MAY 30 2024** day of \_\_\_\_\_ 2024, by the following who are all personally known to me (or whom I have identified through competent evidence of identity) and who exhibited to me their respective identification document as follows:

| <b>NAME</b>                       | <b>T.I.N.</b>   | <b>DATE/PLACE ISSUED</b> |
|-----------------------------------|-----------------|--------------------------|
| 1. Fernando C. Cojuangco          | 104-174-957-000 |                          |
| 2. Josefina M. Salvador           | 100-304-777-000 |                          |
| 3. Eufrocinio C. de la Merced Jr. | 104-175-222-000 |                          |
| 4. Addison B. Castro              | 107-447-295-000 |                          |
| 5. Ramon V. Ocampo                | 127-599-773-000 |                          |
| 6. Leonardo C. Guison III         | 106-175-396-000 |                          |
| 7. Vida T. Chiong                 | 101-107-760-000 |                          |

**NOTARY PUBLIC**



**JANETH G. HERNANDEZ**

Roll of Attorneys No. 74212

Notarial Appointment No. M-317

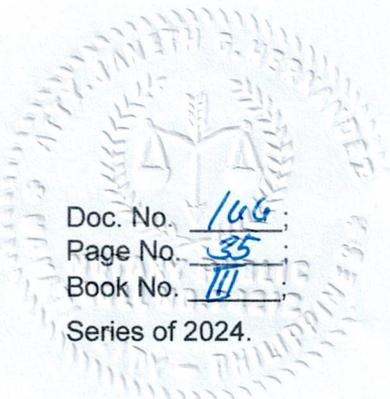
Notary Public for Makati City/Until 12/31/2024

PTR No 10079695; 01/05/2024; Makati City

IBP No 380761; 12/29/2023; Manila III Chapter

MCLE Compliance No VII 0021574; 06/20/2022

10th Flr., BDO Plaza 8737 Paseo De Roxas Makati City



Doc. No. 166;

Page No. 35;

Book No. III;

Series of 2024.