





**ANNUAL CORPORATE GOVERNANCE REPORT**

COMPLIANT/  
NON-  
COMPLIANT

ADDITIONAL INFORMATION

EXPLANATION

<p>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.</p>	<p>Compliant</p>		<p>2022 (pages 3-4), which is posted in the Corporate Governance section of the Company's website.</p>
---	------------------	--	--



			program for first-time directors covering IC-mandated topics on corporate governance and an introduction to the Corporation's business, Articles of Incorporation, and Code of Conduct.
--	--	--	---

nnr

dE'r 0MM)z(QeD'RN0E)zMQrDzN43Oz3Q D'(N4E)ORQtD)NO0(M3QhD'0NRM(43QeD'RN0E)zOQ DMz)NO3] T%nTL3QhD'0NRM(43QeDRRN0z03QaD')N3

**Recommendation 1.4**

1. Board has a policy on board diversity.

Compliant

Provide information on or link/reference to a document containing information on the company's board diversity policy.

Indicate gender composition of the board.

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>Commission together with the Minutes of the Annual Stockholders' Meeting.</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>
--	--	--	---

2. Compliance Officer has a rank of Vice President or an equivalent position with adequate stature and authority in the corporation.

Compliant

			<p>and confirms that Mr. Castro is not a director of Liberty Insurance Corporation.</p> <p>The Company's General Information Sheet (GIS) for 2022 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 2022)</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.	<p>Mr. Castro attended the Corporate Governance Seminar Program conducted by Risk, Opportunities, Assessment, and Management (ROAM), Inc. on 16 December 2022, from 1:00 PM to 5PM.</p> <p>This information was added to the profile of Mr. Castro in the Corporate Governance section of the Company's website.</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**

1. Directors act on a fully informed basis, in good faith and in the best interests of the company.

**The Minutes of the Annual**



**Recommendation 2.4**

<p>1. Board ensures and adopts an effective succession planning program for directors, key officers and management.</p>	<p>Compliant</p>	<p>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>	<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 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>
<p>2. Board adopts a policy on the retirement for directors and key officers.</p>	<p>Compliant</p>		<p>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 are in the Corporate Governance section of the Company's website.</p>

			The latest Report of Independent Auditor (2021), 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 39-42)
--	--	--	--

**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</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</p>



		<p>Identify transactions that were approved pursuant to the policy.</p>	<p>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>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, which was approved by the Board on 29 November 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</p>

3. RPT policy encompasses all entities within the group, taking into account.

			<p>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 currently 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. Salvador. Mr. Addison B. Castro is the Chief Compliance Officer.</p>
<p>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).</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>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>

			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.
--	--	--	---

**Recommendation 2.9**

1. Board establishes an effective performance management framework that ensures that Management, including the Chief Executive

			<p>create committees as may be necessary and beneficial in the operation and internal regulation of the Corporation. 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>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 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>
--	--	--	---







enterprise-level risk exposures, as well as the effectiveness of risk management strategies.			
--	--	--	--

Recommendation 2.12

<p>optimal performance of its roles and responsibilities.</p>		<p>the board committees established by the company.</p>	<p>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 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>
---	--	---	--

				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)
<b>Recommendation 3.2</b>				
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.	Compliant	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.		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)  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)
2. Audit Committee is composed of at least three appropriately qualified non-executive directors, the majority of whom, including the Chairman is independent.	Compliant	Provide information or link/reference to a document containing information on the members of the Audit Committee, including their qualifications and type of directorship.		Subsection 3.1.1 (Composition) explains the composition of the Audit Committee, including the qualifications of each member. (Pages 12-13)
3. All the members of the committee have relevant background, knowledge, skills, and/or experience in the areas of accounting, auditing and finance.	Compliant	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.		The Minutes of the Organizational Meeting of the Board of Directors dated 25 May 2022, which was submitted to the Insurance Commission, discloses the information that the following directors were

			<p>elected members of the Audit Committee:</p> <p>Chairman: Ramon V. Ocampo Members: Luisita C. Bautista 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 Nominated Directors.</p>
<p>4. The Chairman of the Audit Committee is not the Chairman of the Board or of any other committee.</p>	<p>Compliant</p>	<p>Provide information or link/reference to a document containing information on the Chairman of the Audit Committee.</p>	<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 curriculum vitae of Mr. Ocampo can be found in the Corporate Governance section of the Company's website under the heading Profiles of Nominated Directors.</p>

--	--	--	--

**Recommendation 3.3**

1. **Board establishes a Corporate Governance Committee tasked to assist the Board in the**

			<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 Nominated 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 curriculum vitae can be found in the Corporate Governance section of the Company's website under the heading Profiles of Nominated Directors.

**Recommendation 3.4**

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
--	-----------	---	---





3. At least one member of the BROC has relevant

should be independent, including the  
Chairman.

their qualifications and type of  
directorship.

submitted to the Insurance

			<p>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> <p>During the regular meeting of the Board held on 29 November 2022, the Company's Compliance Officer, Mr. Addison B. Castro, sought to present to the Board the drafts of the committee charters which he and his team had prepared. Mrs. Chiong, the Chairman of the Corporate Governance Committee, suggested that the committee charters be first reviewed by their respective committees. Should the charters be approved, then said charters may be presented to the board and recommended for approval.</p>
--	--	--	--

			The Minutes of the Regular Board Meeting dated 29 November 2022 were filed with the Insurance Commission.
2. Committee Charters provide standards for evaluating the performance of the Committees.	Compliant		The drafts of the Committee Charters may be found in the Corporate Governance section of the Company's website.
3. Committee Charters were fully disclosed on the Company's website.	Compliant	Provide link to company's website where the Committee Charters are disclosed.	<a href="https://www.libertyinsurance.com.ph">https://www.libertyinsurance.com.ph</a>

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	Provide information or link/reference to a document containing information on the process and procedure for
--	-----------	---

			<p>were submitted to the Insurance Commission.</p> <p>The Minutes of the 2022 Annual Stockholders' Meeting can also be found in the Corporate Governance section of the Company's website.</p>
2. The directors review meeting materials for all Board and Committee meetings.	Compliant		<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>See the contents of the Minutes of the 2022 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>
3. The directors ask the necessary questions or seek clarifications and explanations during the Board and Committee meetings.	Compliant	Provide information or link/reference to a document containing information on any questions raised or clarification/ explanation sought by the directors.	The contents of the 2022 Minutes, which were submitted to the Insurance Commission, reflect the questions, clarifications and comments raised/made during the board and committee meetings.

**Recommendation 4.2**

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	Compliant	Disclose if the company has a policy setting the limit of board seats that a non-executive director can hold simultaneously.	Subsection 4.3 of the Revised Manual
---	-----------	--	--------------------------------------

have sufficient time to fully prepare for meetings, challenge Management's proposals/views, and oversee the long-term

		<p>number of independent directors in the board.</p>	<p>members, at least twenty percent (20%) of which must be independent directors. (Page 17)</p> <p>Subsection 5.1 (Independent Directors) of the Revised Manual 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>
<p><b>Recommendation 5.2</b></p>			
<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 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</p>



			qualifications of independent directors. (Pages 17-19)
<b>Recommendation 5.3</b>			
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 included in the application of the term limit prescribed in this item.	Compliant	Provide information or link/reference to a document showing the years IDs have served as such.	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 2022, which can be found in the Corporate Governance section of the Company's website. 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.
2. The company bars an independent director from serving in such capacity after the term limit of nine years.	Compliant	Provide information or link/reference to a document containing information on the company's policy on term limits for its independent director.	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)
3. In the instance that the company retains an independent director in the same capacity	Compliant	Provide proof on submission of a formal written justification to the Insurance	Subsection 5.3 of the Revised Manual states that in the event that the



Recommendation 5.5

<p>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.</p>	<p>Compliant</p>	<p>Provide information or link/reference to a document containing information on a lead independent director and his roles and responsibilities, if any.</p> <p>Indicate if Chairman is an independent director.</p>	<p>The positions of Chairman (Mr. Cojuangco) and President (Mrs. Salvador) are held by two different individuals. The duties and responsibilities of the Chairman and the President are entirely separate and distinct.</p> <p>The Chairman is not an Independent Director.</p>
--	------------------	--	---

Recommendation 5.6

1.

2.

			the performance of the Board, the individual directors, committees and such system shall allow for a feedback mechanism from the shareholders. (Pages 20-21)
2. The performance of the Chairman is assessed annually by the Board.	Not Applicable		See the explanation above.
3. The performance of the individual member of the Board is assessed annually by the Board.	Not Applicable		See the explanation above.
4. The performance of each committee is assessed annually by the Board.	Not Applicable		See the explanation above.
5. Every three years, the assessments are supported by an external facilitator.	Not Applicable	Identify the external facilitator and	

Principle 7:

			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.

**Recommendation 7.2**

1. Board ensures the proper and efficient implementation and monitoring of compliance with the Code of Business Conduct and Ethics.	Compliant	<p>Provide proof of implementation and monitoring of compliance with the Code of Business Conduct and Ethics and internal policies.</p> <p>Indicate who are required to comply with the Code of Business Conduct and Ethics and any findings on non-compliance.</p>	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
---	-----------	---	---

Recommendation 8.1

1.



evaluate their experience and qualifications, and assess any potential conflicts of interest that might affect their judgment.

ownership in the company, membership in other boards, other executive positions, professional experiences, expertise and relevant trainings attended.

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)

Go to the Corporate Governance section of the Company's website to





			Company's website, discusses the Company's policies concerning related party transactions and relationships on pages 19 and 35.
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.	Compliant	Provide information on all RPTs for the previous year or reference to a document containing the following information on all RPTs: <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 percentage of shareholders who approved) based on the company's policy; and</li> <li>9. Other terms and conditions.</li> </ol>	See pages 19 and 35 of the Report of Independent Auditor for 2021 for information on all RPTs for the year.
<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.	Go to: <a href="https://www.libertyinsurance.com.ph">https://www.libertyinsurance.com.ph</a> to see the Company's Revised Manual on Corporate Governance 2022.
2. Company's MCG is posted on its company website.	Compliant		The Revised Manual on Corporate Governance 2022 can be found in the

			Corporate Governance section of the Company's website.
--	--	--	--

**Principle 9: 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.**

Principle 9: 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.

**Recommendation 9.1**

3.



<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>			<p>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> <p>The draft of the Company's Audit Committee Charter is currently undergoing review by the Audit Committee after it was presented to the Board during the 29 November 2022 regular meeting. The recommendation of the Audit Committee regarding the approval of their Charter will be taken up in the next Regular Board Meeting scheduled for 28 June 2023.</p> <p>Go to the Corporate Governance section of the Company's website to find the draft of the Company's Audit Committee Charter.</p>
---	--	--	--

2. Audit Committee Charter contains the



			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)

**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.**

Indicate frequency of review of the internal control system.

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.

Subsection 2.3.5.1 of the Manual on

		<p>3. How the company manages the key risks</p> <p>Indicate frequency of review of the enterprise risk management framework.</p>	
<b>Recommendation 12.2</b>			
<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>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> <p>The Company's internal audit is in-house.</p>
<b>Recommendation 12.3</b>			
<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</p>

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)

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)
--	-----------	--	---

**Recommendation 12.5**

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
--	---------------	--

			discusses in detail the shareholders' rights. (Page 27)
<b>Recommendation 13.2</b>			
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>Go to the Corporate Governance section of the Company's website and see the 2022 Notice of Annual Meeting of Stockholders &amp; Proxy Forms, which reflects that the Notice, dated and uploaded on 2 May 2022, was sent out at least 21 days before the Annual Stockholders' Meeting scheduled on 25 May 2022.</p> <p>The Agenda was attached to the Notice of Annual Meeting of Stockholders &amp; Proxy Forms.</p> <p>The Agenda could also be found in the Corporate Governance section of the Company's website under the heading Agenda &amp; Minutes of Annual Stockholders' Meeting 2022.</p>
<b>Recommendation 13.3</b>			
Board encourages active shareholder participation by making the result of the votes taken during the most recent Annual or Special Shareholders' Meeting publicly available the next working day.	Compliant	Provide information or reference to a document containing information on all relevant questions raised and answers during the ASM and special meeting and the results of the vote taken during the most recent ASM/SSM.	<p>The Agenda &amp; Minutes of latest Annual Stockholders' Meeting contains the questions and answers articulated 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 2022, which can also be found in the Corporate</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>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, 25 May 2022.</p> <p>Go to:</p> <p><a href="https://www.lib(0(3Q:D'(N4E)ORQ/DMNORMMzC">https://www.lib(0(3Q:D'(N4E)ORQ/DMNORMMzC</a></p>
---	------------------	---	--







			Company's Contact Information are listed.
--	--	--	---



			assured; and 4) they are properly motivated."
--	--	--	---

**Recommendation 15.2**

1. Board sets the tone and makes a stand against corrupt practices by adopting an anti-corruption



business, while contributing to the advancement of the society where it operates.

The Company's Employee Handbook has a provision on Community Relations, which discusses the following:

- A. Outreach Program - through the "Kalinga ng Liberty" (just an example), a volunteer group from the employees'

			<p>community involvement and environment-related programs.</p> <p>Due to the Covid-19 Pandemic, the Company's community involvement and environment-related programs have been temporarily put on hold.</p>
--	--	--	---

## CERTIFICATION

The undersigned certify that the responses and

**NAME**

**ID NO.**

**DATE/PLACE ISSUED**

⌘ E frocinio C de Merced r  
, Addison B C stro  
R on Oc po  
⌘ Leon rdo C G ison  
id Chiong

**NOTARY PUBLIC**

Doc No  
Page No  
Book No  
Series of ⌘