

**ANNUAL CORPORATE GOVERNANCE REPORT OF**

**LIBERTY INSURANCE CORPORATION**

For the fiscal year ended

Certificate Authority Number

Manila, Philippines

Province, Country or other Jurisdiction of incorporation or organization

1505 Filinvest Corporate Center - Alabang, Muntinlupa City, Philippines  
 1234 5678 9012 3456 7890 1234 5678 9012 3456 7890 1234 5678 9012 3456 7890  
 Manila, Philippines

Company's telephone number, including area code

<https://www.libertyinsurancecorp.com>

Company's official website

For further information, please refer to the Annual Report and Financial Statements for the fiscal year ended.

ANNUAL CORPORATE GOVERNANCE REPORT

COMPLIANT/  
NON-  
COMPLIANT

ADDITIONAL INFORMATION

EXPLANATION

The Board's Governance Resolutions

Pr'h "!" & The company

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 is in the Governance section of the " company's website, clearly shows

Re o ( ( enda%bn &-			
1. Board is assisted by a " orporate -ecretary.	" ompliant	#rovide information on or ink!reference to a document containing information on the " orporate -ecretary, including his!her name, &ualifications, duties and functions.	The " ompany*s " orporate -ecretary, . r. 8ufrocinio " . de la . erced 9r., is a lawyer by profession, with at least 00 years*experience as a corporate lawyer.
' . " orporate -ecretary is a separate ndividual from the " ompliance 5fficer.	" ompliant		. r. %ddison B. " astro is the





			The latest Report of Independent Auditor / 172, which can also be found in the Governance section of the company's website, includes an explanation of the company's Retirement Plan / pages 0; -062
Revised (Endorsement*)-			
1. Board formulates and adopts a policy specifying the relationship between remuneration and performance of key officers and board members.	Compliant	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.	The company's Annual Corporate Governance states that the Compensation and Remuneration Committee is responsible for the establishment of a formal and transparent procedure for developing a policy on executive remuneration and for fixing the remuneration packages of corporate officers and directors, and provide oversight over remuneration of senior management and other key personnel ensuring that compensation is consistent with the company's culture, strategy and control environment. /pages 1-; 2
2. Board adopts a policy specifying the relationship between remuneration and performance.	Compliant		The company's remuneration policies are in sub-section '1.1.1' /page ; 2 of the Annual Corporate Governance.
3. Directors do not participate in discussions or deliberations involving his/her own remuneration.	Compliant		Under sub-section '1.1.1', one of the remuneration policies is to disallow any director to decide his or her own remuneration. /page ; 2
Revised (Endorsement*).			

<p>1. Board has a formal and transparent board nomination and election policy.</p>	<p>" ompliant</p>	<p>#rovide 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.</p>	<p>The information on the " ompany*s nomination and election policy and process and its implementation are articulated in -ubsection ' . ' .1/pages <b>0-12</b> of the . anual on " orporate ) overnance.</p>
<p>' . Board nomination and election policy is disclosed in the company s . anual on " orporate ) overnance.</p>	<p>" ompliant</p>	<p>#rovide proof if minority shareholders have a right to nominate candidates to the board</p>	<p>4n -ubsection ; .1.' .1 of the " ompany*s . anual of " orporate ) overnance, which discusses Aights of 4nvestors!. inority 4nterests, it is stated that Hhareholders shall have the right to elect, remove and replace directors and vote on certain corporate acts in accordance with the " orporation " ode.H/page 1: 2</p>
<p><b>0.</b> Board nomination and election policy includes how the company accepted nominations from minority shareholders.</p>	<p>" ompliant</p>	<p>#rovide 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>The proof that minority stockholders have the right to nominate candidates to the board can be found in the ) overnance section of the " ompany*s website under the heading +otice to . inority -tockholders.</p>
<p><b>6.</b> Board nomination and election policy includes how the board reviews nominated candidates.</p>	<p>" ompliant</p>		<p>-ubsection ' . ' .1.1 of the . anual on " orporate ) overnance /pages <b>0-12</b> states that the +omination " ommittee shall pre-screen and shortlist all candidates nominated to become a</p>



			member of the board of directors in accordance with specific guidelines.
1. 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.	compliant		
2. Board has a process for identifying the quality of directors that is aligned with the strategic direction of the company.	compliant		

Re o( ( enda%bn \*)0

<p>1. Board is primarily responsible for approving the selection of . anagement led by the " hief 8xecutive 5fficer /" 852 and the heads of the other control functions /" hief Aisk 5fficer, " hief " ompliance 5fficer and " hief %udit 8xecutive2</p>	<p>" ompliant</p>	<p>#rovide information on or reference to a document containing the Board's policy and responsibility for assessing the performance of management.</p> <p>4dentify the . anagement team appointed.</p>	<p>%rticle 4- - ection ; /d2 of the By-?aws states that the Board of , irectors 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 ; 2</p> <p>- ection G also speaks of the Board's power to create, at its discretion, an 8xecutive " ommittee that shall exercise the powers of the Board of , irectors as may be delegated to it in the management and direction of the affairs of the corporation. /page F2</p> <p>%rticle = of the By-?aws enumerates the officers of the corporation and the manner of their selection!appointment. /pages G-72</p> <p>-ubsection ' '.1.' of the . anual on " orporate ) overnance empowers the Board to install a process of selection to ensure a mix of competent directors and officers. /page ' 2</p>
<p>' . Board is primarily responsible for assessing the performance of . anagement led by the " hief 8xecutive fficer /" 852 and the heads of the other control functions /" hief Aisk 5fficer, " hief</p>	<p>+ on-" ompliant</p>	<p>#rovide information on or reference to a document containing the Board's policy and responsibility for assessing the performance of management.</p>	

<p>" ompliance 5fficer and " hief %udit 8xecutive2</p>		<p>#rovide information on the assessment process and indicate fre&amp;uency of assessment of performance.</p>	
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Re o( ( enda%bn \*)1

1. Board establishes an effective performance management framework that ensures that . anagement, including the " hief 8xecutive 5fficer performance is at par with the standards set by the Board and -enior . anagement.

" ompliant

			have the power to appoint and remove the members of such committees at any time, with or without cause. /pages F-G2
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Re o ( ( enda%on \*)&2

1. Board oversees that an appropriate internal control system is in place.	" ompliant	#rovide information on or link!reference to a document showing the Board*s
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<p>0. Board approves the Internal Audit Charter</p>	<p>Compliant</p>	<p>Provide reference or link to the company's Internal Audit Charter</p>	<p>and adequacy of the Corporation's control environment. /page 02</p> <p>- subsection 1.1.10 /page 12 explains that the Board's nomination committee shall consider possible conflict of interest as one of the guidelines in the determination of the number of directorships for the Board.</p> <p>- subsection 1.1.16 elaborates that the Chief Executive Officer and executive directors shall submit themselves to a low indicative limit on membership in other corporate Boards. The same low limit shall apply to independent, non-executive directors who serve as full-time executives in other corporations. In any case, the capacity of directors to serve with diligence shall not be compromised. /page 12</p> <p>- subsection 0.1 of the Annual Governance Report states that the Board shall have in place - p c-16. 8674 ( ) 8. 414( 2) .8</p>
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			controls are effective, appropriate and complied with.
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Re o ( ( endan \*)&&

1. Board oversees that the company has in place a sound enterprise risk management /8A. 2 framework to effectively identify, monitor, assess and manage key business risks. " ompliant



<p>directors, the majority of whom, including the " chairman is independent.</p>		<p>including their qualifications and type of directorship.</p>	<p>including the qualifications of each member. /page ; 2</p>
<p>0. 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>#rovide information or link!reference to a document containing information on the background, knowledge, skills, and/or experience of the members of the %udit " ommittee.</p>	

6. The " chairman of the %udit " ommittee is not





<p>' . A#T " ommittee is composed of at least three non-executive directors, majority of whom should be independent, including the " hairman.</p>	<p>+on-" ompliant</p>	<p>#rovide information or link!reference to a document containing information on the members of the A#T " ommittee, including their &amp;ualifications and type of directorship.</p>	
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Pr'n "!" § , ' To show full commitment to the company, the directors should devote the time and attention necessary to properly and

publicly-listed companies to ensure that they

			officer or employee of the " orporation, its parent or subsidiaries or any other person having a relationship with the " orporation, and who apart from the shareholdings in and fees received as director from the " orporation 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 " orporation. /pages <b>6-12</b>
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Re o( ( enda%bn -)+

1.



<p>1. Directors with material interest in a transaction affecting the corporation should abstain from taking part in the deliberations for the same.</p>	<p>" compliant</p>	<p>#rovide proof of abstention, if this was the case<b>JK</b></p>	<p>-ubsection 1.' -1.1 of the . anual on " orporate ) overnance /page 1: 2 speaks of all material information that must be fully disclosed. There have been no directors with a material interest in a transaction affecting the " orporation.</p>
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Re o( ( enda%on -)/

1. The non-executive directors /+8, s2 have separ





practices in internal and external dealings of the company.

governance shall start with the Board of , irectors. xxx The Board shall conduct itself with utmost honesty and integrity in the discharge of its duties, functions and responsibilities.

The " ompany has an **8**mployee @andbook that is currently undergoing updates and revisions.

' . The " ode is properly disseminated to the Board, senior management and employees.

" ompliant

#rovide inf









1. 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.

<p>Annual Report to deal with the potential conflict of interest.</p>			<p>The company shall not at the same time provide the services of an internal auditor to the same client. The Corporation shall ensure that other non-audit work shall not be in conflict with the functions of the external auditor.</p>
<p>The 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.</p>	<p>Compliant</p>	<p>Provide link or reference to guidelines or policies on non-audit services.</p>	<p>Subsection 1.1.0 of the Annual Report relates that the Board has the duty to perform oversight financial management functions specifically in the areas of managing credit, market, liquidity, operational, legal and other risks of the Corporation, and crisis management.</p>
<p>Principle 2: The company should ensure that the material and reportable non-financial and sustainability issues are disclosed.</p>			
<p>Relevant (Section 2)</p>			
<p>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 (ESG) issues of its business, which underpin sustainability.</p>	<p>Compliant</p>	<p>Disclose or provide link on the company's policies and practices on the disclosure of non-financial information, including ESG issues.</p>	<p>Subsection 1.1 of the Annual Report on Corporate Governance /page 1: 2 articulates that all material information, i.e., anything that could potentially affect share price, shall be publicly disclosed. Such information shall include earnings results, acquisition or disposal of assets, board changes, related party transactions, shareholdings of directors and changes to ownership.</p>
<p>The company adopts a globally recognized standard/framework in reporting sustainability and non-financial issues.</p>	<p>Compliant</p>	<p>Provide link to Sustainability Report, if any. Disclose the standards used.</p>	<p>Subsection 1.0 states that all disclosed information shall be released via the approved stock exchange procedure</p>

			for company announcements as well as through the annual report.
<p>Pr'h "!" \$ &amp;&amp; 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.</p>			
<p>Re o( ( endan &amp;&amp;)</p>			
<p>1. The company should have a website to ensure a comprehensive, cost efficient, transparent, and timely manner of disseminating relevant information to the public.</p>	<p>" ompliant</p>	<p>, disclose and identify the communication channels used by the company /i.e., website, %analyst's briefing, . edia briefings !press conferences, ( uarterly reporting, " urrent reporting, etc.2 #rovide links, if any.</p>	<p>) o to\$</p> <p><a href="https://www.libertyinsurance.com.ph">https://www.libertyinsurance.com.ph</a></p>
<p>In%erna\$Con%o\$56s%( and R's7 Mana8e( en%Fra( e9or7</p>			
<p>Pr'h "!" \$ &amp;*' 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.</p>			
<p>Re o( ( endan &amp;*)&amp;</p>			
<p>1. " ompany has an ade&amp;uate and effective internal control system in the conduct of its business.</p>	<p>" ompliant</p>	<p>?ist &amp;uality service programs for the internal audit functions.</p> <p>4ndicate fre&amp;uency of review of the internal control system.</p>	<p>-ubsection ' .0.1.1 of the . anual on " orporate ) overnance /pages G-72 relates that the " orporation shall have in place an independent internal audit function which shall be performed by an 4nternal %uditor or a group of 4nternal %uditors, through which its Board, senior management, and stockholders shall be provided with reasonable assurance that its key organi3ational and procedural controls are effective, appropriate, and complied with.</p>



' . " ompany has an ade&uate and effective  
enterprise

0. In case of a fully outsourced internal audit activity, a qualified independent executive or senior management personnel is assigned the responsibility for managing the fully outsourced internal audit activity.

Not applicable. 25 9. 378726, i

1. Board encourages active shareholder participation by sending the notice of annual and special shareholders' meeting with sufficient and relevant information at least 11 days before the meeting,

Compliant

Indicate the number of days before the annual stockholders' meeting or special stockholders' meeting when the notice and agenda were sent out.

Indicate also if the voting on resolutions was  
by poll.

between them and the company in creating wealth, growth and sustainability.

<p>Board establishes policies, programs and procedures that encourage employees to actively participate in the realization of the company's goals and in its governance.</p>	<p>"ompliant</p>	<p>#rovide information on or link!reference to company policies, programs and procedures that encourage employee participation</p>	<p>The "ompany's Employee Handbook states that None of Human Resources main task 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 all employees are timely and properly informed of what is going on in the company. All communication lines are kept open between them and management. Their safety, security, and well-being, in and around their work premises, are assured and, they are properly motivated.</p>
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Report on the Company's Compliance with the Code of Ethics

<p>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.</p>	<p>Compliant</p>	<p>Identify or provide link/reference to the company's policies, programs and practices on anti-corruption</p>	
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<p>2. Board disseminates the policy and program to employees across the organization through trainings to embed them in the company's culture.</p>			
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		<p>Indicate if the framework includes procedures to protect the employees from retaliation.</p> <p>Provide contact details to report any illegal or unethical behavior.</p>	
<p>1. 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.</p>	<p>Compliant</p>		
<p>2. Board supervises and ensures the enforcement of the whistleblowing framework.</p>	<p>Compliant</p>	<p>Provide information on how the board supervised and ensured enforcement of the whistleblowing framework, including any incident of whistleblowing.</p>	

Principle 10: The company should be socially responsible in all its dealings with the communities where it operates. The company should ensure that its interactions serve its environment and stakeholders in a positive and progressive manner that is fully supportive of its

medical assistance and donates gifts and food items to residents of less fortunate communities/organizations. This is done twice a year.

- B. Other Community Assistance Programs - these are programs outside of the semi-annual outreach program which the



# CERTIFICATION

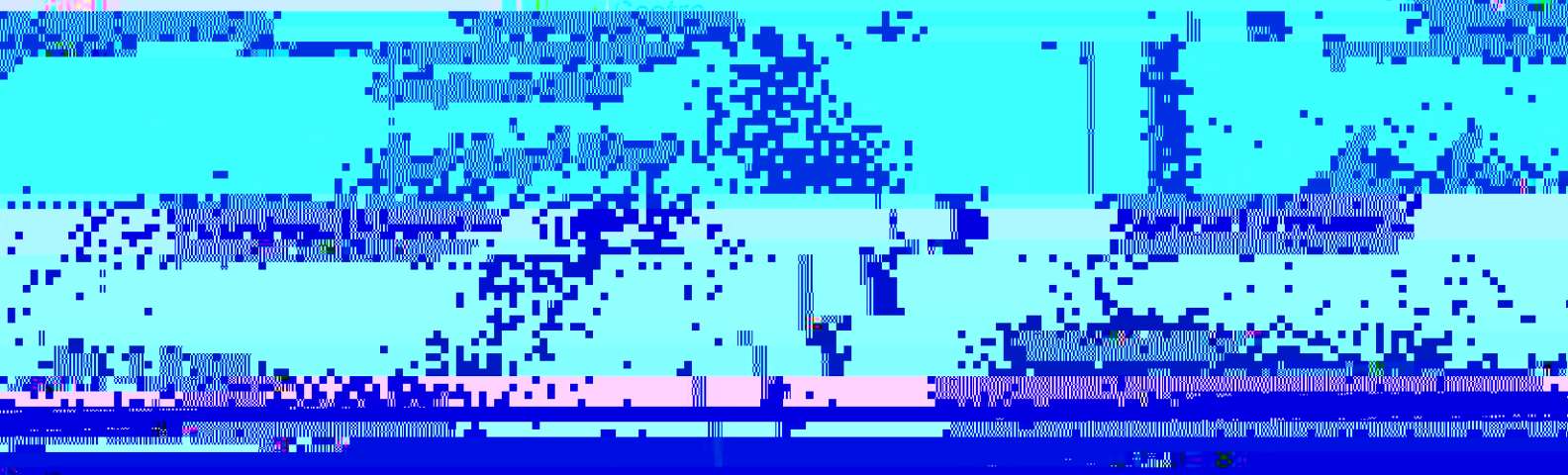
has read and understands the contents of the Company's Annual Corporate Governance Report and the information contained therein, and certifies that the information is true and correct in all material respects and is not misleading, false or deceptive in any particular, and that he/she has no knowledge of or reason to believe that the information is false or misleading in any particular.

Signature of the Director of the Company: \_\_\_\_\_ of \_\_\_\_\_

Signature of the Director of the Company

Name of the Director of the Company: \_\_\_\_\_

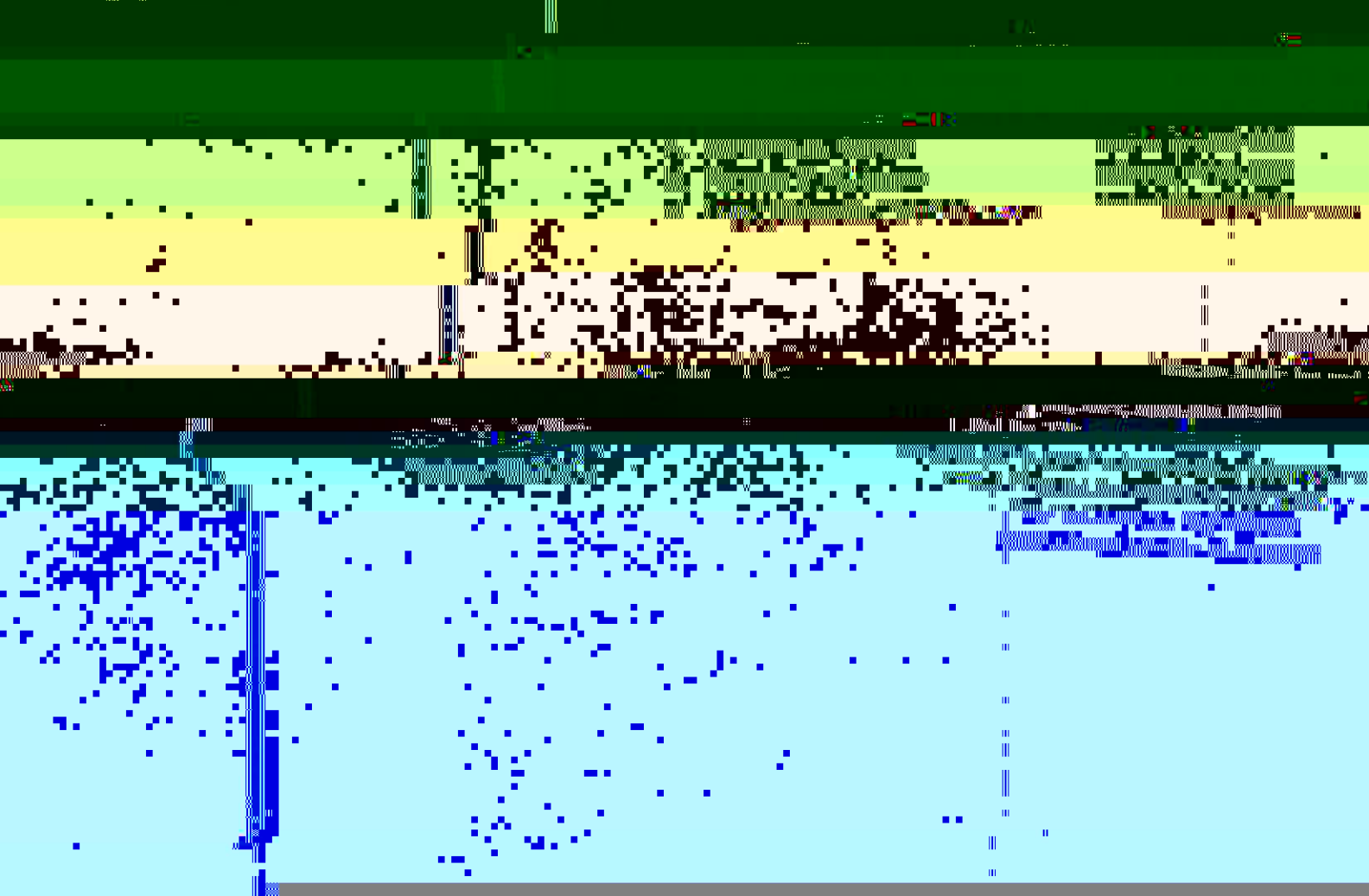
Date: \_\_\_\_\_



Signature of the Director of the Company

Name of the Director of the Company

Date: \_\_\_\_\_





# Intra-Asia Finance Corporation

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Singapore. Tel: 65 6339 1000 Fax: 65 6339 1001  
www.intra-asia.com.sg

July 15, 2021



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