



15/F Burgundy Corporate Tower
252 Sen. Gil Puyat Ave., Makati City 1200
Tel: +632 88445773 | +632 82366492



21 May 2025

Atty. Reynaldo A. Regalado
Insurance Commissioner
Insurance Commission
1071 United Nations Avenue, Manila

SUBJECT: Submission of the 2024 Annual Corporate Governance Report

Dear Atty. Regalado,

In compliance with Insurance Commission Circular Letter No. 2020-72: Submission of the Annual Corporate Governance Report (ACGR) dated 13 June 2020, we respectfully submit two (2) copies of our fully accomplished and notarized ACGR covering January to December 2024 operations.

Should you have any further questions or concerns, please feel free to contact the undersigned at vianca-delosreyes@llibi.com or compliance@llibi.com.

We trust you find everything in order.

Very truly yours,


JEENA VIANCA N. DELOS REYES
Risk and Compliance Manager

ANNUAL CORPORATE GOVERNANCE REPORT OF
LACSON & LACSON INSURANCE BROKERS, INC.

1. For the fiscal year ended 2024
2. Certificate Authority Number Insurance Broker's License IB-02-2025-R-A
Reinsurance Broker's License RB-04-2025-R
HMO Broker's License HMOB-02-2025-R
3. Metro Manila, Philippines
Province, Country or other jurisdiction of incorporation or organization
4. 15/F Burgundy Corporate Tower, 252 Sen. Gil Puyat Ave., Makati City 1200
Address of principal office Postal Code
5. (02) 8844-5778
Company's telephone number, including area code
6. www.llibi.com
Company's official website
7. N/A
Former name, former address, and former fiscal year, if changed since last report.

ANNUAL CORPORATE GOVERNANCE REPORT

	COMPLIANT / NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
The Board's Governance Responsibilities			
Principle 1: The company should be headed by a competent, working board to foster the long-term success and sustainability of the corporation in a manner consistent with its corporate objectives and the long-term best interests of its shareholders and other stakeholders.			
Recommendation 1.1			
1. Board is composed of directors with collective working knowledge, experience or expertise that is relevant to the company's industry/sector.	COMPLIANT	The Board of Lacson and Lacson Insurance Brokers, Inc. ("LLIBI" or the "Company") is comprised of seven members, with collective working knowledge, experience, and expertise that is relevant to the company's industry/sector such as local and foreign insurance, health, and financial services sectors. The Board has a diverse and balanced composition consisting of competent and highly qualified directors. The Board may determine the criteria for the selection and nomination into the Board. Each Director remains qualified to fulfill their roles. <i>References:</i> <ul style="list-style-type: none"> • Profile of Directors and Officers (as of December 31, 2024) • Corporate Governance Manual <ul style="list-style-type: none"> • Section II: Compliance System & Structure <ul style="list-style-type: none"> ○ B. Board of Directors • Section III: Board of Directors <ul style="list-style-type: none"> ○ A. Minimum Qualifications of Directors ○ B. Qualifications Specific to Independent Directors ○ C. Board Diversity Policy ○ J. Director Succession and Selection Criteria • Section IV: Composition and Duties of Corporate Officers • Board Charter <ul style="list-style-type: none"> • Section I.4: Composition of the Board 	
2. Board has an appropriate mix of competence and expertise.	COMPLIANT		
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		
Recommendation 1.2			
1. Board is composed of a majority of non-executive directors	COMPLIANT	Four (4) out of seven (7) members of the Board are non-executive directors and are not directly involved in managing the business of the company. <i>Reference:</i>	

		<ul style="list-style-type: none"> • Profile of Directors and Officers (as of December 31, 2024) 	
Recommendation 1.3			
1. Company provides in its Board Charter or Manual on Corporate Governance a policy on training of directors.	COMPLIANT	<p>The Corporate Governance Manual provides for the orientation program for first-time directors and annual continuing training for all directors.</p> <p><i>Reference:</i></p> <ul style="list-style-type: none"> • Corporate Governance Manual <ul style="list-style-type: none"> • Section VIII: Training 	
2. Company provides in its Board Charter or Manual on Corporate Governance an orientation program for first time directors.	COMPLIANT	<p>As indicated in the Company's Corporate Governance Manual, the orientation program for first-time directors shall be for a minimum of eight hours and shall cover Insurance Commission (IC)-mandated topics on corporate governance and an introduction to the company's business, Articles of Incorporation, and Code of Conduct. IC-mandated topics are as follows:</p>	
3. Company has relevant annual continuing training for all directors.	COMPLIANT	<ul style="list-style-type: none"> • Revised Code of Corporate Governance • ASEAN Corporate Governance Scorecard • SEC-IC Annual Corporate Governance Report • Board Responsibilities; Board vs Mancom • Financial Reporting and Audit • Dealing with 3rd parties - suppliers, contractors, creditors, regulators, government • Illegal Activities of Corporations/ Directors/Officers; • Insider Trading • Protection of Minority Shareholders • Short Swing Transactions • Liabilities of Directors • Confidentiality • Conflict of Interest • Related Party Transactions • Case Studies <p>The annual continuing training program for all directors shall be for a minimum of four (4) hours and shall cover developments in the business and regulatory environments, including emerging risks relevant to the company or the above enumerated IC-mandated topics on Corporate Governance.</p>	

		<p>A director shall be temporarily disqualified for failure to attend the special seminar on corporate governance, as provided under Section III.D.2.d of the Corporate Governance Manual.</p> <p>In reference to the Profile of Directors and Officers (as of December 31, 2024), the cited continuing training attended by the Directors cover developments in the business and regulatory environments, including emerging risks relevant to the company, as well as earlier stated IC-mandated topics.</p> <p><i>References:</i></p> <ul style="list-style-type: none"> • Profile of Directors and Officers (as of December 31, 2024) • Corporate Governance Manual <ul style="list-style-type: none"> • Section III: Board of Directors <ul style="list-style-type: none"> ○ D. Disqualifications for Directors • Section VIII: Training <ul style="list-style-type: none"> ○ A. Orientation Program for First-time Directors ○ B. Annual Continuing Training 	
Recommendation 1.4			
<p>1. Board has a policy on board diversity.</p>	<p>COMPLIANT</p>	<p>LLIBI is committed to improving the diversity on the Board and at the senior management level in terms of gender, social and ethnic backgrounds, skills, competence and knowledge, and aspires to increase the number of female independent directors.</p> <p>The Board is composed of 1 female and 6 male members.</p> <p>It must also be noted that majority of the company's Management Committee are female.</p> <p><i>References:</i></p> <ul style="list-style-type: none"> • Profile of Directors and Officers (as of 31 December 2024) • Corporate Governance Manual <ul style="list-style-type: none"> • Section III: Board of Directors <ul style="list-style-type: none"> ○ C. Board Diversity Policy • Board Charter <ul style="list-style-type: none"> • Section I.4: Composition of the Board 	

Recommendation 1.5			
1. Board is assisted in its duties by a Corporate Secretary	COMPLIANT	The Corporate Secretary maintains the Company's official records and is a separate individual from the Compliance Officer and is not a member of the Board of Directors. The position of the Company's Corporate Secretary is held by Atty. Gay Christine C. Cortes-Lopez.	
2. Corporate Secretary is a separate individual from the Compliance Officer.	COMPLIANT		
3. Corporate Secretary is not a member of the Board of Directors.	COMPLIANT		<p>The Board is assisted by the Company's Corporate Secretary, Atty. Cortes-Lopez, a litigating lawyer by profession and is knowledgeable in the rules of law, including the corporation code and governance, and Code of Ethics.</p> <p><i>References:</i></p> <ul style="list-style-type: none"> • Amended By-Laws <ul style="list-style-type: none"> • Article II <ul style="list-style-type: none"> ○ Section 1 ○ Section 5 • Corporate Governance Manual <ul style="list-style-type: none"> • Section IV: Composition and Duties of Corporate Officers <ul style="list-style-type: none"> ○ D. Corporate Secretary
4. Corporate Secretary attends training/s on corporate governance.	COMPLIANT	<p>Atty. Cortes-Lopez attended the training on Roles, Responsibilities and Liabilities of Board Directors by Center for Global Best Practices (CGBP).</p> <p><i>Reference:</i></p> <ul style="list-style-type: none"> • Profile of Directors and Officers (as of 31 December 2024) 	
Recommendation 1.6			
1. Board is assisted by a Compliance Officer.	COMPLIANT	<p>The Company does not have an appointed Compliance Officer at the Board-level but is assisted by the Risk and Compliance Manager, who heads the Risk and Compliance Department, and directly reports to the Chief Operating Officer (COO) / Chief Executive Officer (CEO).</p> <p>In September 2024, Jeena Vianca N. delos Reyes, the Risk and Compliance Manager, joined the company bringing with her years of experience working in the compliance function of both local and multinational insurance companies. She is a member of the company's Management Committee and collaborates with other department heads for compliance-related concerns. She reviews regulatory submissions, ensures</p>	
2. Compliance Officer has a rank of Vice President or an equivalent position with adequate stature and authority in the corporation.	COMPLIANT		
3. Compliance Officer is not a member of the board.	COMPLIANT		

		<p>compliance with all the regulatory requirements, reports non-conformance to the COO/CEO, and provides recommendations to the Board, among other responsibilities.</p> <p><i>References:</i></p> <ul style="list-style-type: none"> • Corporate Governance Manual <ul style="list-style-type: none"> • Section II: Compliance System & Structure <ul style="list-style-type: none"> ○ A. Compliance Officer • Board Charter <ul style="list-style-type: none"> • Section I.3: Composition of the Board 	
4. Compliance Officer attends training/s on corporate governance annually.	COMPLIANT	<p>The former Risk and Compliance Manager attended trainings on corporate governance annually.</p> <p>The current Risk and Compliance Manager was able to attend a corporate governance training and other relevant trainings and courses in line with the changes in the regulatory landscape prior to being onboarded during the last quarter of 2024. She is scheduled to attend a Corporate Governance Training this coming Q1-2025. Moving forward, she will be attending a training on corporate governance on an annual basis.</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, with due diligence and care, and in the best interest of the company.	COMPLIANT	<p>All significant matters are discussed and approved by the Directors and/or Stockholders in regular or special meetings and in adherence to the Amended By-Laws. Said matters cover financial and non-financial aspect of the business.</p> <p>At the same time, the Company holds meetings among the Management Committee with the three Executive Directors also in attendance.</p> <p><i>References:</i></p> <ul style="list-style-type: none"> • Corporate Governance Manual <ul style="list-style-type: none"> • Annex A: Rights of a Stockholder <ul style="list-style-type: none"> ○ Item 2 on the stockholder's right to participate in decisions ○ Item 3 on the stockholder's right to vote • Amended By-Laws 	
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		<ul style="list-style-type: none"> • Article III: Stockholders' Meeting • Board Charter • Section II: Responsibilities of the Board 	
Recommendation 2.2			
1. Board oversees the development, review and approval of the company's business objectives and strategy.	COMPLIANT	As indicated in the Company's Board Charter, the Board shall review effectiveness of the strategic planning process, approve business objectives, and examine strategic plans annually. Corporate performance shall also be continuously monitored against the agreed plans and objectives.	
2. Board oversees and monitors the implementation of the company's business objectives and strategy in order to sustain the company's long-term viability and strength.	COMPLIANT	<p><i>References:</i></p> <ul style="list-style-type: none"> • Corporate Governance Manual <ul style="list-style-type: none"> • Section II: Compliance System & Structure <ul style="list-style-type: none"> ◦ B. Board of Directors • Board Charter <ul style="list-style-type: none"> • Section II: Responsibilities of the Board 	
Recommendation 2.3			
1. Board is headed by a competent and qualified Chairperson.	COMPLIANT	<p>The Board is headed by Mr. Salvador L. Lacson as the Chairperson and has been engaged in the business of insurance broking for more than 50 years.</p> <p><i>Reference:</i></p> <ul style="list-style-type: none"> • Profile of Directors and Officers (as of 31 December 2024) 	
Recommendation 2.4			
1. Board ensures and adopts an effective succession planning program for directors, key officers and management.	COMPLIANT	The Board adheres with the criteria on succession as indicated in its Corporate Governance Manual which details the required competencies, capabilities, and criteria for selection, among others.	
2. Board adopts a policy on the retirement for directors and key officers.	COMPLIANT	<p><i>Reference:</i></p> <ul style="list-style-type: none"> • Corporate Governance Manual <ul style="list-style-type: none"> • Section III: Board of Directors <ul style="list-style-type: none"> ◦ J. Director Succession and Selection Criteria 	
Recommendation 2.5			
1. Board formulates and adopts a policy specifying the relationship between remuneration and performance of key officers and board members.	COMPLIANT	The Board, from time to time, sets director's remuneration, if appropriate. Members of the Board with executive functions do not receive additional compensation for acting as directors. Independent non-	

		executive directors, on the other hand, are paid an annual fee.	
2. Board aligns the remuneration of key officers and board members with long-terms interests of the company.	COMPLIANT	<p><i>Reference:</i></p> <ul style="list-style-type: none"> • Corporate Governance Manual <ul style="list-style-type: none"> • Section III: Board of Directors <ul style="list-style-type: none"> ○ I. Remuneration 	
3. Directors do not participate in discussions or deliberations involving his/her own remuneration.	NON-COMPLIANT		LLIBI is a family-owned and run closed corporation. Company performance also influences the Directors' fees and impacts the annual merit increase of employees
Recommendation 2.6			
1. Board has a formal and transparent board nomination and election policy.	COMPLIANT	LLIBI follows the qualification, selection, and election guidelines for Board Members as prescribed in its Corporate Governance Manual.	
2. Board nomination and election policy is disclosed in the company's Manual on Corporate Governance.	COMPLIANT	<p><i>References:</i></p> <ul style="list-style-type: none"> • Corporate Governance Manual <ul style="list-style-type: none"> • Section III: Board of Directors <ul style="list-style-type: none"> ○ A. Minimum Qualifications of Directors ○ B. Qualification Specific to Independent Directors ○ E. Election and Term of Directors of the Company ○ J. Director Succession and Selection Criteria • Annex A: Rights of a Stockholder <ul style="list-style-type: none"> ○ Item 5 	
3. Board nomination and election policy includes how the company accepts nominations from minority shareholders.	COMPLIANT		
4. Board nomination and election policy includes how the board reviews nominated candidates.	COMPLIANT		
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.	COMPLIANT		
6. Board has a process for identifying the quality of directors that is aligned with the strategic direction of the company.	COMPLIANT		
Recommendation 2.7			
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.	NON-COMPLIANT		LLIBI is a family-owned and -run closed corporation. It does not transact with related parties as it neither has subsidiaries/affiliates nor exercises control in any other corporation. For transactions that are

2. RPT policy includes appropriate review and approval of material RPTs, which guarantee fairness and transparency of the transactions.	NON-COMPLIANT		deemed unusual or infrequently occurring, the Board exercises transparency, objectivity, and fairness through discussions with the Management Committee.
3. RPT policy encompasses all entities within the group, taking into account their size, structure, risk profile and complexity of operations.	NON-COMPLIANT		
Recommendation 2.8			
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).	COMPLIANT	<p>Officers are elected by majority vote of the Board of Directors as provided in the Company's Amended By-Laws.</p> <p>While the Company does not have an appointed Compliance Officer at the Board-level, the Risk and Compliance Manager provides the necessary oversight.</p> <p>Due to the size and nature of the company, an external auditor is sufficient in place of an internal audit. External audits, aside from those required by the regulating entities, are also done periodically to ensure unbiased examination of the Company's operations.</p> <p><i>References:</i></p> <ul style="list-style-type: none"> • Amended By-Laws <ul style="list-style-type: none"> • Article II <ul style="list-style-type: none"> ○ Section 1 • Corporate Governance Manual <ul style="list-style-type: none"> • Section IV: Composition and Duties of Corporate Officers <ul style="list-style-type: none"> ○ A. President (Chief Executive 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>One of the responsibilities of the Board include monitoring the performance of individual directors, its committees, and senior management.</p> <p><i>References:</i></p> <ul style="list-style-type: none"> • Board Charter <ul style="list-style-type: none"> • Section II: Responsibilities of the Board • Corporate Governance Manual <ul style="list-style-type: none"> • Section II: Compliance System & Structure 	

o B. Board of Directors

Recommendation 2.9			
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.	NON-COMPLIANT		LLIBI is a family owned and run closed corporation. Majority of its shares are owned and controlled by the Lacson Family.
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.	COMPLIANT	<p>The company implements an annual performance review led by the Human Resources and Administration Department.</p> <p><i>Reference:</i></p> <ul style="list-style-type: none"> • Code of Business Conduct and Ethics <ul style="list-style-type: none"> o Reward Performance and Ability 	
Recommendation 2.10			
1. Board oversees that an appropriate internal control system is in place.	COMPLIANT	<p>Due to the size and nature of the company, an external auditor is sufficient in place of an internal audit.</p> <p>Nonetheless, Section II.B of the Board Charter provides for the approval and review of compliance with policies and procedures for the management and control of risk, including capital management, and the internal control and management information systems that provide reasonable assurance as to the reliability of the Corporation's financial information and the safeguarding of its assets.</p> <p>The Risk and Compliance Department, through the Risk and Compliance Manager, escalates to the Board pertinent risks that warrant urgent Board attention.</p> <p><i>Reference:</i></p> <ul style="list-style-type: none"> • Board Charter <ul style="list-style-type: none"> o B. Responsibilities of the Board <ul style="list-style-type: none"> o B. Risk Management, Capital Management, and Internal Controls 	
2. The internal control system includes a mechanism for	COMPLIANT	The Company's Code of Business Conduct and Ethics and Corporate Governance Manual provide for the	

<p>monitoring and managing potential conflict of interest of the Management, members and shareholders.</p>		<p>internal control mechanisms that ensure potential and actual conflict of interest are properly monitored, managed, and reported not just among the employees but also within the Board.</p> <p><i>References:</i></p> <ul style="list-style-type: none"> • Code of Business Conduct and Ethics <ul style="list-style-type: none"> • Section IV: Conflict of Interest • Section V: Anti-Bribery and Corruption Policy • Section VI: Reporting Code Breaches • Corporate Governance Manual <ul style="list-style-type: none"> • Section III: Board of Directors <ul style="list-style-type: none"> ◦ G. Vacancies • Section VII: Conflicts of Interest 	
<p>3. Board approves the Internal Audit Charter</p>	<p>NON-COMPLIANT</p>		<p>LLIBI is a family owned and run closed corporation. Due to the size and nature of the company, an external auditor is sufficient in place of an internal audit.</p>
<p>Recommendation 2.11</p>			
<p>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.</p>	<p>NON-COMPLIANT</p>		<p>LLIBI is a family owned and run closed corporation, and the size and nature of the company does not necessitate an ERM framework. Decisions in relation to such key risks are discussed at the Board level.</p>
<p>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.</p>	<p>NON-COMPLIANT</p>		<p>While there is no formal and separately defined ERM framework, Section II.B of the Corporate Governance Manual provides for risk management as part of the responsibilities of the Board.</p>
<p>Recommendation 2.12</p>			
<p>1. Board has a Board Charter that formalizes and clearly states its roles, responsibilities and accountabilities in carrying out its fiduciary duties.</p>	<p>COMPLIANT</p>	<p>Members of the Board are guided by the Board Charter wherein their roles and responsibilities as well as expectations from them are outlined. The same is publicly available and is posted on LLIBI's website at https://llibi.com/about-us/.</p>	
<p>2. Board Charter serves as a guide to the directors in the performance of their functions.</p>	<p>COMPLIANT</p>	<p><i>Reference:</i></p> <ul style="list-style-type: none"> • Board Charter 	

3. Board Charter is publicly available and posted on the company's website.	COMPLIANT		
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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.	NON-COMPLIANT		<p>LLIBI is a family owned and run closed corporation. Current Board composition is relatively small to form committees as described in IC Circular Letter 2020-71. The functions of the mentioned committees are carried out by the Board as a whole.</p> <p>The Board may seek assistance or delegate authority and certain tasks to the Management Team.</p>
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Recommendation 3.2

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.	NON-COMPLIANT		<p>LLIBI is a family-owned and -run closed corporation. The functions of the mentioned committees are carried out by the Board as a whole. Any decision with regards to the appointment and/or removal of the company's external auditor is approved at the Board level.</p> <p>The Board may seek assistance or delegate authority and certain tasks to the Management Team.</p>
2. Audit Committee is composed of at least three appropriately qualified non-executive directors, the majority of whom, including the Chairman is independent.	NON-COMPLIANT		
3. All the members of the committee have relevant background, knowledge, skills, and/or experience in the areas of accounting, auditing and finance.	NON-COMPLIANT		
4. The Chairman of the Audit Committee is not the Chairman of the Board or of any other committee.	NON-COMPLIANT		

Recommendation 3.3

1. Board establishes a Corporate Governance Committee tasked to	NON-COMPLIANT		LLIBI is a family-owned and -run closed corporation and Board
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assist the Board in the performance of its corporate governance responsibilities, including the functions that were formerly assigned to a Nomination and Remuneration Committee.			composition is relatively small to form a Corporate Governance Committee. The Board can perform the functions assigned to this Committee and may also seek assistance or delegate authority and certain tasks to the Management Team.
2. Corporate Governance Committee is composed of at least three members, majority of whom should be independent directors.	NON-COMPLIANT		Section II of the Board Charter (Responsibilities of the Board) provides for monitoring the performance of individual directors, its committees, and senior management, among the responsibilities of the Board. The Risk and Compliance Manager also assists the Board in the performance of its corporate governance responsibilities. In addition, Directors have attended a training on corporate governance as described in Recommendation 1.3 above.
3. Chairman of the Corporate Governance Committee is an independent director.	NON-COMPLIANT		
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.	NON-COMPLIANT		LLIBI is a family-owned and -run closed corporation and Board composition is relatively small to form a Board Risk Oversight Committee. The Board can perform the functions assigned to this Committee and may also seek assistance or delegate authority and certain tasks to the Management Team.
2. BROC is composed of at least three members, the majority of whom should be independent directors, including the Chairman.	NON-COMPLIANT		
3. The Chairman of the BROC is not the Chairman of the Board or of any other committee.	NON-COMPLIANT		
4. At least one member of the BROC has relevant thorough knowledge and experience on risk and risk management.	NON-COMPLIANT		
Recommendation 3.5			
1. The Board establishes a Related Party Transactions (RPT)	NON-COMPLIANT		LLIBI is a family-owned and -run closed corporation with a relatively

Committee, which is tasked with reviewing all material related party transactions of the company.			small Board composition and does not have affiliates and subsidiaries to necessitate the formation of a Board Committee dedicated to the management of RPT, considering its size, risk profile, and complexity of operations.
2. RPT Committee is composed of at least three non-executive directors, majority of whom should be independent, including the Chairman.	NON-COMPLIANT		The Board can perform the functions assigned to this Committee and may also seek assistance or delegate authority and certain tasks to the Management Team.
Recommendation 3.6			
1. All established committees have a Committee Charters stating in plain terms their respective purposes, memberships, structures, operations, reporting process, resources and other relevant information.	NON-COMPLIANT		LLIBI is a family-owned and -run closed corporation and Board composition is relatively small to form Committees within the Board.
2. Committee Charters provide standards for evaluating the performance of the Committees.	NON-COMPLIANT		
3. Committee Charters were fully disclosed on the company's website.	NON-COMPLIANT		
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	Directors shall actively participate in meetings and they are given a chance to ask questions and clarify or seek explanations. Failure to observe their duties and responsibilities is a ground for disqualification of a Director, as provided under Section III.D.2.C of the Corporate Governance Manual	
2. The directors review meeting materials for all Board and Committee meetings.	COMPLIANT	Majority of the board members attended the annual stockholders' meeting on 03 May 2024 conducted in person at the head office of the Company.	

<p>3. The directors ask the necessary questions or seek clarifications and explanations during the Board and Committee meetings.</p>	<p>COMPLIANT</p>	<p><i>References:</i></p> <ul style="list-style-type: none"> • Corporate Governance Manual <ul style="list-style-type: none"> • Section II: Compliance System & Structure <ul style="list-style-type: none"> ○ B. Board of Directors (Duties and Responsibilities) particularly item no. 5 on active participation on meetings • Board Charter <ul style="list-style-type: none"> • Section II: Responsibilities of the Board <ul style="list-style-type: none"> ○ A. Strategy 	
<p>Recommendation 4.2</p>			
<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>The company has no non-executive director who concurrently serves as a director in any ICRE nor publicly listed company (PLC).</p> <p>Section III.A.5 of the Corporate Governance Manual requires the disclosure of any present directorship position with other companies. For non-executive directors, they shall not concurrently serve as directors in more than five (5) ICREs and PLCs.</p> <p><i>References:</i></p> <ul style="list-style-type: none"> • Corporate Governance Manual <ul style="list-style-type: none"> • Section II: Compliance System & Structure <ul style="list-style-type: none"> ○ B. Board of Directors (Duties and Responsibilities) particularly item no. 11 on dictatorship in ICREs • Section III: Board of Directors <ul style="list-style-type: none"> ○ J. Director Succession and Selection Criteria particularly item no. 3 on nomination of directors who concurrently serves as directors of other companies • Profile of Directors and Officers (as of 31 December 2024) 	
<p>Recommendation 4.3</p>			
<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>Section III.A.5 of the Corporate Governance Manual requires each Director to disclose to the Board any present directorship position with other companies.</p> <p>The company is also requiring the Directors to update their biographical data on an annual basis which would also capture any new dictatorship in another company.</p> <p><i>Reference:</i></p> <ul style="list-style-type: none"> • Corporate Governance Manual 	

		<ul style="list-style-type: none"> • Section III: Board of Directors <ul style="list-style-type: none"> ○ A. Minimum Qualifications of Directors particularly item no. 5 on the disclosure of other directorships 	
Principle 5: The board should endeavor to exercise an objective and independent judgment on all corporate affairs.			
Recommendation 5.1			
1. The Board is composed of at least twenty percent (20%) independent directors.	COMPLIANT	<p>Currently, there are seven (7) members of the Board of Directors and two (2) or 28% of whom are independent directors with no executive functions.</p> <p><i>References:</i></p> <ul style="list-style-type: none"> • Board Charter <ul style="list-style-type: none"> • Section I: Composition of the Board particularly item 1 with the mention of independent directors comprising at least 20% of the Board • Profile of Directors and Officers (as of December 31, 2024) 	
Recommendation 5.2			
1. The independent directors possess all the necessary qualifications and none of the disqualifications to hold the position.	COMPLIANT	<p>The Company's Corporate Governance Manual details the specific qualifications for the independent directors.</p> <p><i>References:</i></p> <ul style="list-style-type: none"> • Corporate Governance Manual <ul style="list-style-type: none"> • Section III: Board of Directors <ul style="list-style-type: none"> ○ B. Qualification Specific to Independent Directors • Profile of Directors and Officers (as of December 31, 2024) 	
Recommendation 5.3			
<p>1. The independent directors serve for a maximum cumulative term of nine years.</p> <p>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.</p>	COMPLIANT	<p>Since the promulgation of this requirement, no Independent Director has served more than the maximum term of 9 years.</p> <p><i>Reference:</i></p> <ul style="list-style-type: none"> • Profile of Directors and Officers (as of December 31, 2024) 	

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.			
2. The company bars an independent director from serving in such capacity after the term limit of nine years.	COMPLIANT	Independent directors can serve as such for nine (9) consecutive years. After completion of the nine (9)-year service period, an independent director shall be ineligible for election as such in the same company unless the concerned director has secured the appropriate clearance from the IC. Justification will be in written format duly signed and approved. <i>Reference:</i> • Corporate Governance Manual • Section III: Board of Directors ○ F. Term of Independent Director	
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.	COMPLIANT		
Recommendation 5.4			
1. The positions of Chairman of the Board and Chief Executive Officer are held by separate Individuals.	NON-COMPLIANT		LLIBI is a family-owned and -run closed corporation. Due to the size and nature of the company, the positions of Chairman of the Board and CEO are held by the same individual.
2. The Chairman of the Board and Chief Executive Officer have clearly defined responsibilities.	NON-COMPLIANT		
Recommendation 5.5			
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		Due to the size and nature of the company and the relatively small composition of the Board, the positions of Chairman of the Board and Chief and CEO are held by the same individual, while the COO also holds the position of Managing Director.
Recommendation 5.6			
1. Directors with material interest in a transaction affecting the corporation should abstain from taking part in the deliberations for the same.	COMPLIANT	No transaction within the covered year involved a material interest of a director. <i>Reference:</i> • Corporate Governance Manual • Section III: Board of Directors	

		<ul style="list-style-type: none"> ○ Particularly item G. which mentions that for any potential conflict of interest, the Director will be asked to absent himself/herself from a particular issue under discussion. • Section VII: Conflicts of Interest <ul style="list-style-type: none"> ○ Particularly item 1 on abstaining from participation of a director with material interest on any Board matter 	
Recommendation 5.7			
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		LLIBI is a family owned and run closed corporation. Due to the size and nature of the composition, its controls are on the Management level which has direct access to the CEO and the COO.
2. The meetings are chaired by the lead independent director.	NON-COMPLIANT		Due to the size and nature of the company, the meetings are presided by either the CEO or the COO.
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.	NON-COMPLIANT		LLIBI is a family owned and run closed corporation. Majority of its shares are owned and controlled by the Lacson Family. However, Section II.5 of the Board Charter provides for the monitoring the performance of individual directors.
2. The performance of the Chairman is assessed annually by the Board.	NON-COMPLIANT		
3. The performance of the individual member of the Board is assessed annually by the Board.	NON-COMPLIANT		
4. The performance of each committee is assessed annually by the Board.	NON-COMPLIANT		
5. Every three years, the assessments are supported by an external facilitator.	NON-COMPLIANT		
Recommendation 6.2			
1. Board has in place a system that provides, at the minimum, criteria and process to determine the	NON-COMPLIANT		LLIBI is a family owned and run closed corporation. Majority of its shares are

performance of the Board, individual directors and committees.			owned and controlled by the Lacson Family.
2. The system allows for a feedback mechanism from the shareholders.	NON-COMPLIANT		

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

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.	COMPLIANT	The Company has a Code of Business Conduct and Ethics providing standards for not just the Board but also officers and employees alike. <i>Reference:</i> • Code of Business Conduct and Ethics	
2. The Code is properly disseminated to the Board, senior management and employees.	COMPLIANT	The Code of Business Conduct and Ethics is included in the orientation program for new hires. Employees are updated for any changes in the policy. <i>Reference:</i> • Code of Business Conduct and Ethics	
3. The Code is disclosed and made available to the public through the company website.	COMPLIANT	The Code is available at the Company website accessible at https://llibi.com/about-us/ . <i>Reference:</i> • Code of Business Conduct and Ethics	

Recommendation 7.2

1. Board ensures the proper and efficient implementation and monitoring of compliance with the Code of Business Conduct and Ethics.	COMPLIANT	All directors, officers, and employees of LLIBI are required to comply with the Code. A mechanism for reporting any breach(es)/violation(s) of the Code is provided. There have been no cases of noncompliance as of this report.	
2. Board ensures the proper and efficient implementation and monitoring of compliance with company internal policies.	COMPLIANT	<i>References:</i> • Code of Business Conduct and Ethics • Section VI: Reporting Code Breaches • Corporate Governance Manual • Section VI: Ethics	

Disclosure and Transparency

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

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.	COMPLIANT	<p>The Corporate Governance Manual provides the rules for disclosure of material information affecting financial and business operations of the Company.</p> <p><i>Reference:</i></p> <ul style="list-style-type: none"> • Corporate Governance Manual <ul style="list-style-type: none"> • Section X: Rules for Disclosure of Information • Annex A: Rights of a Stockholder <ul style="list-style-type: none"> ◦ Item 9 on the stockholder's right to be furnished with sufficient and timely information 	
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Recommendation 8.3

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.	COMPLIANT	<p>Members of the Board and key executives disclose relevant and material information to evaluate their experience, qualifications, and to identify if there are potential conflict of interests.</p> <p><i>References:</i></p> <ul style="list-style-type: none"> • Profile of Directors and Officers (as of December 31, 2024) • Corporate Governance Manual <ul style="list-style-type: none"> • Section III: Board of Directors <ul style="list-style-type: none"> ◦ J. Director Succession and Selection Criteria • Section VII: Conflicts of Interests • Section X: Rules for Disclosure of Information 	
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.	COMPLIANT		

Recommendation 8.4

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.	NON-COMPLIANT		LLIBI is a family owned and run closed corporation. Majority of the shares of the corporation are owned and controlled by the Lacson Family.
2. Company provides a clear disclosure of its policies and	NON-COMPLIANT		

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.			
3. Company discloses the remuneration on an individual basis, including termination and retirement provisions.	NON-COMPLIANT		LLIBI does not disclose the remuneration of its Board of Directors on the basis of confidentiality.
Recommendation 8.5			
1. Company discloses its policies governing Related Party Transactions (RPTs) and other unusual or infrequently occurring transactions	NON-COMPLIANT		LLIBI is a family owned and run closed corporation and does not have affiliates and subsidiaries that will necessitate a related party transaction policy.
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.	NON-COMPLIANT		While there is no formal policy regarding related party transactions, the following principles guide the company in conducting business with fairness and objectivity: <ul style="list-style-type: none"> • Code of Business Conduct and Ethics - Sections III and IV.A, and • LLIBI Corporate Governance Manual - Section II.B (Compliance System & Structure – Board of Directors), VI (Ethics), VII (Conflicts of Interest)
Recommendation 8.6			
1. Company's corporate governance policies, programs and procedures are contained in its Manual on Corporate Governance (MCG).	COMPLIANT	The Manual on Corporate Governance is accessible at https://llibi.com/about-us/ .	
2. Company's MCG is posted on its company website.	COMPLIANT	Reference: <ul style="list-style-type: none"> • Corporate Governance Manual 	
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			
1. Audit Committee has a robust process for approving and recommending the appointment, reappointment, removal, and fees of the external auditors.	NON-COMPLIANT		Board composition is relatively small to form an Audit Committee. Any decision regarding the appointment and/or removal of the company's external auditor is approved at the Board level. Majority of the Company's shares are owned and controlled by the Lacson Family, who are involved in the appointment, reappointment, and removal, and setting of fees of the external auditors. Consistent with Section X. (Rules for the Disclosure of Information) particularly section 2 of the Corporate Governance Manual, changes to the external auditor shall be disclosed.
2. 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.	NON-COMPLIANT		
3. 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	The company did not remove nor change its external auditor for the year 2024.	
Recommendation 9.2			
1. Audit Committee Charter includes the Audit Committee's responsibility on: <ul style="list-style-type: none"> i. assessing the integrity and independence of external auditors; ii. exercising effective oversight to review and monitor the external auditor's independence and objectivity; and iii. exercising effective oversight to review and monitor the effectiveness of the audit process, taking into consideration relevant Philippine professional and regulatory requirements. 	NON-COMPLIANT		Board composition is relatively small to form an Audit Committee. Any decision with regard to the appointment and/or removal of the company's external auditor is approved at the Board level. Nonetheless, Item 7 of Annex A of the Corporate Governance Manual provides for the right of stockholders to ask questions to the board, including questions relating to the annual external audit, among others.
2. Audit Committee Charter contains the Committee's responsibility on	NON-COMPLIANT		

reviewing and monitoring the external auditor's suitability and effectiveness on an annual basis.			
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Recommendation 9.3

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	There are no non-audit services performed by the external auditor during 2024. In case any non-audit services would be performed by the external auditor, it will be disclosed in the Annual Report.	
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.	NON-COMPLIANT		While the Company does not have an Audit Committee, any conflict-of-interest situations shall be governed by the Code of Business Conduct and Ethics Section IV on Conflicts of Interest. There are no non-audit services performed by the external auditor.

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

Recommendation 10.1

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	The Company did not only focus on the financial aspect of the business but also made sure to take part in EESG initiatives to address sustainability issues at the broader scale. <i>Reference:</i> • 2024 Economic, Environmental, Social, and Governance	
2. Company adopts a globally recognized standard/framework in reporting sustainability and non-financial issues	COMPLIANT	The Company's initiatives focused on environmental issues as well as social issues namely fair employment, training and development, and the well-being of the employees. <i>Reference:</i> • 2024 Economic, Environmental, Social, and Governance	

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	The official website of the company is https://www.llibi.com . We also maintain a LinkedIn page at https://www.linkedin.com/company/lacson-and-lacson-insurance-brokers-inc .	
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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	The Company's internal control system relies on the implementation and determination of the efficiency and sufficiency of the company policies on employee conduct, compliance policies, and data management. The Management Committee shall immediately report and escalate as needed, and coordinate to issue recommendations and address any noted weakness or discrepancy. <i>Reference:</i> • Code of Business Conduct and Ethics	
2. Company has an adequate and effective enterprise risk management framework in the conduct of its business.	NON-COMPLIANT		Due to the size and nature of the company, no formal enterprise risk management framework is in place.

Recommendation 12.2

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.	NON-COMPLIANT		Due to the size and nature of the company, there is no independent internal audit function in place. The Company has approved engaging an independent third-party service provider for the outsourced conduct of the internal audit function.
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Recommendation 12.3

1. The company has a qualified Chief Audit Executive (CAE) appointed by the Board.	NON-COMPLIANT		Due to the size and nature of the company, there is no appointed Chief Audit Executive. All audit related matters are discussed and approved at the Board level.
2. CAE oversees and is responsible for the internal audit activity of the organization, including that	NON-COMPLIANT		

portion that is outsourced to a third party service provider.			
3. 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.	NON-COMPLIANT		The COO/Managing Director approved the conduct of the outsourced internal audit activity who is responsible to manage the activity and is assisted by a member of the Management Committee.
Recommendation 12.4			
1. The company has a separate risk management function to identify, assess and monitor key risk exposures.	COMPLIANT	Risk exposures are managed by the Risk and Compliance Department. They can directly communicate significant risk exposures to the Board when warranted to control issues and develop risk mitigation plan.	
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		Due to the size and nature of the company, there is no appointed Chief Risk Officer. The Risk and Compliance Department handles such matters and directly reports material exposures to the Board which, as a group, manage risks. The Department also suggests policies and provide guidance to manage or control exposures.
2. CRO has adequate authority, stature, resources and support to fulfill his/her responsibilities.	NON-COMPLIANT		
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	The rights of the Company's stockholder are detailed in the Annex A of its Corporate Governance Manual readily available and accessible at the company website: https://libi.com/about-us .	
2. Board ensures that basic shareholder rights are disclosed on the company's website.	COMPLIANT	Reference: <ul style="list-style-type: none"> • Corporate Governance Manual <ul style="list-style-type: none"> • Annex A: Rights of a Stockholder 	
Recommendation 13.2			
1. Board encourages active shareholder participation by	COMPLIANT	Notice of the time and place of stockholders' meeting shall be delivered at least ten (10) days before the date	

<p>sending the Notice of Annual and Special Shareholders' Meeting with sufficient and relevant information at least 21 days before the meeting.</p>		<p>set of such meeting and such notice includes the order of business.</p> <p><i>References:</i></p> <ul style="list-style-type: none"> • Amended By-Laws <ul style="list-style-type: none"> • Article III: Stockholders' Meeting <ul style="list-style-type: none"> ○ Section III • Corporate Governance Manual <ul style="list-style-type: none"> • Annex A: Rights of a Stockholder <ul style="list-style-type: none"> ○ Section A: Stockholders' Meeting 	
<p>Recommendation 13.3</p>			
<p>1. 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.</p>	<p>NON-COMPLIANT</p>		<p>LLIBI is a family owned and run closed corporation. Majority of its shares are owned and controlled by the Lacson family. Material information in the minutes of the meeting is promptly communicated to shareholders, and the minutes are maintained by the Corporate Secretary.</p> <p>Pursuant to Annex A of the Corporate Governance Manual, a stockholder has a right to ask questions to the board, including questions relating to the annual external audit, to place items on the agenda of general meetings, and to propose resolutions, subject to reasonable limitations.</p> <p>In the 2024 stockholders' meeting, stockholders asked questions, and the Directors provided sufficient responses.</p>
<p>2. 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>NON-COMPLIANT</p>		
<p>Recommendation 13.4</p>			
<p>1. Board has an alternative dispute mechanism to resolve intra-corporate disputes in an amicable and effective manner.</p>	<p>COMPLIANT</p>	<p>The Company's Alternative Dispute Resolution is outlined in its Corporate Governance Manual and is summarized as follows:</p> <p>Dispute Resolution System</p> <p>Step 1. Prevention</p> <p>Step 2. Negotiation</p> <p>Step 3. Third Party Assistance</p> <p>Step 4. Third Party Decision through Arbitration</p>	
<p>2. The alternative dispute mechanism is included in the company's Manual on Corporate Governance.</p>	<p>COMPLIANT</p>		

		<i>Reference:</i> <ul style="list-style-type: none"> • Corporate Governance Manual <ul style="list-style-type: none"> • Section IX Alternative Dispute Resolution <ul style="list-style-type: none"> ○ C. Dispute Resolution System 	
Duties to Stakeholders			
Principle 14: 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.			
Recommendation 14.1			
1. Board identifies the company's various stakeholders and promotes cooperation between them and the company in creating wealth, growth and sustainability.	COMPLIANT	<p>The Company holds quarterly Management Committee meetings and an annual meeting with stockholders to discuss relevant concerns. It is the Company's priority to maintain good relations with all stakeholders through an open feedback system, faithful compliance to regulations and, ethical conduct of duties and obligations. The major stakeholders include shareholders, employees, clients, partner providers, regulators, and others such as suppliers.</p> <p><i>References:</i></p> <ul style="list-style-type: none"> • Corporate Governance Manual <ul style="list-style-type: none"> • Annex A: Rights of a Stockholder • Code of Business Conduct and Ethics <ul style="list-style-type: none"> • Section III: Ethics in Your Business Relationships 	
Recommendation 14.2			
1. Board establishes clear policies and programs to provide a mechanism on the fair treatment and protection of stakeholders.	COMPLIANT	<p>Clear policies and programs for fair treatment and protection of stakeholders are detailed in the Company's Code of Business Conduct and Ethics.</p> <p><i>Reference:</i></p> <ul style="list-style-type: none"> • Code of Business Conduct and Ethics 	
Recommendation 14.3			
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	<p>Regular meetings and open communication are maintained among employees, clients, and other stakeholders. They are informed of the different communication channels wherein they can complain or raise concerns.</p> <p><i>Reference:</i></p> <ul style="list-style-type: none"> • Code of Business Conduct and Ethics <ul style="list-style-type: none"> • Section VI: Reporting Code Breaches • Section VII: Whistleblower Protection 	

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

<p>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.</p>	<p>COMPLIANT</p>	<p>Regular meetings and open communication are maintained among employees up to the Management Committee. They are informed of the different communication channels wherein they can complain or raise concerns. The Company arranges for technical trainings for employees to complement their work functions and professional development, as well as soft skills training to foster good work relationships and towards caring for their mental well-being.</p> <p>In March 2024, all employees, including those from the Company's branch offices, gathered in a town hall meeting attended by the Board of Directors to announce company's accomplishment and salary increase. During the Company-wide Christmas Party last December 2024, outstanding employees were given recognition.</p> <p><i>Reference:</i></p> <ul style="list-style-type: none"> • Code of Business Conduct and Ethics <ul style="list-style-type: none"> • Section II: Ethics in the Workplace • 2024 Economic, Environmental, Social, and Governance 	
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Recommendation 15.2

<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>The Company's Anti-Bribery and Corruption Policy is included in the Code of Business Conduct and Ethics made available to all employees, directors, and other stakeholders.</p> <p><i>Reference:</i></p> <ul style="list-style-type: none"> • Code of Business Conduct and Ethics <ul style="list-style-type: none"> • Section V: Anti-Bribery and Corruption Policy 	
<p>2. Board disseminates the policy and program to employees across the organization through trainings to embed them in the company's culture.</p>	<p>COMPLIANT</p>	<p>The Code of Business Conduct and Ethics is included in the orientation program for newly-hired employees. A copy of the Code is disseminated to all employees, regardless of employment status. A copy is also made available at the Company's website at www.llibi.com/about-us.</p>	

		<p>Included also in the orientation program for new hires is an onboarding orientation with the Risk & Compliance Department to ensure the new employees are well-informed on relevant and applicable compliance regulations.</p> <p>With the support of their managers, employees have also attended regular refresher trainings on Anti-Money Laundering.</p> <p><i>Reference:</i></p> <ul style="list-style-type: none"> • Code of Business Conduct and Ethics 	
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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.	COMPLIANT	<p>The Company absolutely prohibits retaliation of any kind for good faith reports of illegal or unethical behavior.</p> <p>Last March 2024, the Company issued a more detailed guidelines on its Whistleblowing Policy to further strengthen its enforcement.</p> <p><i>Reference:</i></p> <ul style="list-style-type: none"> • Code of Business Conduct and Ethics 	
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.	COMPLIANT	<ul style="list-style-type: none"> • Section VII: Whistleblower Protection 	
3. Board supervises and ensures the enforcement of the whistleblowing framework.	COMPLIANT	There is no reported incident of whistleblowing for the year 2024.	

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	COMPLIANT	<p>Several EESG initiatives were initiated by the Company in 2024 as part of its sustainability efforts.</p> <p><i>Reference:</i></p> <ul style="list-style-type: none"> • 2024 Economic, Environmental, Social, and Governance 	
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advancement of the society where it operates.			
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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 on MAY 13 2025

Salvador L. Lacson
CHAIRMAN OF THE BOARD/ PRESIDENT/ CEO
Signature over printed name

Nicolas Benigno Y. Lacson
CHIEF OPERATING OFFICER
Signature over printed name

Atty. Gay Christine Cortes-Lopez
CORPORATE SECRETARY
Signature over printed name

Dr. Brian Michael I. Cabral
INDEPENDENT DIRECTOR
Signature over printed name

Atty. Jose Mario C. Buñag
INDEPENDENT DIRECTOR
Signature over printed name

Jeena Vianca N. delos Reyes
CORPORATE GOVERNANCE COMPLIANCE OFFICER
Signature over printed name

SUBSCRIBED AND SWORN to before me this ___ day of MAY 13 2025, 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:

- | NAME | ID NO. | DATE/PLACE ISSUED |
|-------------------------------------|--------|-------------------|
| 1. Salvador L. Lacson | | |
| 2. Nicolas Benigno Y. Lacson | | |
| 3. Dr. Brian Michael I. Cabral | | |
| 4. Atty. Gay Christine Cortes-Lopez | | |
| 5. Atty. Jose Mario C. Buñag | | |
| 6. Jeena Vianca N. delos Reyes | | |

ATTY. GERVASIO B. ORTIZ, JR.
Notary Public City of Makati
Until December 31, 2026
IBF No. 05729, Welfare Member
MCLE Compliance No. VII-0022734
valid until April 14, 2025
Appointment No. M-007 (2025-2026)
PTR No. 10466005 Jan. 5, 2025
Makati City Roll No. 40091
101 Urban Ave. Campos Rueda Bldg.
Brgy. Flo Del Pilar, Makati City

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