ANNEX B

Manual On Corporate Governance
of
FREEDOMLIFE PLAN CORPORATION

I.
Introduction and Purpose

This Manual on Corporate Governance outlines the framework of Freedomlife Plan Corporation ("Company" or "Corporation") for implementing good corporate governance practices within its organization. This Manual sets standards and policies on the manner that the Corporation manages its operations, defines roles and responsibilities, enhances ethical conduct, and facilitates effective oversight for the protection of all stakeholders and its clients.

This Manual is intended to complement, and not replace, any applicable laws and regulations governing the Company. In the event of any inconsistency between this Manual and the Company's laws, regulations, charter, or by-laws related to corporate governance, the provisions of the applicable laws or regulations shall prevail. The Board of Directors reserves the right to amend or revise this Manual periodically, at its discretion, to ensure it aligns with the Company's fiduciary duties and responsibilities to its stakeholders.

The Board of Directors, Management, officers, and personnel of the Company hereby commit themselves to adhere to the principles and best practices of good corporate governance contained in this Manual for the attainment of their corporate goals.

II.
The Board of Directors

A. Board Charter

The Board of Directors shall exercise the corporate powers, conduct all business, and control all properties of the corporation. The Board shall be primarily responsible for governing the corporation, sustaining the profitability and competitiveness of the business, and conducting itself with utmost integrity in the discharge of its responsibilities, powers, and functions.

Directors shall be elected for a term of one (1) year from among the holders of stocks registered in the Company's books. Each director shall hold office until the successor is elected and qualified. A director who ceases to own at least one (1) share of stock shall cease to be such.

An Independent Director is a person who, apart from the shareholdings and fees received from the Company, is independent of management and free from any business or other relationship which could interfere with the exercise of independent judgment in carrying out the responsibilities of a director.

The directors must have a level of experience and/or knowledge relevant to the Company's nature of business. The primary responsibility of the Board is to steer the organization towards sustainable success while safeguarding stakeholder interests. It takes on a fiduciary role, requiring honesty and integrity in the performance of its duties.

Specifically, the roles and responsibilities of the Board are to, among others:

1. Define the organization's long-term mission, vision, and values, ensuring alignment with stakeholder expectations;

2. Approve and monitor the implementation of strategic plans, adapting to market shifts and emerging opportunities;

3. Regularly assess organizational performance against strategic goals and adjust priorities as needed;

4. Oversee financial health by approving annual budgets, major capital expenditures, and resource allocation;

5. Review financial statements, ensure transparency in reporting, and monitor compliance with relevant standards;

6. Establish frameworks to identify, assess, and mitigate financial, operational, and reputational risks;

7. Hire, supervise, and evaluate the senior management;

8. Set performance metrics and compensation aligned with organizational goals;

9. Develop leadership pipelines to ensure continuity in executive roles;

10. Ensure compliance with relevant laws, rules, and regulations;

11. Act in the best interests of shareholders and stakeholders, avoiding conflicts of interest and prioritizing organizational welfare;

12. Provide transparent communication;

13. Address economic, environmental, social, and governance (EESG) issues, fostering ethical practices and community trust;

14. Adopt governance frameworks, codes of conduct, and conflict-of-interest policies;

15. Safeguard organizational resources and ensure responsible use and long-term environmental sustainability;

16. Disclose material risks, financial performance, and governance practices in annual reports;

17. Maintain dialogues with employees, customers, regulators, and investors to align actions with stakeholder needs;

18. Conduct regular assessments to redefine practices and address skill gaps; and

19. Engage in training to stay informed on industry trends, regulatory changes, and governance best practices.

B. Board Composition

The Board shall be composed of the number of directors in accordance with the Company's Articles of Incorporation. It shall have at least two (2) independent directors or twenty percent (20%) of the members of the board, whichever is higher. An independent director is barred from serving in such capacity after the term limit of nine years. In the instance that the company retains an independent director in the same capacity after nine years, the Board shall provide meritorious justification and seek shareholders' approval during the annual shareholders' meeting.

C. Board Strategy Execution

The Board shall lead in strategy development and execution through the following process: First, establishing goals and objectives which are specific, measurable, attainable, relevant, and time-bound. Second, allocating resources to achieve the set of objectives. This may include allocating human, financial, and technological resources. Third, developing action plans that specify the tasks, timelines, and accountability. Fourth, executing the plan. Fifth is monitoring and evaluation, which involves tracking the execution process, reporting of feedback, and adjusting the strategy as may be necessary.

The business objectives and strategy shall undergo a comprehensive review annually. This review will assess the alignment of the Company's objectives with its overall mission and vision, evaluate the effectiveness of current strategies, and identify any necessary adjustments or improvements. The review process will involve key stakeholders and will take into account internal performance, market conditions, industry trends, and other relevant factors. Based on the findings, the Board will make any necessary updates to ensure the continued success and growth of the Company.

D. Duties of Each Director Individually and the Board Collectively

Each director has the duty to diligently attend board meetings, whether physically or virtually as may be allowed by the Revised Corporation Code (R.A. 11232), Securities and Exchange Commission (SEC) memorandum circulars such as MC No. 6-2020, or other laws or issuances, and to act on a fully informed basis in good faith for the best interest of the company. Each director shall review the meeting materials for all Board and Committee meetings at least two (2) days before each scheduled meeting. In the exercise of his/her leadership roles, he/she shall always observe integrity, transparency and accountability. Directors with material interest in a transaction affecting the corporation should abstain from taking part in the deliberations on the transaction.

In order to achieve the corporate goals and foster long-term and sustainable success, the Board shall periodically review, develop, and implement the Corporation's vision, mission, core values, business objectives and strategies, every year. The Board shall appoint management executives and key officers of proven competence and integrity. The Board shall be 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). The Board shall be responsible to assess the performance of such Management team every year through an evaluation questionnaire.

The members of the Board of Directors shall exercise discretion when accepting directorships and other positions outside of the Corporation. The ability of directors to diligently and effectively fulfill their duties and responsibilities to the Corporation should not be impaired. To this end, a director must inform the Board of their current directorships prior to accepting a directorship in another company. It is the policy of this company that non-executive directors can only concurrently serve in a maximum of five publicly-listed companies to ensure that they have sufficient time to fully prepare for meeting, challenge Management's proposals/views, and oversee the long-term strategy of the company. Executive directors cannot serve in more than two boards of listed companies outside of the group. The Board of directors should meet at least six (6) times during the year.

The Board shall establish a comprehensive system that, at a minimum, outlines clear criteria and processes for evaluating the performance of the Board, individual directors, and committees. This system shall include, but is not limited to, structured assessment and self-assessment forms to evaluate performance against established benchmarks. Additionally, the system will incorporate a feedback mechanism that allows shareholders to provide input on the effectiveness of the Board and its members, ensuring transparency and accountability in the governance process.

The Board affirms the Company's commitment to conducting business with the highest level of integrity, transparency, and in compliance with all applicable anti-corruption laws and regulations. Therefore, the Board commits to adhere to the code of conduct and anti-corruption policy as stated in this Manual.

E. Board Nomination and Diversity Policy

The Company is committed to fostering a diverse and inclusive Board of Directors, recognizing that diversity in its composition enhances the Board's effectiveness, promotes innovation, and contributes to sound decision-making. This policy aims to ensure that the Board reflects a wide range of experiences, backgrounds, skills, and perspectives.

The Board will strive to maintain diversity in areas such as gender, age, ethnicity, professional background, and expertise. The Corporate Governance Committee will periodically assess the Board's composition and ensure that diversity is considered in the selection and appointment of Directors. For this purpose, the committee shall submit a progress report in achieving its objectives. The Qualifications and Disqualifications of Directors and Officers as provided in Section 11 of the Pre-Need Code of the Philippines (R.A. 9829) are hereby adopted and reproduced below:

> SEC. 11.Qualification and Disqualification of Directors and Officers. – To maintain the quality of management of pre-need companies and afford better protection to planholders and beneficiaries, the Commission shall prescribe, pass upon and review the qualifications and disqualifications of individuals elected or appointed directors or officers of pre-need companies, including its actuaries, and disqualify those found unfit. The Commission may disqualify, suspend or remove any director or officer who commits or omits an act which renders him unfit for the position.
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> In determining whether an individual is fit and proper to hold the position of a director or officer of a pre-need company, regard shall be given to his integrity, experience, education, training and competence. The following persons, and those determined by the Commission to be unfit, shall in no case be allowed to serve or act in the capacity of an officer, employee, director, consultant or sales counselor of any pre-need company:
> (a) Any person convicted of any crime involving any pre-need plan, security or financial product;
> (b) Any person convicted of an offense involving moral turpitude or involving fraud or embezzlement, theft, estafa or other fraudulent acts or transactions;
> (c) Any person who, by reason of any misconduct, is enjoined by order, judgment or decree by any court, quasi-judicial body or administrative agency of competent jurisdiction from acting as a director, officer, employee, consultant, agent or occupying any fiduciary position;
> (d) Any person found by the Commission to have willfully violated or willfully aided, abetted, counseled, commanded, induced or procured the violation of this Code, the Insurance Code, the Securities Regulation Code or any related laws and any rules or orders thereunder;
> (e) Any person judicially declared to be insolvent or incapacitated to contract; and
> (f) Any person found guilty by a foreign court, regulatory authority or government agency of the acts or violations similar to any of the acts or misconduct enumerated in the foregoing paragraphs: Provided, That conviction in the first instance shall be considered as sufficient ground for disqualification.

Each director shall be nominated and chosen with regard to the person's integrity, experience, education, training, and competence that is relevant to the pre-need memorial industry, with the end view that the Board shall have an appropriate mix of competence, knowledge, and expertise. Recognizing that each gender has its own strength to contribute to the Corporation, there shall be no gender bias, and the Board shall always have at least one (1) male and one (1) female member at all times.

The Board will be evaluated based on industry standards, including the following: independence and diversity, effective leadership, clear governance framework, strategic planning, risk management framework, accountability, regular and productive meetings, and feedback from shareholders.

The Board will review and update this policy periodically to ensure its ongoing relevance and effectiveness.

F. Training and Orientation program

First time directors shall undergo an eight (8) hour orientation and training program in order for the director to be prepared for the position and be equipped with the necessary knowledge and familiarity with the Corporation and its industry, so that the director will be guided in making sound decisions for the company.

Current directors shall keep abreast with best practices of corporate governance in the industry by undergoing a continuing training of eight (8) hours every year with a reputable and government-accredited training provider.

The training program for first-time directors will address topics related to corporate governance, an overview of the Corporation's business, its Articles of Incorporation, and its Code of Conduct. The annual continuing training program will include courses on corporate governance issues pertinent to the Corporation, such as audit, internal controls, risk management, sustainability, and strategy.

III.
Board Committees

A. Audit Committee

I. Purpose

The Audit Committee (the "Committee") is established to support the Board in fulfilling its governance responsibilities by strengthening its oversight of the following:

- the Company's financial reporting and internal control systems;
- internal and external audit processes;
- compliance to applicable laws, rules and regulations; and
- review conducted by the Insurance Commission (IC)

The Committee shall maintain transparency, integrity, accountability and confidentiality in carrying out its duties and responsibilities set forth in this Charter.

II. Membership

As a recommended corporate governance policy by the Security Exchange Commission (SEC) and adopted by the Insurance Commission (IC) for the Annual Corporate Governance Report (ACGR), the Audit Committee shall be composed of at least three (3) non-executive directors, majority of whom shall be independent directors including the Chairman of the Committee. The Chairman shall not be the Chairman of the Board or any other board committees.

All the members of the Committee shall be appointed by the Board. They must have relevant knowledge, skills, and/or experience in general accounting, financial reporting and analysis, internal control and accounting systems, and audit processes. The Committee shall also ensure that its members are updated with relevant updates in accounting and auditing standards, regulatory requirements and best practices in the industry.

III. Meetings

The Audit Committee shall convene at least once every quarter or more frequently as needed. As a recommended corporate governance policy by the SEC and adopted by the IC for the ACGR, the Committee shall also meet with the external audit team at least twice a year without the presence of the management.

A quorum shall be established when a majority of the Committee members are in attendance, either in person or through teleconference, video conference, or other similar means. The Committee shall determine the date, time, place, attendees and agenda of such meetings and ensure that the attendees are notified within a reasonable time.

The Committee shall assign a Committee Secretary who shall be responsible for maintaining the minutes and other records of its meetings and activities.

IV. Authority

The Audit Committee is authorized by the Board to:

- Conduct any activities within its scope of responsibility.
- Seek any information needed from any members of the organization, including the company's management, in the performance of its duties and responsibilities.
- Consult with external auditors, accountants, counsels, and other consultants as deemed necessary.

V. Duties and Responsibilities

The key duties and responsibilities of the Audit Committee are as follows:

Financial Reporting

- Oversee the management's responsibility of the timely, complete, accurate and fair preparation of financial statements in compliance with applicable reporting standards and regulatory requirements.
- Review and discuss with the management and the independent auditors as applicable, the company's financial statements and other relevant reports or financial information to be submitted to the Board or any regulatory bodies.
- Review and discuss with the management any issues that may affect the quality and integrity of the company's financial statements and confer any matters that may have a material financial impact on the company.

- Recommend resolutions to significant financial reporting issues and disputes.

Internal Control

- Monitor and assess the effectiveness of the company's internal control systems.
- Identify and discuss with the management the financial, operational and compliance risks of the company and recommend actions to mitigate these exposures.

Internal Audit

- Oversee the internal audit function.
- Review and approve internal audit plans and the scope and frequency of audits.
- Review audit reports, findings, and recommendations by the Internal Audit and ensure the management takes necessary efforts to correct deficiencies and address weaknesses.
- Review and recommend the Internal Audit Charter for Board approval.
- Approve the appointment and removal of the internal auditor.
- When applicable, review and approve the terms and conditions of outsourcing internal audit services.

External Audit

- Recommend the appointment, reappointment, removal and replacement of the external auditors of the company, to be approved by the Board and ratified by the shareholders. See Appendix A.
- Approve all auditing and non-auditing services to be conducted by the external auditors.
- Assess the external auditor's integrity, objectivity and independence. The lead partner must be rotated every five (5) years.
- Conduct a review and evaluation of the external auditor's accreditations, professional qualifications and performance at least once a year.
- Ensure that the external auditor has adequate quality control procedures and has competent ability to understand complex related party transactions.
- Review and monitor the audit process ensuring that its performance is in accordance with the relevant professional and regulatory standards and requirements.
- Ensure that the nature and scope of non-audit services performed by the external auditor is properly disclosed and is not in conflict with its audit functions.
- Deal with any potential conflict of interest that may arise from non-audit engagements.
- Review and propose to the Board the external auditor's compensation taking into consideration that the fees for non-audit services must not outweigh the fees for audit services.
- Review audit reports and ensure that the management takes necessary actions to address the findings and issues identified.
- Oversee the resolutions of any disagreements between the management and the external auditors.

Compliance

- Ensure the company's compliance with the Pre-Need Code of the Philippines and to the rules, regulations and requirements as provided by the Insurance Commission (IC), the Securities and Exchange Commission (SEC), Bureau of Internal Revenue (BIR), the Anti-Money Laundering Council (AMLC), local government units (LGUs) and other regulatory agencies.
- Conduct periodic compliance review on fund management and investment policies.
- Review the systems and processes in place to ensure compliance to all applicable legal and regulatory requirements.

VI. Amendment

The Charter shall be reviewed and assessed by the Committee at least annually to maintain its relevance and effectiveness, and to comply with applicable laws, regulations, and best practices in governance. Any proposed amendment and/or revisions thereto shall be subject to the approval of the Board.

B. Corporate Governance Committee

The Corporate Governance Committee shall be responsible for assisting the Board in the performance of its corporate governance responsibilities. It shall be composed of at least three (3) members, all or majority of whom should be independent directors, including its chairperson, to ensure impartial oversight and alignment with regulatory standards. The Committee shall meet at least twice a year to ensure the performance of its functions.

The committee's primary responsibilities include developing and reviewing corporate governance policies, overseeing board composition and structure, and ensuring compliance with legal and ethical standards. It leads board evaluations, assessing director independence, diversity, and performance, while spearheading succession planning for the senior leadership to ensure continuity. It is tasked to undertake the process of identifying the quality of directors aligned with the company's strategic direction, foremost of which are: competence, independence and integrity. Furthermore, the committee shall also be responsible for duties that may have been formerly assigned to a Nomination and Remuneration Committee, if any.

The committee also reviews its economic, environmental, social, and governance (EESG) initiatives not managed by other committees and evaluates shareholder proposals to safeguard stakeholder interests. Additionally, it establishes director nomination criteria, oversees onboarding and training programs, and ensures adherence to governance frameworks through regular audits and updates to charters or bylaws.

Empowered to engage external advisors for audits or investigations, the committee reports directly to the board, providing transparency on governance risks and recommending enhancements to policies or committee structures. By maintaining rigorous oversight of ethical practices, regulatory compliance, and strategic governance alignment, the committee reinforces organizational accountability and long-term sustainability.

The committee shall be evaluated based on the following standards: effectiveness of oversight and accountability, adherence to governance best practices, and training and development.

C. Board Risk Oversight Committee

The Board Risk Oversight Committee (BROC) shall be responsible for the oversight of the Company's Enterprise Risk Management system or its equivalent to ensure its functionality and effectiveness.

The BROC has the responsibility to assist the Board in ensuring that there is an effective and integrated risk management process in place so that the Board and top management will be in a confident position to make well-informed decisions, having taken into consideration risks related to significant business activities, plans and opportunities.

It shall be composed of at least three (3) members, the majority of whom should be independent directors, including the Chairperson. The Chairperson should not be the Chairperson of the Board or of any other committee. At least one (1) committee member must have relevant thorough knowledge and experience on risk and risk management.

The BROC has the following duties and responsibilities among others:

1. Develop a formal Enterprise Risk Management Plan;
2. Oversee the implementation of the Enterprise Risk Management Plan;
3. Evaluate the Risk Management Plan to ensure its continued relevance, comprehensiveness, and effectiveness;
4. Advise the Board on the risk levels and its limits;
5. Review the Company's risk appetite levels and risk tolerance limits;
6. Assess the probability of each identified risk and estimate its potential impact on the Company;
7. Provide oversight over Management's activities primarily focused on risk exposures; and
8. Report to the Board on a regular basis, or as deemed necessary, the risk exposures, actions taken, and recommendations.

The committee shall be evaluated based on the following standards: Risk Management Framework and Strategy, Risk Identification and Assessment, and effectiveness of risk mitigation and controls.

D. Related Party Transactions Committee

The Related Party Transactions (RPT) Committee shall be responsible for reviewing all material related party transactions of the company and other unusual or infrequently occurring transactions.

It shall be composed of at least three (3) non-executive directors, two of whom should be independent, including the Chairperson, ensuring impartial oversight of transactions involving directors, executives, major shareholders, or affiliated entities. Members are selected for their expertise in finance, law, or regulatory compliance, , and are required to recuse themselves from deliberations where conflicts arise.

The committee's primary role is to review, approve, and monitor all material RPTs—such as loans, asset sales, service agreements, or trust fund engagements—to ensure they are conducted at arm's length terms, with reasonable pricing and conditions comparable to market benchmarks.

To guarantee fairness, transparency, and efficiency of the transaction review, the Committee shall give its evaluation within seven (7) days from the time a transaction is referred to it.

Responsibilities include establishing materiality thresholds, maintaining a centralized RPT registry, and requiring third-party valuations for complex or high-value deals to validate fairness.

The committee collaborates with the Audit Committee to assess financial disclosures, while reviewing quarterly reports on RPT trends, aggregate exposures, and deviations from approved terms. It also oversees updates to the RPT policy and ensures timely public disclosures in annual reports and governance filings. By conducting annual audits of RPT processes and benchmarking practices, the committee safeguards stakeholder interests, mitigates conflicts, and reinforces accountability in line with the company's ethical and fiduciary obligations. Regular reporting to the Board and shareholders, coupled with authority to engage external advisors for independent reviews, ensures transparency and trust in the integrity of RPT governance.

The Related Party Transaction Policy, along with other Key Policies, is set forth in the next section.

IV.

Key Policies and Frameworks

A. Related Party Transaction Policy

Related Party Transactions (RPTs) are those dealings between entities or individuals who share a pre-existing relationship, such as common ownership, management, or familial ties. Due to their potential for conflicts of interest and misuse of resources, the Company lays down the guidelines for proper monitoring and oversight of RPTs.

As defined in this section, a Related Party refers to a person or entity which exerts direct or indirect control over the Company or which the Company exerts direct or indirect control over. It includes, but is not limited to, the following:

1. Parent companies and subsidiaries,
2. Affiliated businesses (i.e., joint ventures and sister companies)
3. Key personnel (i.e., directors, executives, major shareholders) and their immediate families; and
4. Entities and/or organizations under common control.

Accordingly, the Company adopts a framework of disclosure, approval, and thresholds to ensure transparency and to avoid preferential treatment.

There are two (2) thresholds: Disclosure Only, and Approval Required. All Board members are mandated to disclose self-dealings and RPTs. Matters with a threshold amount of One Million Pesos (P1,000,000.00) require approval from majority of the members of the Board. The aggregate amount of RPTs within any twelve (12) month period should be considered for purposes of applying the thresholds for approval. Furthermore, the approval of non-related party shareholders will be required for Material RPT transactions if the affirmative vote of a majority of the independent directors is not obtained. In such cases, the Material RPT may be ratified by the vote of stockholders holding at least two-thirds (2/3) of the outstanding capital stock of the Company.

A contract of the Company with one (1) or more of its directors, officers, or their spouses and relatives within the fourth civil degree of consanguinity or affinity is voidable, at the option of the Company, unless all the following conditions are present:

(a) The presence of such director in the board meeting in which the contract was approved was not necessary to constitute a quorum for such meeting;

(b) The vote of such director was not necessary for the approval of the contract;

(c) The contract is fair and reasonable under the circumstances;

(d) Material contracts are approved by at least two-thirds (2/3) of the entire membership of the board, with at least a majority of the independent directors voting to approve the material contract; and

(e) In case of an officer, the contract has been previously authorized by the Board.

Where any of the first three (3) conditions set forth in the preceding paragraph is absent, in the case of a contract with a director, such contract may be ratified by the vote of the stockholders representing at least two-thirds (2/3) of the outstanding capital stock or of at least two-thirds (2/3) of the members in a meeting called for the purpose: Provided, That full disclosure of the adverse interest of the directors involved is made at such meeting and the contract is fair and reasonable under the circumstances.

The committee shall be evaluated based on the following standards: compliance with legal and regulatory requirements, identification and approval of related party transactions, and fairness, risk management, and conflict of interest.

B. Succession Planning Policy

Succession planning is an ongoing process that involves identifying, evaluating, and developing individuals to maintain the Corporation's effectiveness through leadership continuity, ensuring stability and confidence among stakeholders during periods of change.

The Board shall be responsible for implementing an effective succession planning program for directors, key officers, and management, in accordance with the following guidelines:

1. Identification of key positions critical to the Company's success.

2. Development and implementation of training and mentoring programs to prepare internal candidates for leadership roles.

3. The Corporate Governance committee shall be tasked with identifying potential candidates for the succession plan.

4. The succession plan may incorporate the rotation of directors through committee chairmanships to strike a balance between continuity and leadership renewal.

C. Retirement Policy for Directors and Key Officers

The purpose of this Retirement Policy is to establish clear guidelines regarding the retirement and tenure of Directors, ensuring that the Board remains effective, diverse, and responsive to the needs of the Company, while maintaining compliance with good governance practices.

Directors may continue to serve as such regardless of age as long as they fit to work and able to serve the needs of the Company.

The Corporate Governance Committee will conduct an annual review of each Director's performance, considering their contributions to the Board's effectiveness, expertise, and independence. Directors who are subject to retirement will be assessed based on their ongoing ability to provide value to the Company and its shareholders.

This policy shall also be applicable to the Key Officers and Senior Executives. Furthermore, this Retirement Policy will be reviewed periodically by the Corporate Governance Committee to ensure its alignment with evolving corporate governance standards and the Company's strategic needs.

D. Remuneration policy

The Board shall establish and implement a policy outlining the relationship between the remuneration and performance of Board members and executives, ensuring alignment with the long-term interests of the Corporation. Key factors in determining appropriate compensation include the following:

1. Remuneration should be commensurate with the responsibilities of the position.
2. Any incentives or bonuses must be performance-based.
3. Directors shall not participate in discussions or decisions regarding their own remuneration.
4. A deferred bonus program may be implemented, allowing a portion of the bonus to be paid upon retirement or honorable dismissal.
5. Senior executives and key officers found guilty of fraud, significant financial loss, or misconduct, following due process, may face penalties through a clawback provision, requiring the return or recovery of previously distributed bonuses or incentives.

E. Nomination and Election policy

The Board shall adopt and implement a transparent nomination and election policy. The Corporate Governance Committee shall announce to all shareholders that it is accepting nomination for members of the Board at least forty-five (45) days before the election in order to encourage nominations from shareholders. Minority shareholders can nominate their candidates through submission of names to the Corporate Governance Committee. The expertise, education, skills, and integrity of a candidate shall be considered in order to assess that the candidate is aligned with the strategic direction of the Corporation. The Board may enlist the services of professional search firms or external sources when searching for candidates to the Board.

In addition to the qualification for membership to the Board of Directors as provided in the Revised Corporation Code and other pertinent laws, the Board may provide for additional qualifications to shortlist candidates, which includes the following:

1. Experience in business and in the field of memorial service;
2. Educational attainment;
3. Reputation for hardwork, reliability, and integrity;
4. Performance rating of the current Board

This Nomination and Election Policy will be reviewed periodically by the Board through the Corporate Governance Committee to ensure the effectiveness, fairness, and transparency of the process of nomination, election or replacement of a director. The Committee shall also include the review of the quality of directors that is aligned with the strategic direction of the company.

F. Insider Trading Policy

The Company's Insider Trading Policy strictly prohibits directors, officers, employees, and affiliated parties from trading securities (e.g., shares, bonds) while in possession of material non-public information—such as unreleased financial results, pending mergers, trust fund adjustments, or regulatory actions—ensuring compliance with the relevant Philippine laws.

Training programs, to be conducted periodically, will educate stakeholders on identifying material non-public information and reporting breaches through a secure whistleblower system.

G. Performance Management Framework

The Board, through the Corporate Governance Committee, shall adopt an effective performance management framework that ensures that the Management's performance is at par with the standards set by the Board. The Board shall also adopt an effective performance management framework that ensures that personnel's performance is at par with the standards set by the Board and Senior Management.

The Board shall set Key Performance Indicators (KPIs) and Specific, Measurable, Achievable, Realistic, and Timely (SMART) goals either on an annual, biannual, and/or quarterly basis. It shall be assessed and evaluated on a periodic basis, which shall be reported to the Board.

The performance of the Management and personnel shall be regularly monitored and adjusted accordingly through continuous feedback mechanisms to ensure management performance aligns with the strategic objectives set by the Board and the Senior Management. Feedback shall be invited from peers, subordinates, and supervisors to provide a well-rounded view of one's performance. Employees who perform well shall be recognized and rewarded, either financially or non-financially, which helps in boosting morale and motivation. Coaching method shall be utilized for employees who need more mentoring for development and career growth.

V.

Duties of Key Personnel

A. The Chairman of the Board

The Chairman of the Board primarily provides leadership to the Board of Directors, ensuring its effective operation and setting the tone for governance practices. The Chairman is responsible for presiding over Board meetings, ensuring that all Directors are given the opportunity to voice their views, and that meetings are conducted in a fair, transparent, and effective manner, with proper agenda setting and adequate time for discussion of important matters. He/She shall provide strategic guidance, assisting the Board in setting long-term goals, and overseeing the implementation of corporate strategies. Furthermore, the Chairman may represent the company in dealings with major stakeholders, including shareholders, regulators, and external parties. The Chairman shall also be involved in overseeing the performance evaluation of the Board and its committees, ensuring that each Director's contribution is evaluated, and governance practices are continually enhanced.

B. The Chief Executive Officer

The Chief Executive Officer (CEO) is the highest-ranking executive in the company, responsible for overseeing the overall operations, strategy, and performance. He/She shall provide strategic leadership, developing and implementing the company's vision, mission, and strategic goals. The CEO ensures that the company is moving in the right direction to achieve long-term growth and profitability, and makes key decisions in corporate matters, including investments, acquisitions, and other major business initiatives.

The CEO works closely with the board to ensure the company is aligned with its goals. He/She reports to the Board of Directors, providing them with updates on the company's performance, and making recommendations for major decisions.

The CEO leads the executive team and senior management, fostering a positive corporate culture, and ensuring the company attracts and retains top talent.

C. The Corporate Secretary

The Corporate Secretary must be a Filipino citizen and a resident of the Philippines. He/She serves as a key officer for the corporation's compliance and governance framework and should have exceptional organizational skills. Among the duties of the position are: scheduling and documenting board meetings, record keeping, legal compliance, board support, filing and reporting, and other responsibilities.

The Corporate Secretary is a separate individual from the Compliance Officer and may or may not be a member of the Board of Directors. The Corporate Secretary shall also undergo the same training program as the Board.

The Corporate Secretary shall distribute the materials for board meetings at least five business days before the scheduled meeting.

D. The Compliance Officer

The Compliance Officer is a key officer in ensuring that the Corporation adheres to all relevant laws, regulations, and policies. The Compliance Officer shall be mainly responsible for regulatory compliance, risk management, and policy development and implementation. The Compliance Officer shall promote a culture of integrity and ethical business practices within the company.

The Compliance Officer must be a Filipino citizen, resident of the Philippines, and may or may not be a member of the Board of Directors.

VI.

Internal Control System

A. Audit System

1. Internal Audit

The Company's Internal Audit Department shall provide independent and objective assurance and advisory services to the Corporation. It shall review, audit and report on the effectiveness of the Corporation's controls, taking into account the nature and complexity of the business and the business culture; the volume, size and complexity of transactions; the degree of risk; the degree of centralization and delegation of authority; the extent and effectiveness of information technology and regulatory compliance.

The Internal Audit Department shall perform its work in adherence to the Institute of Internal Auditors' "Code of Ethics" and the Corporation's Code of Conduct and Ethics. It shall also conduct its activities in accordance with the International Standards for the Professional Practice of Internal Auditors and guided by the COSO framework of internal control.

It shall perform its auditing functions faithfully by maintaining its independence from the Management and the controlling shareholders. Its specific duties and responsibilities are as follows:

a) Assist the Board of Directors and the Audit Committee in discharging its governance responsibility;
b) Provide an independent risk-based assurance service to the Board, Audit and Risk Oversight Committee and Management, focusing on reviewing the effectiveness of the governance and control processes in (1) promoting the right values and ethics, (2) ensuring effective performance management and accounting in the organization, (3) communicating risk and control information, and (4) coordinating the activities and information among the Board, external and internal auditors, and management;

c) Perform regular and special audit as contained in the annual audit plan and/or based on the Corporation's risk assessment;
d) Perform consulting and advisory services related to governance and control as appropriate for the organization;
e) Evaluate and provide reasonable assurance that risk management, control, and governance systems are functioning as intended and will enable the Corporation's strategy, objectives and goals to be met;
f) Report risk management issues and internal controls deficiencies identified directly to the Audit Committee and provide recommendations to improve the company's operations, in terms of both efficient and effective performance;
g) Evaluate information security and associated risk exposures;
h) Evaluate regulatory compliance program with consultation from legal counsel and other relevant units or external advisors, as may be necessary;
i) Perform compliance audit of relevant laws, rules and regulations, contractual obligations and other commitments, which could have a significant impact on the organization;
j) Review, audit and assess the efficiency and effectiveness of the internal control system of all areas of the Corporation;
k) Evaluate operations or programs to ascertain whether results are consistent with established objectives and goals, and whether the operations or programs are being carried out as planned;
l) Evaluate the Corporation's readiness in case of business interruption; Maintain open communication with Management and the Audit Committee;
m) Team with other internal and external resources as appropriate for assurance and advisory work;
n) Evaluate specific operations at the request of the Board Management, as appropriate;
o) Engage in continuous education and staff development; and
p) Provide support to the Corporation's anti-fraud and whistleblower programs.

Internal Audit Charter

Introduction

Internal auditing is an independent, objective assurance and advisory service designed to add value and improve an organization's operations. It helps an organization accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of governance, risk management, and control processes. Freedomlife Plan Corporation (FLPC), herein referred to as the "Company", establishes this Internal Audit Charter (IAC) to provide an understanding of the roles, duties and responsibilities of Internal Audit Team, including its functions and scope under the policies set forth by the Management and those charged with governance of the Company.

Policy Statement

It is the policy of FLPC to establish and support an Internal Audit (IA) function as a fundamental part of its Corporate Governance practices. The Internal Audit Department (IAD) reports functionally to the Audit Committee of the Board of Directors, administratively to the Group Chief Financial Officer or his/her designate.

Moreover, this Charter safeguards the independence of the Internal Audit function of the company and defines the purpose, authority and responsibilities of the IAD. The Charter also establishes IA's position within the organization (including the nature of the Internal Audit's functional and administrative reporting lines), as well as the scope of internal audit activities, and authorizes IA's access to records, personnel and physical properties relevant to perform its activities and fulfill its objectives and responsibilities.

Purpose

The mission of the IAD is to provide full support and assistance to the Board of Directors and management of FLPC in ensuring that its operations are conducted according to the highest standards by providing an independent, objective assurance and consulting function and by advising on leading practices. Through a systematic and disciplined approach, the IAD helps FLPC accomplish its objectives by evaluating and improving the effectiveness of risk management, control and governance processes. It is also included in its scope to deliver an independent assessment of financial, regulatory and operational risks and control effectiveness through assurance and advisory services that supports the achievement of the organization's objectives and enhances shareholder value.

Standards, Conduct and Professionalism

The Internal Audit will govern itself by adherence to The Institute of Internal Auditors' mandatory guidance including the Definition of Internal Auditing, the Code of Ethics, and the International Standards for the Professional Practice of Internal Auditing. This mandatory guidance constitutes principles of the fundamental requirements for the professional practice of internal auditing and for evaluating the effectiveness of the internal audit activity's performance. The Institute of Internal Auditors' Implementation and Supplemental Guidance will also be adhered to as applicable to guide operations. In addition, the Internal Audit will adhere to FLPC's relevant policies and procedures and the Internal Audit's standard operating procedures manual.

On the other hand, IAD adheres to the standards of leading professional practices, core principles for the professional practice of internal auditing, and codes of ethics, such as those published by the Institute of Internal Auditors (IIA), the Philippine Institute of Certified Public Accountants (PICPA), the Information Systems Audit and Control Association (ISACA), and the relevant reports and recommendations of the various governing agencies such as the Securities and Exchange Commission.

Organization

Internal Audit supports the Audit Committee in the effective discharge of the Committee's oversight role and responsibility. A functioning relationship between the Department and the Audit Committee is very vital. It is part of the Audit Committee's responsibility to work closely with the Chief Audit Executive to maintain an effective internal audit function within FLPC. In turn, part of the Internal Audit Department's responsibilities is to work with the Audit Committee to co-develop expectations and reporting requirements and provide day-to-day assistance and secretariat support. A reporting protocol and process is defined and observed to ensure that the right information is provided at the appropriate time and effective interaction is achieved.

The Internal Audit Department should seek to achieve an effective and objective working relationship with FLPC's management at all times. The Department should always discharge its duties and responsibilities to provide value adding activities to management, while at the same time exercising independence and objectivity. Reporting process and protocols that ensure independence and objectivity should be observed at all times.

The Audit Head will report functionally to the Audit Committee and administratively (i.e. day to day operations) to the Chairman of the Board. The Audit Committee will

- Approve the internal audit charter and audit manual.
- Approve the risk based internal audit plan.
- Approve the internal audit budget and resource plan.
- Receive communications from the Audit Manager on the Internal Audit's performance relative to its plan and other matters.
- Approve decisions regarding the appointment and removal of the Audit Manager.

The Audit Manager will communicate and interact directly with the Audit Committee during pre-scheduled sessions during the year.

Independence and Objectivity

The Internal Audit will remain free from interference by any element in the organization, including matters of audit selection, scope, procedures, frequency, timing, or report content to permit maintenance of a necessary independent and objective mental attitude. If Internal Audit determines that independence or objectivity may be impaired in fact or appearance, the details of impairment shall be disclosed to the Audit Committee.

Moreover, internal auditors will have no direct operational responsibility or authority over any of the activities audited. Accordingly, they will not implement internal controls, develop procedures, install systems, prepare records, or engage in any other activity that may impair internal auditor's judgment. Internal auditors will exhibit the highest level of professional objectivity in gathering, evaluating, and communicating information about the activity or process being examined. Internal auditors will make a balanced assessment of all the relevant circumstances and not be unduly influenced by their own interests or by others in forming judgments. The Audit Head will confirm to the Audit Committee, at least annually, the organizational independence of the internal audit activity.

Scope of Work

Consistent with the Internal Audit roles and responsibilities cited in the charter of the Committee, the scope of internal audit work includes the review of risk management procedures, internal control systems, information systems and governance processes to ensure:

- Safeguarding of Assets
- Proper identification and management of risks
- The appropriate level of internal control exists within the company to manage and mitigate risk
- Policies, standards, procedures, and controls are adequately documented as needed
- Interaction with the various governance groups occurs as needed
- Significant financial, managerial, and operating information is accurate, reliable, and timely.
- Employees' actions are in compliance with policies, standards, procedures, and applicable laws and regulations.
- Resources are acquired economically, used efficiently, and adequately protected
- Programs, plans, and objectives are achieved
- Quality and continuous improvement are fostered in the organization's control process
- Significant legislative or regulatory issues impacting the organization are recognized and addressed appropriately.

Opportunities for improving management control, profitability and the FLPC Group's image may be identified during audits. These will be communicated to the appropriate levels of management.

In order to cover a holistic organizational overseeing methodology, IAD is authorized by this charter to conduct independent, objective (1) assurance and (2) consulting/advisory services designed to add value and improve the Company's operations.

Assurance Services are objective examination of evidence for the purpose of providing independent assessments to the Board of Directors, management, and outside parties on the adequacy and effectiveness of governance, risk management and control processes for the company. Examples of the types of engagements that would be considered assurance engagements include financial, performance, compliance, system security, and due diligence audits.

Consulting Services are advisory activities, the nature and scope of which are agreed with management, and which are intended to add value and improve the Company's governance, risk management, and control processes without the

Internal Audit assuming management responsibility and ensuring that independence is retained.

The Internal Audit also coordinates, where possible, and considers relying upon the work of other internal and external assurance and consulting service providers as needed to reduce assurance gaps, overlaps and duplication of efforts. When required, Internal Audit will investigate allegations of corruption and financial misconduct that pose a significant risk to the Company, and will provide oversight to external investigators and/or non-internal audit investigators as necessary.

Duties and Responsibilities

The Internal Audit's duties and responsibilities shall include the following, notwithstanding any other requirements that may be prescribed by the Audit Committee, the Executive Chairman and the President of the Company:

- Formulate a flexible annual audit plan using an appropriate risk-based methodology, including any risks or control concerns identified by management, and submitting the plan to the Audit Committee for review and approval.
- Implement the Annual Audit Plan, as approved, including as appropriate any special tasks or projects requested by management and the Audit Committee.
- Review the effectiveness by which risks that may threaten the achievement of organizational and financial reporting objectives are identified and managed.
- Review the reliability and integrity of the financial reporting process and operating information and the business processes used to identify, measure, classify and report such information.
- Review annually the effectiveness of the Company's internal controls, including financial, operational, information technology, compliance controls, and risk management.
- Review crisis management, business continuity and disaster recovery plans and results of the annual testing.
- Review the effectiveness of management controls meant to ensure the economic and efficient utilization of resources and achieve the Company's corporate vision and objectives.
- Review the adequacy, existence and degree of adherence to Company policies, procedures and sound business practices.
- Report the results of audit reviews and other activities in a manner that helps management address the identified risk issues/concerns and take appropriate action within a reasonable period of time.
- Appraise the adequacy of action taken by management in response to reported risk issues, control weaknesses and opportunities for improvement.
- Review the adequacy of the risk management policy and compliance thereto.
- Review the effectiveness of the risk management process and risk mitigation strategies designed by the risk owners.

- Participate in risk assessment workshops and other activities of the Risk Management Unit.
- Submit periodic reports to the Audit Committee on the status of the internal audit activity, accomplishments, key findings and recommendations.
- Report the results and implementation status of the quality assurance and improvement program and the independent external assessment conducted at least once in every five years.
- Assist in the investigations arising from whistleblower disclosures.
- Retain independent counsel, professional experts or others to assist in the conduct of an investigation, as necessary.
- Render an Internal Audit Annual Report to the Audit Committee on the Department's activity, purpose, authority, responsibility, and performance; such annual report should contain the results of the review of the risk management process and significant exposures, as well as a report on governance issues.
- Render a report to the Audit Committee that FLPC's internal audit activity for the given year has been performed in accordance with the provisions of the International Standards for the Professional Practice of Internal Auditing (ISPPIA).

<u>Internal Audit Plan</u>

At least annually, the Audit Head will submit to senior management and the Audit Committee an internal audit plan for review and approval. The internal audit plan will consist of a work schedule as well as budget and resource requirements for the next fiscal/calendar year. The Audit Head will communicate the impact of resource limitations and significant interim changes to senior management and the Audit Committee. The internal audit plan will be developed based on a prioritization of the audit universe using a risk-based methodology, including input of senior management and the Audit Committee. The Audit Head will review and adjust the plan, as necessary, in response to changes in the organization's business, risks, operations, programs, systems, and controls. Any significant deviation from the approved internal audit plan will be communicated to senior management and the Audit Committee through periodic activity reports.

The internal audit plan must:

- Be based on a documented assessment of the organization's strategies, objectives, and risks where the assessment must be performed at least annually and be informed by input from the Audit Committee and senior management as well as the chief audit executive's understanding of the Company's governance, risk management, and control processes;
- Consider the internal audit mandate and the full range of agreed-to internal audit services;
- Specify internal audit services that support the evaluation and improvement of the Company's governance, risk management, and control processes;
- Consider coverage of information technology governance, fraud risk, the effectiveness of the organization's compliance and ethics programs, and other high-risk areas;

- Identify the necessary human, financial, and technological resources necessary to complete the plan; and
- Be dynamic and updated timely in response to changes in the organization's business, risks operations, programs, systems, controls, and organizational culture, where any change thereto must be approved by the Audit Committee.

Reporting and Monitoring

A written internal audit report and/or memo will be prepared and issued by Internal Audit following the conclusion of the audit engagement and will be distributed to the appropriate management officers as deemed necessary by the Internal Audit Head. The internal audit report should include management's responses and corrective actions taken or to be taken in regard to the specific findings and recommendations. The management's responses, whether included in the original internal audit report or provided thereafter should include a timetable for anticipated completion of the action to be taken and an explanation for any corrective action that will be implemented. The status updates on the action plans shall be monitored by Internal Audit and shall form part of the reports to the Audit Committee and the Executive Chairman.

It is the overall responsibility of the Management to establish a continuous monitoring mechanism to ensure that the improvements over the controls will operate based on the accepted audit recommendations.

Internal Audit shall also report periodically to Audit Committee and the Executive Chairman regarding:

- Independence of the internal audit activities
- Conformance with the Institute of Internal Auditor's Code of Ethics and Standards, as well as action plans to address any significant non-conformance issues
- Performance relative to the audit plan
- Significant risk exposures and control issues, including fraud risks, governance issues, and other matters requiring the attention of, or requested by, the Audit Committee
- Any response to risk by management that, in the Internal Audit's judgement, may be unacceptable to the company
- Resource utilization and requirements

Quality Assurance and Improvement Program

The Chief of Audit Committee (CAE) will maintain a Quality Assurance and Improvement Program that covers all quality aspects of the internal audit activity. This program will incorporate internal resources for continuously monitoring effectiveness, as well as, periodic evaluation by independent external resources covering:

- Internal assessments including ongoing monitoring of the performance of the internal audit activity and periodic reviews performed through self-assessment or by other persons within the organization with sufficient knowledge of internal audit practices;

- External assessments conducted by a qualified independent party at least every five years

The Chief Audit Committee will periodically report to the Board through the Committee on the internal audit activity's purpose, authority, and responsibility, as well as performance relative to its plan and defined measurement criteria. In addition, the CAE will communicate to senior management and the Board through the Committee on the internal audit activity's quality assurance and improvement program, including results of ongoing internal assessments and external assessments. The details of these processes, including the manner and frequency shall be defined in the Internal Audit Manual.

2. Risk Management

The Company's Board of Directors shall implement and maintain an effective Enterprise Risk Management (ERM) framework and program for the Corporation, including on the identification, evaluation, monitoring, reporting, and management of sustainability and climate-related risks and opportunities, taking into account its size, risk profile and complexity of operations. The Risk Management Group shall support the BODs by formulating risk management strategies, developing tools and techniques for risk assessment, and monitoring and reporting on key and emerging risks.

3. External Audit

The Board, through the Audit Committee, shall recommend to the stockholders a duly accredited external auditor who shall undertake an independent audit and shall provide an objective assurance on the way in which the financial statements shall have been prepared and presented.

The external auditor and key engagement partners shall be rotated or changed in accordance with the requirements prescribed by applicable laws and regulations, such as the rotation period. The reason/s for the resignation, dismissal or cessation from service and the date thereof of an external auditor shall be reported in the Corporation's annual and current reports. Said report shall include a discussion of any disagreement with said former external auditor on any matter of accounting principles or financial statement disclosure or auditing scope or procedure, which if not resolved to the satisfaction of the former auditor, would have caused making reference to the subject matter of the disagreement in connection with its report.

4. Related Party Transactions

The Board, with the assistance of its Risk Management Group, has the overall responsibility in ensuring that transactions with related parties are handled in a sound and prudent manner, with integrity and in compliance with applicable laws and regulations to protect the interest of the Corporation's shareholders and other stakeholders.

The Board shall provide guidance in the review, approval and disclosure of RPTs to ensure that they are at arm's length and the terms are fair in accordance with the Corporation's Policy on RPT.

5. Other Activities

The minimum internal control mechanisms for Management's operational responsibility shall center on the Chief Executive Officer, being ultimately accountable for the Corporation's organizational and procedural controls.

The Internal Audit Department should submit to the Audit and Risk Oversight Committee and Management as annual report on the Internal Audit Group's activities, responsibilities and performance, relative to the audit plans and strategies approved by the Audit and Risk Oversight Committee. The annual report shall include significant risk exposures, control issues, and such other matters as may be needed or requested by the Board and Management. The Internal Audit Department should certify that it conducts its activities in accordance with the International Standards on the Professional Practice of Internal Auditing; otherwise, the External Auditor shall disclose to the Board and Management the reasons for its non-compliance.

B. Compliance Program

The Compliance Program of the company ensures compliance with relevant laws and regulations to be annually reviewed, and covers the following matters:

1. Regulatory Compliance - adherence to the Pre-Need Code and the regulations of the Insurance Commission.

2. Financial Compliance - maintaining a Trust Fund for clients' contributions and ensure transparent fund management, and the submission of annual financial reports.

3. Operational Compliance - ensures truthful and clear marketing and sales practices.

C. Information Technology Governance Process

The IT Governance Process covers issues on cyber security to protect the integrity of data and prevent system disruption and breach. The following outlines the process, to be reviewed and updated periodically:

1. Governance Structure - a steering committee may be established which includes key stakeholders (IT, management, and compliance officers) to oversee IT decisions, and the roles of the IT personnel will be defined.

2. Policy Development - this involves the creation of IT policies related to security, data management, software usage, and compliance with industry standards (e.g., Data Privacy Act).

3. Risk Management - the IT risks are identified (e.g., data breaches, system downtime) and implement mitigation strategies like backup systems and cybersecurity measures.

4. Compliance and Security - this ensures the security protocols in accordance with the policy are implemented.

5. Performance Monitoring - monitoring IT performance regularly, including system uptime, response times, and data integrity and implementing feedback loops to ensure processes are updated according to evolving business needs or technology changes.

D. Enterprise Risk Management Framework

Enterprise Risk Management (ERM) is integral to an effective corporate governance process and the achievement of the Company's objectives. As such, the Company adopts a structured, holistic approach designed to systematically identify, assess, monitor, and mitigate key business risks while aligning its strategies with organizational objectives.

Central to this framework is risk governance, which establishes clear roles and defines risk appetite through policies that guide decision-making across all levels. Risk identification involves continuous scanning of internal and external threats.

Following identification, a rigorous risk assessment evaluates each risk's likelihood and potential impact using quantitative and qualitative metrics. Appropriate strategies to address these risks will then be formulated and enforced. Continuous period reporting mechanisms are in place to ensure transparency to shareholders through board updates.

The Company's control environment is comprised of the following key elements: (a) the Board, which ensures the proper and effective oversight and policy-direction of the Corporation; (b) Management, which actively directs and operates the Corporation in a prudent manner; (c) procedural controls, reporting, and processes and (d) an independent audit function that evaluates the adequacy and effectiveness of the Company's systems.

VII.

Code of Business Conduct and Ethics

E. Code of Conduct

The Company's Code of Business Conduct and Ethics establishes ethical standards, emphasizing integrity, accountability, loyalty, and compliance with Philippine regulations and industry practices. Adherence to this Code and ethical standards shall be mandated to all personnel of the Company: from the Board of Directors, to the Management, and to all employees.

The Code mandates adherence to core principles—including honesty, fairness, and respect—in all business interactions, prohibiting bribery, corruption, insider trading, and conflicts of interest. Employees and managers must avoid related party transactions without prior disclosure and approval, safeguard confidential information (e.g., client data, trade secrets), and report unethical conduct through secure whistleblowing channels protected against retaliation.

Managers are further tasked with fostering an inclusive workplace, ensuring equitable opportunities, and modeling ethical leadership, while strict guidelines govern gift acceptance, prohibiting exchanges that could influence business decisions.

Directors must especially uphold fiduciary duties by exercising informed judgment, avoiding conflicts of interest, and prioritizing company interests. Key policies include mandatory disclosure of Related Party Transactions (RPTs) exceeding defined thresholds (with independent valuation and board approval for material deals), safeguarding confidential information, and adhering to regulatory requirements such as accurate financial reporting and trust fund audits.

The Code integrates EESG commitments, requiring sustainable resource use, community engagement, and transparent reporting of environmental impacts. Regular training programs educate staff on recognizing ethical dilemmas and complying with relevant Philippine regulations. Violations trigger disciplinary actions—from retraining to termination—with the appropriate committee overseeing enforcement and annual audits to align with local and global standards. By embedding ethical decision-making into daily operations, the Code ensures stakeholder trust, regulatory compliance, and long-term organizational resilience.

The Company and its people commit themselves to keep abreast of relevant laws that prevent corrupt practices, such as bribery, money laundering, and other illicit activities, by including such topics in periodic trainings and updates.

F. Anti-Corruption Policy

The Company is committed to maintaining the highest standards of integrity and transparency in all its business dealings. The Company strictly prohibits any form of corruption, bribery, or unethical conduct, whether direct or indirect, by employees, contractors, or partners. Adherence to the following principles is a must:

1. Prohibition of Bribery. Employees and affiliates must not offer, give, solicit, or accept bribes or any form of improper payments.
2. Compliance with Laws. All business activities must comply with relevant anti-corruption laws and regulations.
3. Gifts and Hospitality. Any gifts or hospitality must be modest, transparent, and in line with the company's guidelines.
4. Reporting Violations. Employees are encouraged to report any suspected violations of this policy through the appropriate channels, without fear of retaliation.

Failure to adhere to this policy may result in disciplinary action, including termination of employment and legal action where applicable.

G. Conflict of Interest Policy

A conflict of interest occurs when an individual's personal, professional, or financial interests interfere, or appear to interfere, with their duty to act in the best interest of the organization. To avoid this situation, this policy aims to ensure that all employees, officers, and directors act in the best interests of the organization, free from personal or financial conflicts of interest.

The Board shall create a Full Business Interest Disclosure form as part of the pre-employment process for all incoming employees, officers and directors. This form will require officers to declare, under penalty of perjury, any existing business interests or shareholdings that could directly or indirectly conflict with their duties once employed. The organization will assess disclosed conflicts and determine if they are material and require further action. The organization will assess disclosed conflicts and determine if they are material and require further action.

This policy will be reviewed periodically to ensure compliance and address any emerging conflicts.

H. Whistleblowing Policy

The purpose of this policy is to encourage employees to report unethical or illegal activities, misconduct, or violations of company policy without fear of retaliation. This policy shall apply to all employees, contractors, and stakeholders of the company. The following are the guidelines of this policy:

1. Reporting Violations. Employees are encouraged to report concerns regarding violations of laws, regulations, company policies, or unethical behavior. Reports may be made to the contact person below.

2. Confidentiality. Reports will be handled confidentially to the extent possible, and the identity of the whistleblower will be protected unless disclosure is required by law.

3. Anti-Retaliation. Retaliation against employees who report concerns in good faith is strictly prohibited. Retaliation may include, but is not limited to, termination, demotion, harassment, or discrimination.

4. Investigation and Action. All reports will be investigated promptly, and appropriate action will be taken if a violation is found. Employees may request updates on the investigation.

5. Good Faith Reporting. Employees are expected to report concerns in good faith. Reports made with malicious intent or false accusations will not be tolerated and may result in disciplinary action.

Contact Information: For any concerns or to report a violation, please contact freedomlifecode@gmail.com (independent member of the Board), whose task under this policy shall be supervised and enforced by the Board.

VIII.

Disclosure Policies

The Disclosure Policy of the Company ensures transparent, accurate, and timely communication of material financial and operational information to shareholders and stakeholders, guided by principles of fairness, comprehensiveness, and compliance with regulations. Financial disclosures include audited statements, trust fund balances, liquidity ratios, and risks such as Related Party Transactions (RPTs), with terms and independent valuations disclosed. RPTs are to be disclosed and conducted in a way that will ensure that they are fair and at arms' length.

The Board oversees materiality assessments and may create a Disclosure Committee to verify compliance with relevant Philippine laws, supported by internal controls for data accuracy and documentation.

Stakeholders receive updates through periodic updates. Annual reviews by the Corporate Governance Committee and shareholder approval for material changes ensure alignment with evolving regulations and stakeholder expectations, prioritizing the pre-need sector's unique risks like trust fund transparency and planholder protection.

A. Dealings With Company's Shares and Other Assets

In observance of the principles of disclosure, transparence, and integrity, it shall be a policy of this company that all directors and all officers are required to disclose/report to the company any dealings in the company's shares within three business days.

The Company shall also disclose the trading of the corporation's shares by directors, officers, and controlling shareholders, including the company's purchase of its shares from the market (e.g. share buy-back program).

On the matter of the company's dealings with assets which could significantly affect the stakeholders, the company shall make a full, fair, accurate and timely disclosure to the public of every material fact or event that occurs, particularly on the acquisition or disposal of significant assets which could adversely affect the viability or the interest of its shareholders and other stakeholders. In appropriate cases, the Board may appoint an independent party to evaluate the fairness of the transaction price on the acquisition or disposal of assets.

B. Disclosure of Internal Agreements

The Company mandates the disclosure of the existence, justification and details on any shareholder agreement, voting trust agreement, confidentiality agreement, and such other agreements that may impact on the control, ownership, and strategic direction of the company.

C. Non-financial Reporting

Non-financial reporting covers governance practices linked to EESG goals, environmental impacts of services, community engagement, and strategic initiatives.

Furthermore, the Board shall create a disclosure policy pertaining to Economic, Environmental, Social, and Governance (EESG) issues which underpin sustainability. The Economic aspect involves economic performance, risk management, and transparency around the company's financial practices. The Environmental aspect covers reporting on sustainability initiatives like reducing carbon emissions, waste management, energy consumption, and the use of renewable resources. The Social aspect covers employee welfare, labor practices, engagement with local communities, public health, and education initiatives. Lastly, the Governance aspect ensures that ethical business practices are implemented, including anti-corruption measures and compliance with local and international laws.

IX.

Basic Shareholder's Rights

A. Stockholder's Rights

The Company ensures equitable participation and accountability, granting shareholders ownership privileges including access to financial disclosures, dividend entitlements, and voting rights (one vote per common share). Shareholders may propose agenda items, attend annual/extraordinary meetings, and vote on critical resolutions like mergers, trust fund policy changes, or governance amendments requiring majority approval. The following are some of the basic shareholder rights:

- <u>Right to Nominate and Vote</u>. Shareholders have the right to vote on significant corporate matters, such as electing directors, approving mergers, or amending the corporate charter.

- Right to Dividends. Shareholders are entitled to receive dividends if declared by the company, proportional to the shares they own.
- Right to Inspect Corporate Records. Shareholders can inspect the company's books and records, including financial statements, for transparency.

- Right to Transfer Shares. Shareholders have the right to freely transfer or sell their shares, subject to certain restrictions in the company's bylaws.

- Pre-Emptive Right. Shareholders may have the right to purchase new shares in proportion to their existing holdings before the company offers them to outsiders.

- Appraisal Right. Shareholders may object or dissent to decisions of the other shareholders, and may, in certain instances, exercise this right and demand for a buy-out of their ownership where upon payment of their shares of stock, they cease to be shareholders of the corporation.

These rights are designed to protect shareholders' interests and ensure they have a say in the company's decisions.

B. Voting Procedure

The following outlines the voting procedure for shareholders:

- Notice of Meeting - Shareholders receive a notice of meeting at least 30 days before the scheduled meeting, which includes the agenda and any matters for voting.

- Quorum - A quorum is required for voting to proceed as specified in the company's bylaws.

- Voting Methods:

    - In-Person Voting: Shareholders present at the meeting cast their votes.
    - Proxy Voting: Shareholders can designate a proxy (someone to vote on their behalf) using a formal proxy form submitted prior to the meeting.
    - Electronic Voting: Online voting can be allowed with prior arrangement.

- Casting Votes - Voting is typically conducted via a show of hands or electronic voting system. For specific matters, voting may be done by ballot.

- Resolution - After voting, results are announced, and resolutions are adopted based on the majority of votes cast.

C. Protection for Minority Stockholders

Protections for minority stockholders are those listed in the Revised Corporation Code which include: expanded list of books and records required to be kept by the corporation available for examination, prohibition of the removal of directors that will effectively deprive minority stockholders of the right of representation, the power to call a special shareholders' meeting and submit a proposal for consideration or agenda item, and the creation of an investor portal and dedicated hotline timely address queries, while a grievance committee resolves disputes in a timely manner. Furthermore, although the Corporation is not a Publicly-Listed Company, it hereby adopts SEC MC No. 7-2021 which empowers the minority shareholders who hold at least ten percent (10%) of the outstanding capital stock to call for a Special Stockholders' Meeting, subject to the terms and conditions in such issuance.

D. Dividend Policy

Dividends may be declared only from the company's unrestricted earnings. The existence of surplus profit arising from the operations is a condition precedent to the declaration of dividends. In compliance with the laws of the land, the company hereby adopts SEC MC No. 16-2023 as part of its policy in declaring dividends.

E. Alternative Dispute Mechanism

The Company is committed to using collaborative and amicable methods in resolving disputes. Accordingly, this policy outlines a structured framework to resolve disputes efficiently through negotiation, mediation, and/or arbitration, prioritizing collaborative solutions over litigation.

Every shareholder and stakeholder has the option to avail of the Company's alternative dispute mechanism to resolve intra-corporate disputes. The process begins with mandatory negotiation periods, allowing parties to resolve conflicts internally. If unresolved, disputes escalate to mediation facilitated by accredited neutral mediators, with proceedings remaining confidential under applicable laws. If the agreement between the company and third parties has an arbitration clause, then the parties shall cooperate with arbitration. Only when mediation fails shall resort to the courts and/or quasi-judicial agencies be availed of. Pertaining to regulatory authorities, the Company adopts and shall comply with the modes of alternative dispute resolution promoted by the authority, in compliance with Republic Act No. 9285 (Alternative Dispute Resolution Act of 2004).

The policy emphasizes fairness, accessibility, and alignment with global best practices, ensuring equitable resolutions while safeguarding organizational assets and stakeholder trust. Regular reviews adapt the framework to evolving legal standards and operational needs, maintaining alignment with industry governance principles.

F. Fair Treatment and Protection of Shareholders Policy

The Company's Fair Treatment and Protection of Shareholders Policy ensures equitable treatment, transparent communication, and effective redress mechanisms for all stakeholders—including planholders, shareholders, employees, regulators, vendors, and communities—by embedding fairness into governance and operational processes.

The company prohibits discrimination, retaliation, or exploitation, upholding principles of dignity and respect in all interactions. Stakeholders may voice concerns through multi-channel access, including a hotline and dedicated grievance portals with guaranteed anonymity under the Data Privacy Act (RA 10173).

The Board may establish a Grievance Committee which will investigate complaints within 30 days, providing written resolutions and remedies such as compensation, service restoration, or policy reforms. Redress pathways follow a tiered Alternative Dispute Resolution (ADR) framework, prioritizing negotiations and mediation. The policy mandates transparent disclosure of redress outcomes in annual Integrated Governance Reports, alongside metrics like resolution rates and recurring complaint trends. Shareholders receive prioritized safeguards, such as voting rights on material governance changes and advance notice of trust fund adjustments, while whistleblowers are shielded from retaliation. Continuous improvement is ensured through policy reviews and stakeholder feedback surveys, reinforcing the company's commitment to ethical accountability and stakeholder trust.

X.

Customer Welfare and Contractor Policy

The company prioritizes customer welfare through a comprehensive, rights-based framework that ensures safety, transparency, and equitable resolution across all interactions.

Aligned with Philippine laws, the Customer Welfare Policy guarantees safe, accessible facilities and hygienic environments. Products and services adhere to strict quality standards, providing accurate, information on pre-need plans, including transparent disclosures about trust fund management, fees, and regulatory compliance.

A dedicated customer experience team oversees end-to-end engagement, training staff to deliver empathetic, professional service through structured touchpoints—from initial inquiries to post-purchase support—while empowering frontline employees to resolve issues autonomously within predefined guidelines. Privacy safeguards under RA 10173 (Data Privacy Act) protect personal information, with consent-based data usage.

Complaints are addressed via a tiered resolution process, supported by Alternative Dispute Resolution (ADR) mechanisms. Continuous improvement is driven by quarterly customer feedback analytics, audits, and benchmarking against the industry, ensuring policies evolve to address emerging risks. This holistic approach cements the company's commitment to ethical, customer-centric governance.

For contractors and suppliers, the company employs a rigorous, multi-stage selection process to ensure ethical, reliable, and high-performing partnerships. Potential suppliers/contractors undergo pre-screening against baseline criteria such as legal registration, financial stability, and compliance with industry certifications, followed by pre-qualification to assess technical capacity and safety records.

Due diligence may include on-site audits of production facilities, reviews of past project performance (e.g., completion rates, incident logs), and validation of references through third-party platforms. Post-selection, contractors undergo continuous monitoring via quarterly performance reviews, KPIs tracking (e.g., defect rates, on-time delivery), and annual re-certification audits. Grievance mechanisms allow stakeholders to report non-compliance, triggering corrective actions or termination for breaches.

This structured approach balances cost-effectiveness with risk mitigation, prioritizing long-term partnerships that advance the company's operational resilience and sustainability goals.

The company shall respect intellectual property rights. All intellectual property created by employees, contractors, or partners during the course of their work with the organization shall be the exclusive property of the organization, unless otherwise specified in writing. Employees and partners must maintain the confidentiality of proprietary information, and may not disclose or use such information for personal benefit. Any use of the organization's intellectual property by third parties must be authorized by the organization through licensing agreements or other legal arrangements.

XI.

Employee Participation

Employee participation fosters a symbiotic organizational ecosystem by integrating staff voices into decision-making processes, aligning individual aspirations with corporate goals, and embedding ethical governance practices.

Rooted in open communication and shared responsibility, this approach empowers employees through structured mechanisms such as constant feedback systems, innovation platforms, and representation on advisory committees, enabling them to contribute insights on operational efficiencies, risk mitigation, and strategic initiatives.

This mutualism is reinforced through performance-based incentives, promotions, and opportunities for growth that foster long-term value creation while reducing turnover and fostering loyalty. By institutionalizing participation through training, recognition programs, and governance frameworks (e.g., employee directors or ethics committees), the Company can quickly achieve sustainable growth, balancing profit motives with stakeholder welfare while adhering to local and global standards. This holistic integration of employee voices into governance processes creates a resilient, ethical, and agile enterprise capable of navigating market shifts while maintaining stakeholder trust and operational excellence.

The company's whistleblowing policy ensures employees can freely and safely report concerns about illegal, unethical, or fraudulent practices—including financial misconduct, regulatory breaches, safety violations, or misuse of trust funds—without fear of retaliation, fostering a culture of integrity and accountability.

The policy provides multiple confidential reporting channels, all ensuring anonymity under the Data Privacy Act (RA 10173). Employees are explicitly protected from retaliatory actions such as demotion, harassment, or termination, while disciplinary measures are imposed against offenders, enforced through strict monitoring by the Whistleblowing Review Committee.

Reported concerns undergo extensive investigation, prioritized for high-risk issues like trust fund mismanagement or fraud, with findings leading to corrective actions and anonymized updates provided to whistleblowers. The policy mandates annual training to educate employees on recognizing reportable conduct and understanding their rights, while managers receive guidance on handling disclosures confidentially and preventing retaliation. Governance safeguards include quarterly audits of reported cases, SEC filings for material breaches, and linkage to the company's Alternative Dispute Resolution (ADR) framework to resolve retaliation disputes through non-litigious methods. By embedding transparency, procedural fairness, and robust protections, the policy reinforces the company's commitment to ethical governance, regulatory compliance, and stakeholder trust, particularly critical in safeguarding planholder interests within the pre-need sector.

APPENDIX A

Process for Appointment, Reappointment, Removal, and Fee Approval of the External Auditor

Appointment/Reappointment

1. The Audit Committee shall assess the incumbent and potential external auditors based on the following criteria:

    - Accreditation with the Security Exchange Commissions (SEC) and Board of Accountancy (BOA).
    - Integrity, objectivity and independence. The lead partner must be rotated every five (5) years.
    - Relevant competence and industry experience.
    - Quality of audit procedures and tools used.
    - Prior years' audit performance and overall feedback from the management.

2. For new appointments, the Committee shall request for a proposal from the potential external auditors and conduct a competitive selection. In case of reappointment, a formal evaluation must still be conducted once a year.

3. The Audit Committee makes a recommendation to the Board.

4. The Board reviews and approves the recommendation.

Removal

1. The following are the grounds for removal of the external auditor:
    - Conflict of interest or lack of independence
    - Misconduct or violation of professional or ethical standards
    - Unsatisfactory audit performance

2. The Audit Committee shall establish the ground for removal, conduct the necessary investigation and properly document any evidence that supports the removal.
3. The Committee may seek legal consultation to ensure compliance with relevant laws and regulatory guidelines.
4. The Committee submits the recommendation to the Board.
5. The Board approves the removal of the external auditor.
6. The removal of the external auditor shall be properly disclosed to the shareholders and applicable regulatory bodies as required.

Approval of Audit Fees

1. The external auditor shall submit a proposal with the following details:
    - Annual fee and terms of payment
    - Scope of the engagement
    - Breakdown between audit and non-audit services, if any

2. The Audit Committee shall evaluate the reasonableness of the proposed fees in comparison with prior years and industry standards. Any material increase must be justified.

3. The Committee recommends the final fee to the Board.
4. The approved fees must be disclosed in the Company's regulatory reports as required.

Documentation and Disclosure

1. All decisions and actions must be documented in the Audit Committee minutes.
2. The Committee shall ensure that any information, as required by laws and regulatory guidelines, are properly disclosed in the Company's regulatory reports.

Approved by the Board of Directors.

Certified by:

[redacted]

Randy B. Sucico
Chairman of the Board