

CONSOLIDATED CHANGES IN THE ACGR FOR 2013

A. BOARD MATTERS

1. Two new Independent Directors were added to the Board.

Director's Name	Type [Executive (ED), Non-Executive (NED) or Independent Director (ID)]	If nominee, identify the principal	Nominator in the last election (if ID, state the relationship with the nominator)	Date first elected	Date last elected (if ID, state the number of years served as ID)	Elected when (Annual /Special Meeting)	No. of years served as director
<i>Emmanuel de Dios</i>	<i>ID</i>		<i>Raul Quizon (no relationship)</i>	<i>2013</i>	<i>2013 (1 year)</i>	<i>Annual</i>	<i>1</i>
<i>Antonio Periquet</i>	<i>ID</i>		<i>Raul Quizon (no relationship)</i>	<i>2013</i>	<i>2013 (1 year)</i>	<i>Annual</i>	<i>1</i>

2. Directorship in Other Companies

Director's Name	Corporate Name of the Group Company	Type of Directorship (Executive, Non-Executive, Independent). Indicate if director is also the Chairman.
<i>Antonio Periquet</i>	<i>ABS-CBN Holdings Corporation</i>	<i>Independent Director</i>

3. Directorship in Other Listed Companies

Director's Name	Name of Listed Company	Type of Directorship (Executive, Non-Executive, Independent). Indicate if director is also the Chairman.
<i>Antonio Periquet</i>	<i>Ayala Corporation</i>	<i>Independent Director</i>
	<i>Bank of the Philippine Islands</i>	<i>Independent Director</i>
	<i>DMCI Holdings, Inc.</i>	<i>Independent Director</i>
	<i>Philippine Seven Corporation</i>	<i>Independent Director</i>
	<i>Pancake House</i>	<i>Independent Director</i>

4. Relationship within the Company and its Group

Director's Name	Name of the Significant Shareholder	Description of the relationship
<i>Antonio Periquet</i>	<i>ABS-CBN Holdings Corporation</i>	<i>Independent Director</i>

5. Shareholding in the Company

Name of Director	Number of Direct shares	Number of Indirect shares / Through (name of record owner)	% of Capital Stock
<i>Eugenio Lopez III</i>	<i>669,690</i>		
<i>Augusto Almeda-Lopez</i>	<i>4,055</i>		
<i>Manuel Lopez</i>	<i>212,186</i>		
<i>Federico Garcia</i>	<i>13,898</i>		

<i>Emmanuel de Dios</i>	1		
<i>Antonio Periquet</i>	1		
TOTAL	965,427	249,833	0.14

6. Chairman and CEO

- (a) Do different persons assume the role of Chairman of the Board of Directors and CEO? If no, describe the checks and balances laid down to ensure that the Board gets the benefit of independent views.

Yes No

Identify the Chair and CEO:

CEO/President	<i>Ma. Rosario Santos-Concio</i>
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7. Changes in the Board of Directors (Executive, Non-Executive and Independent Directors)

Indicate any changes in the composition of the Board of Directors that happened during the period:

Name	Position	Date of Cessation	Reason
<i>Vicente Mendoza</i>	<i>Independent Director</i>	<i>April 23, 2013</i>	<i>End of term</i>
<i>Javier Calero</i>	<i>Independent Director</i>	<i>April 23, 2013</i>	<i>End of term</i>

8. Voting Result of the last Annual General Meeting

Name of Director	Votes Received
<i>Eugenio Lopez III</i>	<i>95.45%</i>
<i>Augusto Almeda-Lopez</i>	<i>95.45%</i>
<i>Ma. Rosario Santos-Concio</i>	<i>95.45%</i>
<i>Oscar Lopez</i>	<i>95.45%</i>
<i>Manuel Lopez</i>	<i>95.45%</i>
<i>Presentacion Psinakis</i>	<i>95.45%</i>
<i>Federico Lopez</i>	<i>95.45%</i>
<i>Federico Garcia</i>	<i>95.45%</i>
<i>Salvador Tirona</i>	<i>95.45%</i>
<i>Emmanuel de Dios</i>	<i>95.45%</i>
<i>Antonio Periquet</i>	<i>95.45%</i>

9. Orientation and Education Program

- i. State any in-house training and external courses attended by Directors and Senior Management for the past three (3) years: (determining the years that the earlier training programs were conducted).

In-House Training	External Courses
<i>Excellence Workshop Series 2013 (by Disney Institute)</i>	<i>Disney's Approach to Service Excellence Workshop 2013</i>
<i>Kapamilya Digital Summit 2013 (by the Digital Academy)</i>	<i>Humans at the Heart of Digital (2013)</i>
	<i>Building a Secure Cyber World (2013)</i>

B. CODE OF BUSINESS CONDUCT & ETHICS

- 1) Discuss briefly the company's policies on the following business conduct or ethics affecting directors, senior management and employees:

Business Conduct & Ethics	Directors	Senior Management	Employees
(a) Whistle Blower	None	<i>The whistle blowing policy provides for and encourages employees and others to report, in good faith, any covered wrongful conduct committed by employees which they have personal knowledge of. The policy assures employees of protection against harassment, threats, and any other form of retaliation from the persons reported. This policy is a clear statement that if any covered wrongdoing by any of the Company's employees is identified and reported accordingly, it will be dealt with, through thorough investigation and proper imposition of accountability. The Company takes steps to ensure that such wrongdoing is prevented in the future.</i>	<i>The whistle blowing policy provides for and encourages employees and others to report, in good faith, any covered wrongful conduct committed by employees which they have personal knowledge of. The policy assures employees of protection against harassment, threats, and any other form of retaliation from the persons reported. This policy is a clear statement that if any covered wrongdoing by any of the Company's employees is identified and reported accordingly, it will be dealt with, through thorough investigation and proper imposition of accountability. The Company takes steps to ensure that such wrongdoing is prevented in the future.</i>

C. BOARD MEETINGS& ATTENDANCE

- 1) Attendance of Directors

Board	Name	Date of Election	No. of Meetings Held during the year	No. of Meetings Attended	%
Chairman	<i>Eugenio Lopez III</i>	2013	14	14	100
Member	<i>Ma. Rosario Santos-Concio</i>	2013	14	13	93
Member	<i>Oscar Lopez</i>	2013	14	11	79
Member	<i>Augusto Almeda-Lopez</i>	2013	14	12	86
Member	<i>Presentacion Psinakis</i>	2013	14	10	71
Member	<i>Manuel Lopez</i>	2013	14	13	93
Member	<i>Federico Lopez</i>	2013	14	12	86
Member	<i>Federico Garcia</i>	2013	14	11	79
Member	<i>Salvador Tirona</i>	2013	14	14	100
Independent	<i>Vicente Mendoza</i>	2012	3	3	100
Independent	<i>Javier Calero</i>	2012	3	2	67
Independent	<i>Emmanuel de Dios</i>	2013	11	9	82
Independent	<i>Antonio Periquet</i>	2013	11	9	82

D. REMUNERATION MATTERS

1) Remuneration Policy and Structure for Executive and Non-Executive Directors

	Remuneration Policy	Structure of Compensation Packages	How Compensation is Calculated
Executive Directors			Each director receives a set amount of PhP20,000 per board meeting and PhP10,000 per committee meeting.
Non-Executive Directors			Each director receives a set amount of Ph20,000 per board meeting and PhP10,000 per committee meeting

2) Aggregate Remuneration

Complete the following table on the aggregate remuneration accrued during the most recent year:

Remuneration Item	Executive Directors	Non-Executive Directors (other than independent directors)	Independent Directors
(a) Variable Remuneration	Php6,084,000	PhP23,244,000	PhP3,744,000
(b) Per diem Allowance	Php210,000	PhP1,685,000	PhP540,000
Total	Php6,294,000	PhP24,929,000	PhP4,284,000

3) Remuneration of Management

Identify the five (5) members of management who are not at the same time executive directors and indicate the total remuneration received during the financial year:

Name of Officer/Position	Total Remuneration (Salaries and Bonuses)
Ma. Rosario N. Santos-Concio	PhP143,369,723
Ma. Socorro V. Vidanes	
Ma. Lourdes N. Santos	
Carlo L. Katigbak	
Rolando P. Valdueza	

E. BOARD COMMITTEES

1) Committee Members

(a) Programming Committee

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Member (ID)	Emmanuel de Dios	2013	0	n/a	n/a	1 year

(b) Audit Committee

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman	Antonio Periquet	2013	5	5	100	1 year
Member (ID)	Emmanuel de Dios	2013	5	5	100	1 year

Disclose the profile or qualifications of the Audit Committee members.

Antonio Jose U. Periquet, Filipino, age 52

Mr. Periquet is Chairman of the Board of Pacific Main Holdings, Inc. (since 1999), Campden Hill Group (since 2012) and Regis Financial Advisers (since 2012). He is a director of Ayala Corporation (since 2010), Bank of the Philippine Islands (since 2012), BPI Capital Corporation (since 2010), BPI Family Bank (since 2012), DMCI Holdings, Inc. (since 2010), Philippine Seven Corporation (since 2010). He is a member of the Board of Advisers of ABS-CBN Corporation from 2011 to 2013 and a member of the Global Advisory Council, Darden School of Business, University of Virginia. He was a director of the Development Bank of the Philippines (2010 to 2012), Chairman and Managing Director and Head of Research of Deutsche Regis Partners, Inc. (1999-2010). He holds an AB Economics degree from the Ateneo de Manila University (1982), an MSc in Economics from Oxford University (1988), and an MBA from the University of Virginia (1990).

Emmanuel S. de Dios, Filipino, age 59

Mr. de Dios is a Professor of Economics at the University of the Philippines School of Economics since 1989. He is also the President of Human Development Network (Philippines) since July 2012. He was the Dean of the University of the Philippines School of Economics from 2007 to 2010. He is a member of the Board of Advisers to the Board of Directors of the Corporation since 2011. He is a member of the Board of Trustees of Pulse Asia (Phils.), Inc. since 2008. He received his AB Economics degree from the Ateneo de Manila University cum laude in 1978 and his Ph.D. in Economics from the University of the Philippines in 1987. He pursued post-doctoral studies in the Univeritat Konstanz in Germany from 1987 to 1988. He is the author of various books, monographs, articles and reviews in the field of economics.

(c) Nomination and Election Committee

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Member (ID)	Antonio Periquet	2013	0	n/a	n/a	1 year

(d) Compensation Committee

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the
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Member (ID)	Name	Year	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
	Antonio Periquet	2013	0	n/a	n/a	1 year

(e) Others (Specify)

Provide the same information on all other committees constituted by the Board of Directors:

Succession Planning Committee

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Member (NED)	Augusto Almeda-Lopez	2013	0	n/a	n/a	1 year
Member (ID)	Emmanuel de Dios	2013	0	n/a	n/a	1 year

Risk Management Committee

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Member (ID)	Emmanuel de Dios	2013	1	1	100	1 year

2) Changes in Committee Members

Indicate any changes in committee membership that occurred during the year and the reason for the changes:

Name of Committee	Name	Reason
Programming	Emmanuel de Dios	Mr. Javier Calero finished his term as independent director.
Compensation	Antonio Periquet	Justice Vicente Mendoza finished his term as independent director.
Compensation for the Chairman & the CEO	Antonio Periquet	Justice Vicente Mendoza finished his term as independent director.
Succession Planning	Augusto Almeda-Lopez Emmanuel de Dios	Justice Vicente Mendoza finished his term as independent director and Mr. Federico Garcia was replaced.
Audit	Antonio Periquet Emmanuel de Dios	Justice Vicente Mendoza and Mr. Javier Calero finished their terms as independent directors.
Risk Management	Emmanuel de Dios	Justice Vicente Mendoza finished his term as independent director.
Nomination & Election	Antonio Periquet	Justice Vicente Mendoza and Mr. Javier Calero finished their terms as independent directors.

F. RISK MANAGEMENT SYSTEM

1) Risk Policy

(a) Company

Risk Exposure	Risk Management Policy	Objective
The formal identification	Not applicable.	Not applicable.

<i>of the other risks is currently being undertaken. The Company contracted SGV (a member firm of Ernst and Young) to assist in the development of an ERM Framework and Program.</i>		
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2) Control System Set Up

(a) Company

Risk Exposure	Risk Assessment (Monitoring and Measurement Process)	Risk Management and Control (Structures, Procedures, Actions Taken)
<i>The formal identification of the other risks is currently being undertaken. The Company contracted SGV (a member firm of Ernst and Young) to assist in the development of an ERM Framework and Program.</i>	<i>Not applicable.</i>	<i>Not applicable.</i>

(b) Group

Risk Exposure	Risk Assessment (Monitoring and Measurement Process)	Risk Management and Control (Structures, Procedures, Actions Taken)
<i>The formal identification of the control systems is currently being undertaken. The Company contracted SGV (a member firm of Ernst and Young) to assist in the development of an ERM Framework and Program.</i>	<i>Not applicable.</i>	<i>Not applicable.</i>

G. INTERNAL AUDIT AND CONTROL

(a) Resignation, Re-assignment and Reasons

Name of Audit Staff	Reason
<i>Karla Mae Tumaru (Senior Auditor)</i>	<i>Resigned in June 2013 to pursue education in Law.</i>
<i>Sophia Ana Pasamonte</i>	<i>Re-assigned from Senior Auditor of Sky Cable to Senior Auditor of</i>

(Senior Auditor)	ABS CBN in August 2013 for career advancement.
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(b) Progress against Plans, Issues, Findings and Examination Trends

Progress Against Plans	As of December 2013, 90% of the 2013 audit plans have been achieved.
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(c) Mechanisms and Safeguards

Auditors (Internal and External)	Financial Analysts	Investment Banks	Rating Agencies
			<p>The Company did not get in contact with the rating agency after the management meeting and correspondence with the analysts was only made when they asked for additional information.</p> <p>To ensure the independence of the rating process, the Company was not privy of the discussions made by the Rating Committee in coming up with a credit rating.</p>

H. ROLE OF STAKEHOLDERS

(a) Show data relating to health, safety and welfare of its employees.

	Programs/Initiatives		
Welfare	<ul style="list-style-type: none"> Regular and covered program employees are extended assistance in the event of natural calamities. In the case of the natural calamities that hit the country in 2013, the Company extended the following financial assistance: 		
		No. of employees	Value (Php)
	Calamity assistance	213	4.2M
	Calamity loan	131	3.2M
	There were 80 bereavement claims extended to employees amounting to more than PhP1.7M.		

(b) State the company's training and development programmes for its employees in **2013**. Show the data.

Leadership Courses (under the Leadership Academy)	No. of Graduates
Self Discovery for Excellence	35
Basic Management Program	45
Coaching for Peak Performance	43

<i>Working as a High Performing Team</i>	49
<i>Engineering the Performance System</i>	22
<i>Program Management Essentials</i>	58
<i>5 Choices to Extraordinary Productivity</i>	36
<i>Organizational Development for Managers</i>	28

<i>Entrepreneurship Leadership Program Modules (under the Leadership Academy)</i>	No. of Graduates
<i>Critical Thinking Skills</i>	26
<i>Finance for Non-Finance</i>	17
<i>Marketing Essentials</i>	15
<i>Operations Management</i>	17
<i>Organizational and Financial Resource Management</i>	19
<i>Leadership and Business Ethics</i>	33
<i>Environmental Analysis</i>	15
<i>Internal Analysis</i>	21
<i>Strategy Formulation, Implementation and Monitoring</i>	18
<i>Self-Mastery</i>	18
<i>Business Simulation</i>	18

<i>Programs Conducted for TV Production (under Moving Images Academy)</i>	No. of Graduates
<i>Targeted Selection Interview Workshop</i>	10
<i>Train the Trainers</i>	7
<i>Capability Assessment Workshop</i>	309
<i>Narrative Writers Catch-Up Session 1</i>	31
<i>Developing Others</i>	86
<i>Concept Development</i>	90
<i>Perfect Pitch (Narrative)</i>	37
<i>Perfect Pitch (Non-Narrative)</i>	29
<i>High Impact Presentation</i>	21
<i>Positive Assertion</i>	73
<i>TV Production Orientation</i>	10

<i>TV Production PA Training</i>	<i>10</i>
<i>Narrative Researcher Training Batch 1</i>	<i>11</i>
<i>TV Production 101 Orientation Non-IJM PAs</i>	<i>16</i>
<i>PA Trainee Script Appreciation Workshop</i>	<i>8</i>
<i>Sound Engineer Training</i>	<i>13</i>
<i>Studio Lighting Director Training</i>	<i>10</i>
<i>Cameraman Training Batch 6</i>	<i>16</i>
<i>Assistant Location Manager Training</i>	<i>14</i>
<i>Technical Director Training</i>	<i>7</i>

In addition to the above training programs, 120 employees completed enrollments in the mandatory New Employee Orientation e-learning courses. The New Employee Orientation e-learning courses are composed of the following: Code of Conduct, Information Security, Safety Orientation, Security Orientation and the Performance Management System. In addition, 438 enrollments were also completed in other e-learning courses such as Understanding TV Ratings, Social Media 101, Consulting Skills, Organization Design, and Engineering the Performance System.

Finally, an instructional Design Workshop for Faculty Development of the ABS-CBN University's six academies was completed by 36 employees.

- 2) What are the company's procedures for handling complaints by employees concerning illegal (including corruption) and unethical behaviour? Explain how employees are protected from retaliation.

The whistle blowing policy provides for and encourages employees and others to report, in good faith, any covered wrongful conduct committed by employees which they have personal knowledge of. The policy assures employees of protection against harassment, threats, and any other form of retaliation from the persons reported. Any employee who attempts, performs, causes or encourages any retaliatory actions against a whistleblower and/or the whistleblowers relatives up to the fourth degree of consanguinity or affinity will be subjected to disciplinary action and may be either be suspended or dismissed, without prejudice to other legal actions that the Company may take, upon showing that the motive of the said employee was due to the disclosure made by the whistleblower.

I. DISCLOSURE AND TRANSPARENCY

- 1) Ownership Structure

- (a) Holding 5% shareholding or more

Shareholder	Number of Shares	Percent	Beneficial Owner
<i>Lopez Holdings</i>	<i>480,933,747</i>		
<i>ABS-CBN Holdings</i>	<i>326,017,300</i>	<i>34</i>	

- 2) External Auditor's fee

Name of auditor	Audit Fee	Non-audit Fee
<i>SyCip, Gorres, Velayo & Co. (a member firm of Ernst & Young)</i>	<i>Php18,780,000</i>	<i>Php12,005,000</i>

3) Date of release of audited financial report: *March 27, 2013 for the 2012 audited financial report; March 28, 2014 for the 2013 audited financial report*

4) **Disclosure of RPT**

RPT	Relationship	Nature	Value
<i>Blocktime fees paid by the Parent Company and Studio 23 to AMCARA</i>	<i>Associate</i>	<i>Blocktime fees</i>	<i>Php32,660</i>
<i>Expenses paid by ABS-C to Bayantel, a subsidiary of Lopez, Inc., and other related parties</i>	<i>Entities under common control</i>	<i>Rent and utilities</i>	<i>Php280,586</i>
<i>Expenses and charges paid for by the Parent Company which are reimbursed by the concerned related parties</i>	<i>Entities under common control</i>	<i>Rent and utilities</i>	<i>Php38,652</i>
<i>Expenses paid by the Parent Company and subsidiaries to Goldlink Security, Bayantel and other related parties</i>	<i>Entities under common control</i>	<i>Service fees and utilities expenses</i>	<i>Php186,625</i>
<i>Expenses paid by Sky Cable to Bayantel and other related parties</i>	<i>Entities under common control</i>	<i>Bandwidth cost and utilities expenses</i>	<i>Php118,083</i>
<i>Termination cost charges of Bayantel to ABS-CBN Global</i>	<i>Entities under common control</i>	<i>Termination cost</i>	<i>Php33,917</i>
<i>Management and other service fees</i>	<i>Entities under common control</i>	<i>Management fee</i>	<i>Php52,778</i>
<i>Airtime revenue from Bayantel and Meralco</i>	<i>Entities under common control</i>	<i>Airtime fees</i>	<i>Php19,720</i>
<i>Due from: Bayantel</i>	<i>Affiliate</i>	<i>Trade & other receivables</i>	<i>Php177,868</i>
<i>Due from: Amcara</i>	<i>Associate</i>	<i>Trade & other receivables</i>	<i>Php146,031</i>
<i>Due from: ABS-CBN Lingkod Kapamilya Foundation, Inc. (formerly ABS-CBN Foundation, Inc.)</i>	<i>Affiliate</i>	<i>Trade & other receivables</i>	<i>Php66,013</i>
<i>Due from: First Philippine Holding Corporation</i>	<i>Affiliate</i>	<i>Trade & other receivables</i>	<i>Php27,753</i>
<i>Due from: Lopez Holdings</i>	<i>Affiliate</i>	<i>Trade & other receivables</i>	<i>Php11,468</i>
<i>Due from: A C J O</i>	<i>Joint venture</i>	<i>Trade & other receivables</i>	<i>Php10,797</i>
<i>Due from: Star Cinema</i>	<i>Associate</i>	<i>Trade & other receivables</i>	<i>Php7,923</i>
<i>Due from: Goldlink Securities and Investigative Services, Inc.</i>	<i>Affiliate</i>	<i>Trade & other receivables</i>	<i>Php3,783</i>

<i>Due from: Rockwell Land Corporation</i>	<i>Affiliate</i>	<i>Trade & other receivables</i>	<i>Php2,545</i>
<i>Due from: Others</i>	<i>Affiliate</i>	<i>Trade & other receivables</i>	<i>Php10,802</i>
<i>Due to: Sky Cable Net, Inc.</i>	<i>Affiliate</i>	<i>Trade & other payables</i>	<i>Php55,858</i>
<i>Due to: Beyond Cable Holdings, Inc.</i>	<i>Affiliate</i>	<i>Trade & other payables</i>	<i>Php16,690</i>
<i>Due to: Lopez, Inc.</i>	<i>Ultimate Parent</i>	<i>Trade & other payables</i>	<i>Php7,415</i>
<i>Due to: Others</i>	<i>Affiliates</i>	<i>Trade & other payables</i>	<i>Php10,012</i>

J. RIGHTS OF STOCKHOLDERS

Dividends

Declaration Date	Record Date	Payment Date
<i>April 23, 2013</i>	<i>May 10, 2013</i>	<i>June 6, 2013</i>

1. Date of sending out notices: *April 4, 2013*
2. Result of Annual/Special Stockholders' Meeting's Resolutions

Resolution	Approving	Dissenting	Abstaining
<i>Election of the Directors</i>	<i>95.45%</i>	<i>-</i>	<i>-</i>
<i>Approval of the Acts of the BOD, Executive Committee and Management for the period January 1, 2011 to December 31, 2011</i>	<i>95.45%</i>	<i>-</i>	<i>-</i>
<i>Appointment of external auditor</i>	<i>95.45%</i>	<i>-</i>	<i>-</i>

(a) Stockholders' Attendance

- (i) Details of Attendance in the Annual/Special Stockholders' Meeting Held:

Type of Meeting	Names of Board members / Officers present	Date of Meeting	Voting Procedure (by poll, show of hands, etc.)	% of SH Attending in Person	% of SH in Proxy	Total % of SH attendance
Annual		<i>April 23, 2013</i>		<i>0.06%</i>	<i>95.39%</i>	<i>95.45%</i>

(b) Definitive Information Statements and Management Report

Number of Stockholders entitled to receive Definitive Information Statements and Management Report and Other Materials	<i>5,846</i>
Date of Actual Distribution of Definitive Information Statement and Management Report and Other Materials held by market participants/certain beneficial owners	<i>April 4, 2013</i>

Date of Actual Distribution of Definitive Information Statement and Management Report and Other Materials held by stockholders	<i>April 4, 2013</i>
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