





**Securities and  
Exchange  
Commission**  
PHILIPPINES

**SECURITIES AND EXCHANGE COMMISSION**

**SEC FORM - I-ACGR**

**INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT**



1. For the fiscal year ended **December 31, 2017**
2. SEC Identification Number **1803**
3. BIR Tax Identification No. **000-406-761-000**
4. Exact name of issuer as specified in its charter **ABS-CBN Corporation**
5. **Philippines**  
Province, Country or other jurisdiction of  
incorporation or organization
6.  (SEC Use Only)  
Industry Classification Code:
7. **ABC-CBN Broadcast Center** **1103**  
**Sgt. Esguerra Ave. cor. Mother Ignacia St.** **Postal Code**  
**Quezon City**  
Address of principal office
8. **(632) 415-2272**  
Issuer's telephone number, including area code
9. **N/A**  
Former name, former address, and former fiscal year, if changed since last report.



**INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT**

	COMPLIANT/ NON- COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
<b>The Board's Governance Responsibilities</b>			
<b>Principle 1:</b> The company should be headed by a competent, working board to foster the long- term success of the corporation, and to sustain its competitiveness and profitability in a manner consistent with its corporate objectives and the long- term best interests of its shareholders and other stakeholders.			
<b>Recommendation 1.1</b>			
1. Board is composed of directors with collective working knowledge, experience or expertise that is relevant to the company's industry/sector.	Compliant	Pls. see pages 55 and 63 through 69 of the 2017 Annual Report. <a href="http://corporate.abs-cbn.com/investorrelations/financial-and-operational-performance/view/vid-1524652173807/2017-abs-cbn-annual-report/">http://corporate.abs-cbn.com/investorrelations/financial-and-operational-performance/view/vid-1524652173807/2017-abs-cbn-annual-report/</a>	
2. Board has an appropriate mix of competence and expertise.	Compliant		
3. Directors remain qualified for their positions individually and collectively to enable them to fulfill their roles and responsibilities and respond to the needs of the organization.	Compliant		
<b>Recommendation 1.2</b>			
1. Board is composed of a majority of non-executive directors.	Compliant	Pls. see pages 63 through 67 of the 2017 Annual Report.	
<b>Recommendation 1.3</b>			
1. Company provides in its Board Charter and Manual on Corporate Governance a policy on training of directors.	Compliant	Pls. see pages 11-12 of the Manual on Corporate Governance.	



2. Company has an orientation program for first time directors.	Compliant	Pls. see page 53 of the 2017 Annual Report. In 2017, there was no first time non-executive director. All directors (and key officers) attended a four-hour training on September 6, 2017, conducted by the Institute of Corporate Directors. Topics covered: Boards in Crisis; Strategic Governance Issues; and ASEAN CG Scorecard Version 2. Pls. see the attached letter of our Corporate Secretary to the SEC, dated September 15, 2017.	
3. Company has relevant annual continuing training for all directors.	Compliant	Pls. see page 53 of the 2017 Annual Report. In 2017, there was no first time non-executive director. All directors (and key officers) attended a four-hour training on September 6, 2017, conducted by the Institute of Corporate Directors. Topics covered: Boards in Crisis; Strategic Governance Issues; and ASEAN CG Scorecard Version 2. Pls. see the attached letter of our Corporate Secretary to the SEC, dated September 15, 2017.	
<b>Recommendation 1.4</b>			
1. Board has a policy on board diversity.	Compliant	Pls. see page 4 of the Manual on Corporate Governance.	
<b>Optional: Recommendation 1.4</b>			
1. Company has a policy on and discloses measurable objectives for implementing its board diversity and reports on progress in achieving its objectives.	Compliant	The company is currently establishing measurable objectives to implement board diversity. Diversity in age, skills, competence and knowledge are achieved based on the individual backgrounds of our directors. In recent history, gender diversity was achieved through the appointments to the Board of Emily Abrera, Charo Santos-Concio and Presentacion Psinakis. Ms. Santos-Concio to this day continues to serve the Board in her position as a member of our Board of Advisors. Ms. Psinakis was a	



		director up to the time of her passing in April 2017.	
<b>Recommendation 1.5</b>			
1. Board is assisted by a Corporate Secretary.	Compliant	Pls. see page 52 of the 2017 Annual Report for our Corporate Secretary's duties and functions. Pls. see page 44 of 17A for Mr. Enrique Quason's profile.	
2. Corporate Secretary is a separate individual from the Compliance Officer.	Compliant		
3. Corporate Secretary is not a member of the Board of Directors.	Compliant		
4. Corporate Secretary attends training/s on corporate governance.	Compliant		Our Corporate Secretary (along with our directors and key officers) attended a four-hour training conducted by the Institute of Corporate Directors on September 6, 2017. Topics covered: Boards in Crisis; Strategic Governance Issues; and ASEAN CG Scorecard Version 2. Pls. see the attached September 15, 2017 letter of our Corporate Secretary to the SEC.
<b>Optional: Recommendation 1.5</b>			
1. Corporate Secretary distributes materials for board meetings at least five business days before scheduled meeting.	Non-compliant		The Corporate Secretary publishes the board meeting agenda at least three days before a board meeting.
<b>Recommendation 1.6</b>			
1. Board is assisted by a Compliance Officer.	Compliant	Pls. see page 8 of the Manual on Corporate Governance for our Compliance Officer's duties and functions. Mr. Ricardo Tan Jr. is our Compliance Officer, as well as our	
2. Compliance Officer has a rank of Senior Vice President or an equivalent position with adequate stature and authority in the corporation.	Compliant		



<p>3. Compliance Officer is not a member of the board.</p>	<p>Compliant</p>	<p>Head of Treasury and Investor Relations. He was Chief Financial Officer of Vista Land &amp; Lifescapes Inc. prior to ABS-CBN. He also worked for the Philippine government (International Finance Group of the Department of Finance), Philippine Airlines(finance division), Philippine Long Distance Telephone Company (in various divisions as Vice President – regulatory management, investor relations, and strategic planning), and as a consultant for the Asian Development Bank. Mr. Tan obtained his BS in Monetary Economics from the London School of Economics in 1986; and MBA in Finance and International Business from the University of Chicago in 1991.</p>	
<p>4. Compliance Officer attends training/s on corporate governance.</p>	<p>Compliant</p>	<p>Our Compliance Officer (along with our directors and key officers) attended a four-hour training conducted by the Institute of Corporate Directors on September 6, 2017. Topics covered: Boards in Crisis; Strategic Governance Issues; and ASEAN CG Scorecard Version 2. Pls. see the attached September 15, 2017 letter of our Corporate Secretary to the SEC.</p>	



**Principle 2:** The fiduciary roles, responsibilities and accountabilities of the Board as provided under the law, the company's articles and by-laws, and other legal pronouncements and guidelines should be clearly made known to all directors as well as to stockholders and other stakeholders.

**Recommendation 2.1**

1. Directors act on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the company.	Compliant	The Board was regularly provided by Management with reports on operations, financial condition and competition at Board Meetings. As an example, pls. see the attached minutes of the October 2017 Board Meeting.	
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**Recommendation 2.2**

1. Board oversees the development, review and approval of the company's business objectives and strategy.	Compliant	The Board was regularly provided by Management with reports on operations, financial condition and competition at Board Meetings. In 2017, there were ten board meetings that included reviews of business objectives and strategies. As an example, pls. see the attached minutes of the October 2017 Board Meeting.	
2. Board oversees and monitors the implementation of the company's business objectives and strategy.	Compliant		

**Supplement to Recommendation 2.2**

1. Board has a clearly defined and updated vision, mission and core values.	Compliant	Pls. see pages 6-7 of the 2017 Annual Report.	
2. Board has a strategy execution process that facilitates effective management performance and is attuned to the company's business environment, and culture.	Compliant	Pls. see the attached Strategic Planning Process.	



Recommendation 2.3			
1. Board is headed by a competent and qualified Chairperson.	Compliant	Pls. see page 63 of the 2017 Annual Report.	
Recommendation 2.4			
1. Board ensures and adopts an effective succession planning program for directors, key officers and management.	Compliant	Pls. see pages 5 and 9 of the Manual on Corporate Governance for our succession planning policies; and page 39 of the 2017 Annual Report for our succession planning programs and their implementation. A quick illustration of our succession planning process is attached.	
2. Board adopts a policy on the retirement for directors and key officers.	Non-compliant		The company has a policy on the retirement of key officers, but does not yet have one for directors. Pls. see pages 5 and 9 of the Manual on Corporate Governance for our succession planning policies; and page 39 of the 2017 Annual Report for our succession planning programs and their implementation.
Recommendation 2.5			
1. Board aligns the remuneration of key officers and board members with long-term interests of the company.	Compliant	Pls. see pages 5 and 9 of the Manual on Corporate Governance. Pls. see page 52 of 20-IS for information on the 2017 Executive Stock Purchase Plan and 2017 Employee Stock Purchase Plan.	
2. Board adopts a policy specifying the relationship between remuneration and performance.	Compliant		





3. Directors do not participate in discussions or deliberations involving his/her own remuneration.	Compliant	Pls. see pages 5 and 9 of the Manual on Corporate Governance.	
<b>Optional: Recommendation 2.5</b>			
1. Board approves the remuneration of senior executives.	Compliant	An example would be the Board's approval of the 2017 Variable Pay for senior executives, among others. This was approved in an executive session though.	
2. Company has measurable standards to align the performance-based remuneration of the executive directors and senior executives with long-term interest, such as claw back provision and deferred bonuses.	Non-compliant		The company does conduct executive and employee performance reviews annually.
<b>Recommendation 2.6</b>			
1. Board has a formal and transparent board nomination and election policy.	Compliant	Pls. see Article 3 Item 6 of the company's By-Laws. Pls. also see page 61 of the 2017 Annual Report. <a href="http://corporate.abs-cbn.com/investorrelations/corporate-governance/cid-1416383755129/amended-2011/">http://corporate.abs-cbn.com/investorrelations/corporate-governance/cid-1416383755129/amended-2011/</a>	
2. Board nomination and election policy is disclosed in the company's Manual on Corporate Governance.	Non-compliant		The Board nomination and election policy will be included in the Amended Manual on Corporate Governance, for ratification in 2018.
3. Board nomination and election policy includes how the company accepted nominations from minority shareholders.	Compliant		
4. Board nomination and election policy includes how the board shortlists candidates.	Compliant		



5. Board nomination and election policy includes an assessment of the effectiveness of the Board's processes in the nomination, election or replacement of a director.	Compliant	Pls. see Article 3 Item 6 of the company's By-Laws. Pls. also see page 61 of the 2017 Annual Report. <a href="http://corporate.abs-cbn.com/investorrelations/corporate-governance/cid-1416383755129/amended-2011/">http://corporate.abs-cbn.com/investorrelations/corporate-governance/cid-1416383755129/amended-2011/</a>	
6. Board has a process for identifying the quality of directors that is aligned with the strategic direction of the company.	Compliant		

**Optional: Recommendation to 2.6**

1. Company uses professional search firms or other external sources of candidates (such as director databases set up by director or shareholder bodies) when searching for candidates to the board of directors.	Compliant	The company makes use of the network and database of the Institute of Corporate Directors as an external source of candidates to the Board.	
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**Recommendation 2.7**

1. Board has overall responsibility in ensuring that there is a group-wide policy and system governing related party transactions (RPTs) and other unusual or infrequently occurring transactions.	Compliant	Pls. see page 5 of the Manual on Corporate Governance; page 65 of 20-IS; and pages 138-140 of the 2017 Annual Report (Note 23 to the audited financial statements).	
2. RPT policy includes appropriate review and approval of material RPTs, which guarantee fairness and transparency of the transactions.	Compliant		
3. RPT policy encompasses all entities within the group, taking into account their size, structure, risk profile and complexity of operations.	Compliant		



Supplement to Recommendations 2.7			
<p>1. Board clearly defines the threshold for disclosure and approval of RPTs and categorizes such transactions according to those that are considered <i>de minimis</i> or transactions that need not be reported or announced, those that need to be disclosed, and those that need prior shareholder approval. The aggregate amount of RPTs within any twelve (12) month period should be considered for purposes of applying the thresholds for disclosure and approval.</p>	<p>Non-compliant</p>		<p>Pls. see pages 138-140 of the 2017 Annual Report (Note 23 to the audited financial statements).</p>
<p>2. Board establishes a voting system whereby a majority of non-related party shareholders approve specific types of related party transactions during shareholders' meetings.</p>	<p>Non-compliant</p>		<p>The Corporation Code of the Philippines and the By-Laws of the company require only certain matters to be approved by the stockholders and do not require related party transactions to be approved by the stockholders. The company has not adopted a voting system whereby related party transactions are approved by non-related party stockholders since there is no law in the Philippines that requires this.</p>



Recommendation 2.8			
1. Board is primarily responsible for approving the selection of Management led by the Chief Executive Officer (CEO) and the heads of the other control functions (Chief Risk Officer, Chief Compliance Officer and Chief Audit Executive).	Compliant	Pls. see page 5 of the Manual on Corporate Governance. Pls. see the attached minutes of the Board's April 2017 organizational meeting, showing the selection of management. Pls. also see the attached minutes of the September 2017 Board Meeting, showing the appointment of the Chief Audit Executive.	
2. Board is primarily responsible for assessing the performance of Management led by the Chief Executive Officer (CEO) and the heads of the other control functions (Chief Risk Officer, Chief Compliance Officer and Chief Audit Executive).	Non-compliant		Pls. see page 5 of the Manual on Corporate Governance.
Recommendation 2.9			
1. Board establishes an effective performance management framework that ensures that Management's performance is at par with the standards set by the Board and Senior Management.	Non-compliant		The company has a performance management framework for Management and rank and file, but it is not yet overseen or administered by the Board.
2. Board establishes an effective performance management framework that ensures that personnel's performance is at par with the standards set by the Board and Senior Management.	Non-compliant		The company has a performance management framework for Management and rank and file, but it is not yet overseen or administered by the Board.



Recommendation 2.10			
1. Board oversees that an appropriate internal control system is in place.	Compliant	Pls. see page 5 of the Manual on Corporate Governance. Pls. see the attached the company's Conflict of Interest Disclosure form.	
2. The internal control system includes a mechanism for monitoring and managing potential conflict of interest of the Management, members and shareholders.	Compliant		
3. Board approves the Internal Audit Charter.	Compliant	Pls. see the attached Audit Committee Charter.	
Recommendation 2.11			
1. Board oversees that the company has in place a sound enterprise risk management (ERM) framework to effectively identify, monitor, assess and manage key business risks.	Compliant	Pls. see page 5 of the Manual on Corporate Governance. The Board and Management are guided by and make use of the COSO and the ISO 31000 ERM (Assess, Improve and Monitor Method) frameworks. The minutes of the regular Board meetings indicate the various phases of our risk mgt. framework journey.	
2. The risk management framework guides the board in identifying units/business lines and enterprise-level risk exposures, as well as the effectiveness of risk management strategies.	Compliant		
Recommendation 2.12			
1. Board has a Board Charter that formalizes and clearly states its roles, responsibilities and accountabilities in carrying out its fiduciary roles.	Non-compliant		The Board is currently putting together a Board Charter. While we do not yet have a board charter, our Manual on Corporate Governance formalizes and clearly states our Board's roles, responsibilities and accountabilities in carrying out its fiduciary role.



2. Board Charter serves as a guide to the directors in the performance of their functions.	Non-compliant		The Board is currently putting together a Board Charter. While we do not yet have a board charter, our Manual on Corporate Governance formalizes and clearly states our Board's roles, responsibilities and accountabilities in carrying out its fiduciary role.
3. Board Charter is publicly available and posted on the company's website.	Non-compliant		The Board is currently putting together a Board Charter. While we do not yet have a board charter, our Manual on Corporate Governance formalizes and clearly states our Board's roles, responsibilities and accountabilities in carrying out its fiduciary role.

**Additional Recommendation to Principle 2**

1. Board has a clear insider trading policy.	Compliant	<a href="http://corporate.abs-cbn.com/investorrelations/corporate-governance/cid-1477624220292/insider-trading-policy/">http://corporate.abs-cbn.com/investorrelations/corporate-governance/cid-1477624220292/insider-trading-policy/</a>	
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**Optional: Principle 2**

1. Company has a policy on granting loans to directors, either forbidding the practice or ensuring that the transaction is conducted at arm's length basis and at market rates.	Non-compliant		The company is considering to develop a policy on granting loans to directors or on forbidding the practice.
2. Company discloses the types of decision requiring board of directors' approval.	Compliant	All decisions involving the businesses and properties of the company require board approval or are delegated to key officers. Pls. see	

		<p>Article 3 Item 1 of the company's By-Laws (and Section 23 of the Corporation Code of the Philippines). Material transactions approved by the board are disclosed to the SEC and PSE through 17-C. As an example, pls. see the attached disclosure to the PSE of the approval of the executive/employee stock purchase plans.</p> <p><a href="http://corporate.abs-cbn.com/investorrelations/corporate-governance/cid-1416383755129/amended-2011/">http://corporate.abs-cbn.com/investorrelations/corporate-governance/cid-1416383755129/amended-2011/</a></p>	
<p><b>Principle 3:</b> Board committees should be set up to the extent possible to support the effective performance of the Board's functions, particularly with respect to audit, risk management, related party transactions, and other key corporate governance concerns, such as nomination and remuneration. The composition, functions and responsibilities of all committees established should be contained in a publicly available Committee Charter.</p>			
<p><b>Recommendation 3.1</b></p>			
<p>1. Board establishes board committees that focus on specific board functions to aid in the optimal performance of its roles and responsibilities.</p>	<p>Compliant</p>	<p>Pls. see pages 53-55 of the 2017 Annual Report.</p>	
<p><b>Recommendation 3.2</b></p>			
<p>1. Board establishes an Audit Committee to enhance its oversight capability over the company's financial reporting, internal control system, internal and external audit processes, and compliance with applicable laws and regulations.</p>	<p>Compliant</p>	<p>Pls. see pages 9-10 of the Manual on Corporate Governance. It is the Audit Committee's responsibility to recommend the appointment/removal of the external auditor.</p>	



2. Audit Committee is composed of at least three appropriately qualified non-executive directors, the majority of whom, including the Chairman is independent.	Compliant	Pls. see pages 54 and 66-67 of the 2017 Annual Report.	
3. All the members of the committee have relevant background, knowledge, skills, and/or experience in the areas of accounting, auditing and finance.	Compliant	Pls. see pages 66-67 of the 2017 Annual Report.	
4. The Chairman of the Audit Committee is not the Chairman of the Board or of any other committee.	Compliant	Pls. see pages 53-55 and 67 of the 2017 Annual Report.	
<b>Supplement to Recommendation 3.2</b>			
1. Audit Committee approves all non-audit services conducted by the external auditor.	Compliant	Pls. see page 24 of the attached 20-1S.	
2. Audit Committee conducts regular meetings and dialogues with the external audit team without anyone from management present.	Non-compliant		The Audit Committee will conduct such meetings in 2018.
<b>Optional: Recommendation 3.2</b>			
1. Audit Committee meet at least four times during the year.	Compliant	The Audit Committee met five times in 2017, pls. see the attached Notices of Meeting.	
2. Audit Committee approves the appointment and removal of the internal auditor.	Non-compliant		The current Chief Audit Executive was appointed by the Chairman of the Board.
<b>Recommendation 3.3</b>			
1. Board establishes a Corporate Governance Committee tasked to assist the Board in the performance of its corporate governance responsibilities,	Compliant	Pls. see page 11 of the Manual on Corporate Governance.	





including the functions that were formerly assigned to a Nomination and Remuneration Committee.			
2. Corporate Governance Committee is composed of at least three members, all of whom should be independent directors.	Non-compliant		In 2017, this function was performed by the Nomination and Election Committee, of which only one member was an independent director.
3. Chairman of the Corporate Governance Committee is an independent director.	Non-compliant		In 2017, this function was performed by the Nomination and Election Committee, of which a non-independent director (Eugenio Lopez III) was Chairman. In 2018, the Corporate Governance Committee is chaired by an independent director (Emmanuel de Dios).
<b>Optional: Recommendation 3.3.</b>			
1. Corporate Governance Committee meet at least twice during the year.	Non-compliant		The Corporate Governance Committee had not yet been constituted in 2017. The Nomination and Election Committee shall perform the functions of the Corporate Governance Committee while it has not yet been constituted, pls. see page 11 of the Manual on Corporate Governance.
<b>Recommendation 3.4</b>			
1. Board establishes a separate Board Risk Oversight Committee (BROC) that should be responsible for the oversight of a company's Enterprise Risk Management system to ensure its functionality and effectiveness.	Compliant	Pls. see pages 10-11 of the Manual on Corporate Governance.	



2. BROC is composed of at least three members, the majority of whom should be independent directors, including the Chairman.	Non-compliant		Pls. see pages 54, 66-67 of the 2017 Annual Report. The company is currently revisiting the composition of its Board Committees.
3. The Chairman of the BROC is not the Chairman of the Board or of any other committee.	Non-compliant		Pls. see page 66 of the 2017 Annual Report. The company is currently revisiting the composition of its Board Committees.
4. At least one member of the BROC has relevant thorough knowledge and experience on risk and risk management.	Compliant	Pls. see page 66-67 of the 2017 Annual Report.	
<b>Recommendation 3.5</b>			
1. Board establishes a Related Party Transactions (RPT) Committee, which is tasked with reviewing all material related party transactions of the company.	Compliant	The Audit Committee reviews related party transactions, pls. see page 65 of the attached 20-IS.	
2. RPT Committee is composed of at least three non-executive directors, two of whom should be independent, including the Chairman.	Compliant	This function is assigned to the Audit Committee, pls. see page 10 of the Manual on Corporate Governance. Pls. also see pages 64, 66-67 of the 2017 Annual Report.	
<b>Recommendation 3.6</b>			
1. All established committees have a Committee Charter stating in plain terms their respective purposes, memberships, structures, operations, reporting process, resources and other relevant information.	Non-compliant		The Board are currently drafting their Committee Charters.
2. Committee Charters provide standards for evaluating the performance of the Committees.	Non-compliant		The Board are currently drafting their Committee Charters.



3. Committee Charters were fully disclosed on the company's website.	Non-compliant		The Board are currently drafting their Committee Charters.
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**Principle 4:** To show full commitment to the company, the directors should devote the time and attention necessary to properly and effectively perform their duties and responsibilities, including sufficient time to be familiar with the corporation's business.

**Recommendation 4.1**

1. The Directors attend and actively participate in all meetings of the Board, Committees and shareholders in person or through tele-/videoconferencing conducted in accordance with the rules and regulations of the Commission.	Compliant	The directors attend and actively participate in all meetings of the Board. Pls. see the attached minutes of the October 2017 Board Meeting showing the attendance of directors and their participation.  Teleconferencing is available when a director is unable to physically attend but signified her intention to attend.	
2. The directors review meeting materials for all Board and Committee meetings.	Compliant	All members of the Board were given company-issued iPads containing meeting materials.	
3. The directors ask the necessary questions or seek clarifications and explanations during the Board and Committee meetings.	Compliant	As an example, pls. see the attached minutes of the October 2017 Board Meeting, showing that the directors asked questions or sought clarifications and explanations.	

**Recommendation 4.2**

1. Non-executive directors concurrently serve in a maximum of five publicly-listed	Non-compliant		Pls. see page 50 of the 2017 Annual Report. The directorships list is under
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companies to ensure that they have sufficient time to fully prepare for minutes, challenge Management's proposals/views, and oversee the long-term strategy of the company.			review. Mr. Antonio Periquet missed only two meetings due to reasons unrelated to his directorships.
<b>Recommendation 4.3</b>			
1. The directors notify the company's board before accepting a directorship in another company.	Non-compliant		The company will require directors to make this written notification before accepting a directorship in another company.
<b>Optional: Principle 4</b>			
1. Company does not have any executive directors who serve in more than two boards of listed companies outside of the group.	Compliant	Pls. see page 50 of the 2017 Annual Report.	
2. Company schedules board of directors' meetings before the start of the financial year.	Compliant		
3. Board of directors meet at least six times during the year.	Compliant	There were ten Board Meetings in 2017, pls. see page 52 of the 2017 Annual Report.	
4. Company requires as minimum quorum of at least 2/3 for board decisions.	Non-compliant		A quorum consists of a majority of the entire membership of the Board, pls. see page 6 of the Amended By-Laws of the company. <a href="http://corporate.abs-cbn.com/investorrelations/corporate-governance/cid-1416383755129/amended-2011/">http://corporate.abs-cbn.com/investorrelations/corporate-governance/cid-1416383755129/amended-2011/</a>



**Principle 5:** The board should endeavor to exercise an objective and independent judgment on all corporate affairs

**Recommendation 5.1**

1. The Board has at least 3 independent directors or such number as to constitute one-third of the board, whichever is higher.	Non-compliant		The company is currently considering to add more independent directors. In the meantime, the company has a Board of Advisors that provides guidance to the Board of Directors, pls. see page 51 of the 2017 Annual Report.
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**Recommendation 5.2**

1. The independent directors possess all the qualifications and none of the disqualifications to hold the positions.	Compliant	Pls. see page 67 of the 2017 Annual Report.	
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**Supplement to Recommendation 5.2**

1. Company has no shareholder agreements, by-laws provisions, or other arrangements that constrain the directors' ability to vote independently.	Compliant	Pls. see page 4 of the Manual on Corporate Governance.	
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**Recommendation 5.3**

1. The independent directors serve for a cumulative term of nine years (reckoned from 2012).	Compliant	Pls. see page 67 of the 2017 Annual Report.	
2. The company bars an independent director from serving in such capacity after the term limit of nine years.	Compliant	Pls. see page 51 of the 2017 Annual Report.	
3. In the instance that the company retains an independent director in the same capacity after nine years, the board	Compliant	Pls. see page 51 of the 2017 Annual Report.	



provides meritorious justification and seeks shareholders' approval during the annual shareholders' meeting.			
<b>Recommendation 5.4</b>			
1. The positions of Chairman of the Board and Chief Executive Officer are held by separate individuals.	Compliant	Mr. Eugenio Lopez III was Chairman of the Board (succeeded by Mr. Martin Lopez in 2018). Mr. Carlo Katigbak is Chief Executive Officer.	
2. The Chairman of the Board and Chief Executive Officer have clearly defined responsibilities.	Compliant	Pls. see page 6 of the Manual on Corporate Governance.	
<b>Recommendation 5.5</b>			
1. If the Chairman of the Board is not an independent director, the board designates a lead director among the independent directors.	Compliant	Pls. see page 51 of the 2017 Annual Report.	
<b>Recommendation 5.6</b>			
1. Directors with material interest in a transaction affecting the corporation abstain from taking part in the deliberations on the transaction.	Compliant	In 2017, there were was no instance involving a director with a material interest in a transaction affecting the company.	
<b>Recommendation 5.7</b>			
1. The non-executive directors (NEDs) have separate periodic meetings with the external auditor and heads of the internal audit, compliance and risk functions, without any executive present.	Non-compliant		The non-executive directors will in the future have separate periodic meetings without any executive present.
2. The meetings are chaired by the lead independent director.	Non-compliant		The non-executive directors will in the future have separate periodic meetings without any executive present.



**Optional: Principle 5**

1. None of the directors is a former CEO of the company in the past 2 years.	Compliant	Ms. Charo Santos-Concio served as the company's CEO from Jan. 1, 2013 to Dec. 31, 2015. Mr. Carlo L. Katigbak is CEO since Jan. 1, 2016. Ms. Santos-Concio is currently a member of the Board of Advisors.	
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**Principle 6:** The best measure of the Board's effectiveness is through an assessment process. The Board should regularly carry out evaluations to appraise its performance as a body, and assess whether it possesses the right mix of backgrounds and competencies.

**Recommendation 6.1**

1. Board conducts an annual self-assessment of its performance as a whole.	Non-compliant		The directors will conduct self-, committee and Board assessments in FY2018.
2. The Chairman conducts a self-assessment of his performance.	Non-compliant		The directors will conduct self-, committee and Board assessments in FY2018.
3. The individual members conduct a self-assessment of their performance.	Non-compliant		The directors will conduct self-, committee and Board assessments in FY2018.
4. Each committee conducts a self-assessment of its performance.	Non-compliant		The directors will conduct self-, committee and Board assessments in FY2018.
5. Every three years, the assessments are supported by an external facilitator.	Non-compliant		The directors will conduct self-, committee and Board assessments in FY2018.

**Recommendation 6.2**

1. Board has in place a system that provides, at the minimum, criteria and process to determine the performance of the Board, individual directors and committees.	Non-compliant		The Board will put in place in 2018 a system that provides a criteria and a process to Board, committee and individual director performance assessments.
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2. The system allows for a feedback mechanism from the shareholders.	Non-compliant		The Board will put in place in 2018 a system that provides a criteria and a process to Board, committee and individual director performance assessments, incl. a feedback mechanism from shareholders.
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**Principle 7:** Members of the Board are duty-bound to apply high ethical standards, taking into account the interests of all stakeholders.

**Recommendation 7.1**

1. Board adopts a Code of Business Conduct and Ethics, which provide standards for professional and ethical behavior, as well as articulate acceptable and unacceptable conduct and practices in internal and external dealings of the company.	Compliant	<a href="http://corporate.abs-cbn.com/investorrelations/corporate-governance/cid-1506657916151/code-of-conduct/">http://corporate.abs-cbn.com/investorrelations/corporate-governance/cid-1506657916151/code-of-conduct/</a>	
2. The Code is properly disseminated to the Board, senior management and employees.	Compliant	This is part of the onboarding of all directors, managers and employees of the company. The Code of Conduct is also available for download/viewing on our website.	
3. The Code is disclosed and made available to the public through the company website.	Compliant	<a href="http://corporate.abs-cbn.com/investorrelations/corporate-governance/cid-1506657916151/code-of-conduct/">http://corporate.abs-cbn.com/investorrelations/corporate-governance/cid-1506657916151/code-of-conduct/</a>	

**Supplement to Recommendation 7.1**

1. Company has clear and stringent policies and procedures on curbing and penalizing company involvement in offering, paying and receiving bribes.	Compliant	Pls. see page 9 of the Code of Conduct.	
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<b>Recommendation 7.2</b>			
1. Board ensures the proper and efficient implementation and monitoring of compliance with the Code of Business Conduct and Ethics.	Compliant	The HR Department assists the Board and Sr. Management in the proper handling of cases of violations. HR provides supervisors/managers with guidance and direction, and reviews decisions, in accordance with due process. A comprehensive orientation of new employees on the Code of Conduct and other rules and regulations of the company is key to ensuring compliance. Pls. see the attached Code of Conduct Cases Year 2017.	
2. Board ensures the proper and efficient implementation and monitoring of compliance with company internal policies.	Compliant		

**Disclosure and Transparency**

**Principle 8:** The company should establish corporate disclosure policies and procedures that are practical and in accordance with best practices and regulatory expectations.

<b>Recommendation 8.1</b>			
1. Board establishes corporate disclosure policies and procedures to ensure a comprehensive, accurate, reliable and timely report to shareholders and other stakeholders that gives a fair and complete picture of a company's financial condition, results and business operations.	Compliant	Pls. see page 14 of the Manual on Corporate Governance, or page 57 of the 2017 Annual Report.	

<b>Supplement to Recommendations 8.1</b>			
1. Company distributes or makes available annual and quarterly consolidated reports, cash flow statements, and special audit revisions. Consolidated financial	Compliant	Our 17A and 17Q are published within 90 days and 45 days respectively after the end of the reporting period.	

statements are published within ninety (90) days from the end of the fiscal year, while interim reports are published within forty-five (45) days from the end of the reporting period.			
2. Company discloses in its annual report the principal risks associated with the identity of the company's controlling shareholders; the degree of ownership concentration; cross-holdings among company affiliates; and any imbalances between the controlling shareholders' voting power and overall equity position in the company.	Non-compliant		The 2017 Annual Report discloses key risks relating to the company (17-A, Business Overview, sec. 1.11). The risks related to the identity of controlling shareholders, cross-holdings, and imbalances between the controlling shareholders' voting power and equity position, are not viewed by the company as a key risk. However, the Annual Report contains information on security ownership of certain beneficial owners and of Management, and disclosures on certain relationships and related transactions (17-A, sec. 1.10 referring to Note 23 to the audited financial statements), which provides an investor with ample information for risk assessment.
<b>Recommendation 8.2</b>			
1. Company has a policy requiring all directors to disclose/report to the company any dealings in the company's shares within three business days.	Compliant	Pls. see page 13 of the Manual on Corporate Governance.	
2. Company has a policy requiring all officers to disclose/report to the company any dealings in the company's shares within three business days.	Compliant		



Supplement to Recommendation 8.2			
1. Company discloses the trading of the corporation's shares by directors, officers (or persons performing similar functions) and controlling shareholders. This includes the disclosure of the company's purchase of its shares from the market (e.g. share buy-back program).	Compliant	Pls. see the attached Public Ownership Report, List of Top 100 Stockholders, and 17A (page 215), as of December 31, 2017. There was no share buy-back in 2017.	
Recommendation 8.3			
1. Board fully discloses all relevant and material information on individual board members to evaluate their experience and qualifications, and assess any potential conflicts of interest that might affect their judgment.	Compliant	Pls. see pages 36 through 39 of the attached 17A.	
2. Board fully discloses all relevant and material information on key executives to evaluate their experience and qualifications, and assess any potential conflicts of interest that might affect their judgment.	Compliant	Pls. see pages 40 through 45 of the attached 17A.	
Recommendation 8.4			
1. Company provides a clear disclosure of its policies and procedure for setting Board remuneration, including the level and mix of the same.	Compliant	Pls. see pages 22-23 of the attached 2016 ACGR.	
2. Company provides a clear disclosure of its policies and procedure for setting executive remuneration, including the level and mix of the same.	Compliant	Pls. see pages 21-22 of the attached 2016 ACGR.	



3. Company discloses the remuneration on an individual basis, including termination and retirement provisions.	Compliant	Pls. see page 55 of the attached 20-IS for information on aggregate executive compensation.	
<b>Recommendation 8.5</b>			
1. Company discloses its policies governing Related Party Transactions (RPTs) and other unusual or infrequently occurring transactions in their Manual on Corporate Governance.	Non-compliant		Pls. see page 65 of the attached 20-IS. We will amend in 2018 the Manual on Corporate Governance to include the RPT policy.
2. Company discloses material or significant RPTs reviewed and approved during the year.	Compliant	Pls. see Note 23, or pages 138-140, of the 2017 Annual Report.	
<b>Supplement to Recommendation 8.5</b>			
1. Company requires directors to disclose their interests in transactions or any other conflict of interests.	Compliant	Pls. see page 6 of the Manual on Corporate Governance, and page 19 of the 2016 ACGR.	
<b>Optional : Recommendation 8.5</b>			
1. Company discloses that RPTs are conducted in such a way to ensure that they are fair and at arms' length.	Compliant	Pls. see page 65 of the attached 20-IS.	
<b>Recommendation 8.6</b>			
1. Company makes a full, fair, accurate and timely disclosure to the public of every material fact or event that occur, particularly on the acquisition or disposal of significant assets, which could adversely affect the viability or the interest of its shareholders and other stakeholders.	Compliant	There was no acquisition or disposal of significant assets in 2017.	
2. Board appoints an independent party to evaluate the fairness of the transaction	Compliant	In the past, the company appointed independent parties like ING and	



price on the acquisition or disposal of assets.		SGV to evaluate the fairness of transaction prices.	
<b>Supplement to Recommendation 8.6</b>			
1. Company discloses the existence, justification and details on shareholder agreements, voting trust agreements, confidentiality agreements, and such other agreements that may impact on the control, ownership, and strategic direction of the company.	Compliant	There were no such agreements in 2017.	
<b>Recommendation 8.7</b>			
1. Company's corporate governance policies, programs and procedures are contained in its Manual on Corporate Governance (MCG).	Compliant	http://corporate.abs-cbn.com/investorrelations/corporate-governance/pid-1495761944334/abs-cbn-corporate-governance-manual/	
2. Company's MCG is submitted to the SEC and PSE.	Compliant		
3. Company's MCG is posted on its company website.	Compliant		
<b>Supplement to Recommendation 8.7</b>			
1. Company submits to the SEC and PSE an updated MCG to disclose any changes in its corporate governance practices.	Compliant	Pls. see page 4 of the attached copy of the Manual on Corporate Governance, stamped by the SEC on May 26, 2017.	
<b>Optional: Principle 8</b>			
1. Does the company's Annual Report disclose the following information:		a. Pls. see pages 6-7 of the 2017 Annual Report.	
a. Corporate Objectives	Compliant		

b. Financial performance indicators	Compliant	b. Pls. see pages 8-9 of the 2017 Annual Report.	
c. Non-financial performance indicators	Compliant	c. Pls. see pages 18 through 47 of the 2017 Annual Report.	
d. Dividend Policy	Compliant	d. Pls. see pages 56-57 of the 2017 Annual Report.	
e. Biographical details (at least age, academic qualifications, date of first appointment, relevant experience, and other directorships in listed companies) of all directors	Compliant	e. Pls. see pages 63 through 67 of the 2017 Annual Report.	
f. Attendance details of each director in all directors' meetings held during the year	Compliant	f. Pls. see page 52 of the 2017 Annual Report.	
g. Total remuneration of each member of the board of directors	Compliant	g. Pls. see page 56 of the 2017 Annual Report.	
2. The Annual Report contains a statement confirming the company's full compliance with the Code of Corporate Governance and where there is non-compliance, identifies and explains reason for each such issue.	Compliant	Pls. see page 48 of the 2017 Annual Report.	
3. The Annual Report/Annual CG Report discloses that the board of directors conducted a review of the company's material controls (including operational, financial and compliance controls) and risk management systems.	Compliant	Pls. see pages 57-59 of the 2017 Annual Report.	

4. The Annual Report/Annual CG Report contains a statement from the board of directors or Audit Committee commenting on the adequacy of the company's internal controls/risk management systems.	Non-compliant		The company's future annual reports will contain such statements.
5. The company discloses in the Annual Report the key risks to which the company is materially exposed to (i.e. financial, operational including IT, environmental, social, economic).	Compliant	Pls. see page 58 of the 2017 Annual Report.	

**Principle 9:** The company should establish standards for the appropriate selection of an external auditor, and exercise effective oversight of the same to strengthen the external auditor's independence and enhance audit quality.

**Recommendation 9.1**

1. Audit Committee has a robust process for approving and recommending the appointment, reappointment, removal, and fees of the external auditors.	Compliant	Pls. see page 10 of the Manual on Corporate Governance, and page 59 of the 2017 Annual Report.	
2. The appointment, reappointment, removal, and fees of the external auditor is recommended by the Audit Committee, approved by the Board and ratified by the shareholders.	Compliant	Pls. see pages 1 and 9 of the Minutes of the 2017 Annual Stockholders Meeting. Percentage of shareholders that ratified the reappointment of the external auditor: 92.7%.	
3. For removal of the external auditor, the reasons for removal or change are disclosed to the regulators and the public through the company website and required disclosures.	Compliant	Pls. see page 9 of the Minutes of the 2017 Annual Stockholders Meeting.	



Supplement to Recommendation 9.1			
1. Company has a policy of rotating the lead audit partner every five years.	Compliant	Pls. see page 10 of the Manual on Corporate Governance.	
Recommendation 9.2			
1. Audit Committee Charter includes the Audit Committee's responsibility on: <ul style="list-style-type: none"> <li>i. assessing the integrity and independence of external auditors;</li> <li>ii. exercising effective oversight to review and monitor the external auditor's independence and objectivity; and</li> <li>iii. exercising effective oversight to review and monitor the effectiveness of the audit process, taking into consideration relevant Philippine professional and regulatory requirements.</li> </ul>	Compliant	Pls. see pages 5-6 of the attached Audit Committee Charter.	
2. Audit Committee Charter contains the Committee's responsibility on reviewing and monitoring the external auditor's suitability and effectiveness on an annual basis.	Compliant	Pls. see pages 5-6 of the attached Audit Committee Charter.	
Supplement to Recommendations 9.2			
1. Audit Committee ensures that the external auditor is credible, competent and has the ability to understand complex related party transactions, its counterparties, and valuations of such transactions.	Compliant	Pls. see pages 5-6 of the attached Audit Committee Charter.	





2. Audit Committee ensures that the external auditor has adequate quality control procedures.	Compliant	Pls. see pages 5-6 of the attached Audit Committee Charter.	
<b>Recommendation 9.3</b>			
1. Company discloses the nature of non-audit services performed by its external auditor in the Annual Report to deal with the potential conflict of interest.	Non-compliant		The company will make this disclosure in future annual reports.
2. Audit Committee stays alert for any potential conflict of interest situations, given the guidelines or policies on non-audit services, which could be viewed as impairing the external auditor's objectivity.	Non-compliant		The company will establish clear guidelines and policies on non-audit services of the external auditor, but the Audit Committee nevertheless stays alert for any potential conflict of interest, pls. see pages 5-6 of the Audit Committee Charter.
<b>Supplement to Recommendation 9.3</b>			
1. Fees paid for non-audit services do not outweigh the fees paid for audit services.	Compliant	Fees paid to SGV in 2017 were as follows: Php21,180,000 for audit services and Php6,189,191 for non-audit services.	
<b>Additional Recommendation to Principle 9</b>			
1. Company's external auditor is duly accredited by the SEC under Group A category.	Compliant	Pls. see page 79 of the 2017 Annual Report.	
2. Company's external auditor agreed to be subjected to the SEC Oversight Assurance Review (SOAR) Inspection Program conducted by the SEC's Office of the General Accountant (OGA).	Non-compliant		No date and other detail in 2017 was firmed up regarding SOAR Inspection. But the company and its external auditor would have no issues subjecting themselves to inspection.

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

**Recommendation 10.1**

<p>1. Board has a clear and focused policy on the disclosure of non-financial information, with emphasis on the management of economic, environmental, social and governance (EESG) issues of its business, which underpin sustainability.</p>	<p>Compliant</p>	<p><a href="http://corporate.abs-cbn.com/investorrelations/corporate-governance/cid-1526631999641/sustainability-and-corporate-social-responsibility/">http://corporate.abs-cbn.com/investorrelations/corporate-governance/cid-1526631999641/sustainability-and-corporate-social-responsibility/</a></p>	
<p>2. Company adopts a globally recognized standard/framework in reporting sustainability and non-financial issues.</p>	<p>Non-compliant</p>		<p>The company is considering adopting the sustainability reporting framework of GRI. <a href="https://www.globalreporting.org/information/sustainability-reporting/Pages/gri-standards.aspx">https://www.globalreporting.org/information/sustainability-reporting/Pages/gri-standards.aspx</a></p>

**Principle 11:** The company should maintain a comprehensive and cost-efficient communication channel for disseminating relevant information. This channel is crucial for informed decision-making by investors, stakeholders and other interested users.

**Recommendation 11.1**

<p>1. Company has media and analysts' briefings as channels of communication to ensure the timely and accurate dissemination of public, material and relevant information to its shareholders and other investors.</p>	<p>Compliant</p>	<p><a href="http://corporate.abs-cbn.com/investorrelations/financial-and-operational-performance/">http://corporate.abs-cbn.com/investorrelations/financial-and-operational-performance/</a></p>	
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Supplemental to Principle 11			
1. Company has a website disclosing up-to-date information on the following:			
a. Financial statements/reports (latest quarterly)	Compliant	a. <a href="http://corporate.abs-cbn.com/investorrelations/financial-and-operational-performance/cid-1416806797930/sec-form-17-q/">http://corporate.abs-cbn.com/investorrelations/financial-and-operational-performance/cid-1416806797930/sec-form-17-q/</a>	
b. Materials provided in briefings to analysts and media	Compliant	b. <a href="http://corporate.abs-cbn.com/investorrelations/financial-and-operational-performance/pid-1416562088497/analystsinvestors-briefing/">http://corporate.abs-cbn.com/investorrelations/financial-and-operational-performance/pid-1416562088497/analystsinvestors-briefing/</a>	
c. Downloadable annual report	Compliant		
d. Notice of ASM and/or SSM	Compliant		
e. Minutes of ASM and/or SSM	Compliant	c. <a href="http://corporate.abs-cbn.com/investorrelations/financial-and-operational-performance/pid-1416534102761/annual-report/">http://corporate.abs-cbn.com/investorrelations/financial-and-operational-performance/pid-1416534102761/annual-report/</a>	
f. Company's Articles of Incorporation and By-Laws	Compliant	d. <a href="http://corporate.abs-cbn.com/investorrelations/financial-and-operational-performance/pid-1416809797841/stockholders-meeting/">http://corporate.abs-cbn.com/investorrelations/financial-and-operational-performance/pid-1416809797841/stockholders-meeting/</a>	
		e. <a href="http://corporate.abs-cbn.com/investorrelations/financial-and-operational-performance/pid-">http://corporate.abs-cbn.com/investorrelations/financial-and-operational-performance/pid-</a>	

		<a href="http://1416809797841/stockholders-meeting/">1416809797841/stockholders-meeting/</a>  f. <a href="http://corporate.abs-cbn.com/investorrelations/corporate-governance/cid-1416384066869/amended-2014/">http://corporate.abs-cbn.com/investorrelations/corporate-governance/cid-1416384066869/amended-2014/</a> and <a href="http://corporate.abs-cbn.com/investorrelations/corporate-governance/cid-1416383755129/amended-2011/">http://corporate.abs-cbn.com/investorrelations/corporate-governance/cid-1416383755129/amended-2011/</a>	
<b>Additional Recommendation to Principle 11</b>			
1. Company complies with SEC-prescribed website template.	Compliant	<a href="http://corporate.abs-cbn.com">http://corporate.abs-cbn.com</a>	
<b>Internal Control System and Risk Management Framework</b>			
<b>Principle 12:</b> To ensure the integrity, transparency and proper governance in the conduct of its affairs, the company should have a strong and effective internal control system and enterprise risk management framework.			
<b>Recommendation 12.1</b>			
1. Company has an adequate and effective internal control system in the conduct of its business.	Compliant	Pls. see the attached Focus Areas of Internal Audit.	
2. Company has an adequate and effective enterprise risk management framework in the conduct of its business.	Compliant	Pls. see page 66-67 of 20-IS. The company's leaders are guided by and make use of the COSO and the ISO 31000 ERM (Assess, Improve and Monitor Method) frameworks. The Board's Risk Management Committee convenes at least once a	

		<p>year for the Chief Risk Management Officer's Report. This meeting will be increased to quarterly beginning in 2018. At the annual 5YP board retreat, Risk Management, Business Continuity and Crisis Management are reviewed, discussed, updated and managed as part of the key strategic initiatives of the company, and then are resourced accordingly.</p>	
<b>Supplement to Recommendations 12.1</b>			
<p>1. Company has a formal comprehensive enterprise-wide compliance program covering compliance with laws and relevant regulations that is annually reviewed. The program includes appropriate training and awareness initiatives to facilitate understanding, acceptance and compliance with the said issuances.</p>	<p>Compliant</p>	<p>The company's regulatory compliance would be predominantly compliance with the regulations of the National Telecommunications Commission in connection with the licenses granted the company. The Company's legal department has a dedicated team and program for ensuring compliance with NTC rules and regulations and to secure and maintain the validity of the company's licenses. The program entails regular monitoring (and thus is frequently reviewed) as Temporary Permits, Provisional Authorities, Certificates of Public Convenience and Necessity to operate broadcast stations have various effectivities and expirations and require timely renewals. As for the annual payment of the NTC's Supervision and</p>	

		Regulations Fee, the company is up to date, pls. see the attached official receipt dated September 30, 2017.	
<b>Optional: Recommendation 12.1</b>			
1. Company has a governance process on IT issues including disruption, cyber security, and disaster recovery, to ensure that all key risks are identified, managed and reported to the board.	Compliant	Pls. see the attached Major Incident Management for an idea of our process on disruption, Information Security on cybersecurity, and IT Service Continuity on disaster recovery.	
<b>Recommendation 12.2</b>			
1. Company has in place an independent internal audit function that provides an independent and objective assurance, and consulting services designed to add value and improve the company's operations.	Compliant	Our internal audit is in-house, pls. see pages 58-59 of the 2017 Annual Report.	
<b>Recommendation 12.3</b>			
1. Company has a qualified Chief Audit Executive (CAE) appointed by the Board.	Compliant	Pls. see pages 58-59 of the 2017 Annual Report, and page 34-35 of the 2016 ACGR. Ms. Carmela C. del Mundo is OIC of the Internal Audit Division.	
2. CAE oversees and is responsible for the internal audit activity of the organization, including that portion that is outsourced to a third party service provider.	Compliant	The company's internal audit activity is not outsourced.	
3. In case of a fully outsourced internal audit activity, a qualified independent	Compliant	The company's internal audit activity is not outsourced.	



<p>executive or senior management personnel is assigned the responsibility for managing the fully outsourced internal audit activity.</p>			
<p><b>Recommendation 12.4</b></p>			
<p>1. Company has a separate risk management function to identify, assess and monitor key risk exposures.</p>	<p>Compliant</p>	<p>Pls. see pages 57-58 of the 2017 Annual Report.</p>	
<p><b>Supplement to Recommendation 12.4</b></p>			
<p>1. Company seeks external technical support in risk management when such competence is not available internally.</p>	<p>Compliant</p>	<p>The company has engaged SGV to assist in the development of an enterprise risk management framework and program. Pls. see page 58 of the 2017 Annual Report.</p>	
<p><b>Recommendation 12.5</b></p>			
<p>1. In managing the company's Risk Management System, the company has a Chief Risk Officer (CRO), who is the ultimate champion of Enterprise Risk Management (ERM).</p>	<p>Compliant</p>	<p>Mr. Raymund Martin T. Miranda is the Chief Risk Management Officer. Pls. see page 18 of the attached 20-IS for Mr. Miranda's profile and responsibilities.</p>	
<p>2. CRO has adequate authority, stature, resources and support to fulfill his/her responsibilities.</p>	<p>Compliant</p>	<p>Pls. see page 18 of the attached 20-IS.</p>	
<p><b>Additional Recommendation to Principle 12</b></p>			
<p>1. Company's Chief Executive Officer and Chief Audit Executive attest in writing, at least annually, that a sound internal audit,</p>	<p>Compliant</p>	<p>Pls. see the attached Internal Audit Attestation.</p>	



control and compliance system is in place and working effectively.			
<b>Cultivating a Synergic Relationship with Shareholders</b>			
<b>Principle 13:</b> The company should treat all shareholders fairly and equitably, and also recognize, protect and facilitate the exercise of their rights.			
<b>Recommendation 13.1</b>			
1. Board ensures that basic shareholder rights are disclosed in the Manual on Corporate Governance.	Compliant	Pls. see page 14 of the Manual on Corporate Governance.	
2. Board ensures that basic shareholder rights are disclosed on the company's website.	Compliant	<a href="http://corporate.abs-cbn.com/investorrelations/corporate-governance/pid-1495761944334/abs-cbn-corporate-governance-manual/">http://corporate.abs-cbn.com/investorrelations/corporate-governance/pid-1495761944334/abs-cbn-corporate-governance-manual/</a>	
<b>Supplement to Recommendation 13.1</b>			
1. Company's common share has one vote for one share.	Compliant	Pls. see page 10 of the attached 20-IS.	
2. Board ensures that all shareholders of the same class are treated equally with respect to voting rights, subscription rights and transfer rights.	Compliant	Pls. see pages 10-13 of the attached 20-IS.	
3. Board has an effective, secure, and efficient voting system.	Compliant	Pls. see page 26 of the attached 20-IS.	
4. Board has an effective shareholder voting mechanisms such as supermajority or "majority of minority" requirements to protect minority shareholders against actions of controlling shareholders.	Non-compliant		The Corporation Code of the Philippines and the By-Laws of the company require only a majority vote, or 2/3 vote in certain instances, for corporate actions. The company has not adopted such supermajority mechanism since there is no law that requires it. <a href="http://corporate.abs-">http://corporate.abs-</a>



			<a href="http://cbn.com/investorrelations/corporate-governance/cid-1416383755129/amended-2011/">cbn.com/investorrelations/corporate-governance/cid-1416383755129/amended-2011/</a>
5. Board allows shareholders to call a special shareholders' meeting and submit a proposal for consideration or agenda item at the AGM or special meeting.	Compliant	Special meetings may be held upon written call signed by the shareholders of record. Pls. see Article 2 Section 3 of the By-Laws of the company. In 2017, no such call was made by any of the shareholders. <a href="http://corporate.abs-cbn.com/investorrelations/corporate-governance/cid-1416383755129/amended-2011/">http://corporate.abs-cbn.com/investorrelations/corporate-governance/cid-1416383755129/amended-2011/</a>	
6. Board clearly articulates and enforces policies with respect to treatment of minority shareholders.	Compliant	Pls. see page 70 of the attached 20-IS.	
7. Company has a transparent and specific dividend policy.	Compliant	Pls. see page 65 of 20-IS. The dividends were paid 30 days after declaration. <a href="http://data-careers.abs-cbn.com.s3.amazonaws.com/investorrelations/1489395799_notice-of-annual-stockholders-meeting.pdf">http://data-careers.abs-cbn.com.s3.amazonaws.com/investorrelations/1489395799_notice-of-annual-stockholders-meeting.pdf</a>	
<b>Optional: Recommendation 13.1</b>			
1. Company appoints an independent party to count and/or validate the votes at the Annual Shareholders' Meeting.	Non-compliant		There was no need to appoint an independent party to count and validate the votes since all the proxies received, representing 92.7% of the outstanding shares, did not carry any abstention or opposition to any of the matters to be taken during the meeting. There was also no motion made to conduct the votes by



			balloting. If there was such a motion, the voting would have been done by balloting and the transfer agent would count and canvass the ballots.
<b>Recommendation 13.2</b>			
1. Board encourages active shareholder participation by sending the Notice of Annual and Special Shareholders' Meeting with sufficient and relevant information at least 28 days before the meeting.	Non-compliant		The agenda was sent out 22 days before the annual stockholders' meeting. Shareholders' approval of remuneration was not included in the agenda of the meeting. <a href="http://data-careers.abs-cbn.com.s3.amazonaws.com/investorrelations/1489395799_notice-of-annual-stockholders-meeting.pdf">http://data-careers.abs-cbn.com.s3.amazonaws.com/investorrelations/1489395799_notice-of-annual-stockholders-meeting.pdf</a>
<b>Supplemental to Recommendation 13.2</b>			
1. Company's Notice of Annual Stockholders' Meeting contains the following information:			
a. The profiles of directors (i.e., age, academic qualifications, date of first appointment, experience, and directorships in other listed companies)	Compliant	<a href="http://data-careers.abs-cbn.com.s3.amazonaws.com/investorrelations/1490264029_03.16.2017-information-statement.pdf">http://data-careers.abs-cbn.com.s3.amazonaws.com/investorrelations/1490264029_03.16.2017-information-statement.pdf</a>	
b. Auditors seeking appointment/re-appointment	Compliant	<a href="http://data-careers.abs-cbn.com.s3.amazonaws.com/investorrelations/1490264029_03.16.2017-information-statement.pdf">http://data-careers.abs-cbn.com.s3.amazonaws.com/investorrelations/1490264029_03.16.2017-information-statement.pdf</a>	
c. Proxy documents	Compliant	<a href="http://data-careers.abs-cbn.com.s3.amazonaws.com/investorrelations/1490264029_03.16.2017-information-statement.pdf">http://data-careers.abs-cbn.com.s3.amazonaws.com/investorrelations/1490264029_03.16.2017-information-statement.pdf</a>	



Optional: Recommendation 13.2			
1. Company provides rationale for the agenda items for the annual stockholders meeting	Compliant	Pls. see page 22 of the attached 20-IS.	
Recommendation 13.3			
1. Board encourages active shareholder participation by making the result of the votes taken during the most recent Annual or Special Shareholders' Meeting publicly available the next working day.	Compliant	<a href="http://data-careers.abs-cbn.com.s3.amazonaws.com/investorrelations/1524454953_abs-cbn-corporation-minutes-of-annual-meeting-2018-pdf.pdf">http://data-careers.abs-cbn.com.s3.amazonaws.com/investorrelations/1524454953_abs-cbn-corporation-minutes-of-annual-meeting-2018-pdf.pdf</a>	
2. Minutes of the Annual and Special Shareholders' Meetings were available on the company website within five business days from the end of the meeting.	Compliant	<a href="http://data-careers.abs-cbn.com.s3.amazonaws.com/investorrelations/1524454953_abs-cbn-corporation-minutes-of-annual-meeting-2018-pdf.pdf">http://data-careers.abs-cbn.com.s3.amazonaws.com/investorrelations/1524454953_abs-cbn-corporation-minutes-of-annual-meeting-2018-pdf.pdf</a>	
Supplement to Recommendation 13.3			
1. Board ensures the attendance of the external auditor and other relevant individuals to answer shareholders questions during the ASM and SSM.	Compliant	The external auditor was present during the annual stockholders' meetings incl. in 2017.	
Recommendation 13.4			
1. Board makes available, at the option of a shareholder, an alternative dispute mechanism to resolve intra-corporate disputes in an amicable and effective manner.	Non-compliant		The company believes its dispute mechanism is adequate and effective, but may establish alternative mechanisms in the future.



2. The alternative dispute mechanism is included in the company's Manual on Corporate Governance.	Non-compliant		The company believes its dispute mechanism is adequate and effective, but may establish alternative mechanisms in the future.
<b>Recommendation 13.5</b>			
1. Board establishes an Investor Relations Office (IRO) to ensure constant engagement with its shareholders.	Compliant	Mr. Ricardo B. Tan, Head of Investor Relations. Telephone +63 2 415 2272. Fax +63 2 431 9368. Email IR@abs-cbn.com.	
2. IRO is present at every shareholder's meeting.	Compliant	The Investor Relations Officer was present at every shareholders' meeting incl. that of 2017.	
<b>Supplemental Recommendations to Principle 13</b>			
1. Board avoids anti-takeover measures or similar devices that may entrench ineffective management or the existing controlling shareholder group	Compliant	The company's By-Laws contain no anti-takeover provisions. <a href="http://corporate.abs-cbn.com/investorrelations/corporate-governance/cid-1416383755129/amended-2011/">http://corporate.abs-cbn.com/investorrelations/corporate-governance/cid-1416383755129/amended-2011/</a>	
2. Company has at least thirty percent (30%) public float to increase liquidity in the market.	Compliant	The company's public ownership percentage is 43.21%, as of Dec. 31, 2017.	
<b>Optional: Principle 13</b>			
1. Company has policies and practices to encourage shareholders to engage with the company beyond the Annual Stockholders' Meeting	Compliant	Pls. see page 13 of the Manual on Corporate Governance.	



2. Company practices secure electronic voting in absentia at the Annual Shareholders' Meeting.	Non-compliant		The company practices voting in absentia through proxies.
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**Duties to Stakeholders**

**Principle 14:** The rights of stakeholders established by law, by contractual relations and through voluntary commitments must be respected. Where stakeholders' rights and/or interests are at stake, stakeholders should have the opportunity to obtain prompt effective redress for the violation of their rights.

**Recommendation 14.1**

1. Board identifies the company's various stakeholders and promotes cooperation between them and the company in creating wealth, growth and sustainability.	Compliant	Pls. see pages 14-15 of the Manual on Corporate Governance, and pages 33-47 of the 2017 Annual Report.	
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**Recommendation 14.2**

1. Board establishes clear policies and programs to provide a mechanism on the fair treatment and protection of stakeholders.	Compliant	Pls. see pages 14-15 of the Manual on Corporate Governance, and pages 33-47 of the 2017 Annual Report.	
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**Recommendation 14.3**

1. Board adopts a transparent framework and process that allow stakeholders to communicate with the company and to obtain redress for the violation of their rights.	Compliant	Pls. see page 57 of the 2017 Annual Report. <a href="http://corporate.abs-cbn.com/investorrelations/contact-us/">http://corporate.abs-cbn.com/investorrelations/contact-us/</a>	
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**Supplement to Recommendation 14.3**

1. Company establishes an alternative dispute resolution system so that conflicts and differences with key stakeholders is settled in a fair and expeditious manner.	Non-compliant		The company believes its dispute mechanism is adequate and effective, but may establish alternative mechanisms in the future.
--	---------------	--	---



Additional Recommendations to Principle 14			
1. Company does not seek any exemption from the application of a law, rule or regulation especially when it refers to a corporate governance issue. If an exemption was sought, the company discloses the reason for such action, as well as presents the specific steps being taken to finally comply with the applicable law, rule or regulation.	Compliant	There was no such request in 2017.	
2. Company respects intellectual property rights.	Compliant	<a href="http://news.abs-cbn.com/business/08/08/17/abs-cbn-piracy-crackdown-continues-with-canada-suit">http://news.abs-cbn.com/business/08/08/17/abs-cbn-piracy-crackdown-continues-with-canada-suit</a>	
Optional: Principle 14			
1. Company discloses its policies and practices that address customers' welfare	Compliant	<a href="http://corporate.abs-cbn.com/investorrelations/corporate-governance/cid-1478145961589/customers039-welfare/">http://corporate.abs-cbn.com/investorrelations/corporate-governance/cid-1478145961589/customers039-welfare/</a>	
2. Company discloses its policies and practices that address supplier/contractor selection procedures	Compliant	<a href="http://corporate.abs-cbn.com/investorrelations/corporate-governance/cid-1477301616869/suppliercontractor-selection-practice/">http://corporate.abs-cbn.com/investorrelations/corporate-governance/cid-1477301616869/suppliercontractor-selection-practice/</a>	
Principle 15: A mechanism for employee participation should be developed to create a symbiotic environment, realize the company's goals and participate in its corporate governance processes.			
Recommendation 15.1			
1. Board establishes policies, programs and procedures that encourage employees to	Compliant	Pls. see pages 36-39 of the 2017 Annual Report.	



actively participate in the realization of the company's goals and in its governance.			
<b>Supplement to Recommendation 15.1</b>			
1. Company has a reward/compensation policy that accounts for the performance of the company beyond short-term financial measures.	Compliant	Pls. see page 20 of the attached 20-IS.	
2. Company has policies and practices on health, safety and welfare of its employees.	Compliant	Pls. see the attached Employee Health, Safety and Welfare 2017 report.	
3. Company has policies and practices on training and development of its employees.	Compliant	Pls. see pages 38-39 of the 2017 Annual Report.	
<b>Recommendation 15.2</b>			
1. Board sets the tone and makes a stand against corrupt practices by adopting an anti-corruption policy and program in its Code of Conduct.	Compliant	<a href="http://corporate.abs-cbn.com/investorrelations/corporate-governance/cid-1506657916151/code-of-conduct/">http://corporate.abs-cbn.com/investorrelations/corporate-governance/cid-1506657916151/code-of-conduct/</a>	
2. Board disseminates the policy and program to employees across the organization through trainings to embed them in the company's culture.	Compliant	The Code of Conduct is part of the onboarding of all directors, managers and employees.	
<b>Supplement to Recommendation 15.2</b>			
1. Company has clear and stringent policies and procedures on curbing and penalizing employee involvement in offering, paying and receiving bribes.	Compliant	Pls. see page 9 of the Code of Conduct. <a href="http://corporate.abs-cbn.com/investorrelations/corporate-governance/cid-1506657916151/code-of-conduct/">http://corporate.abs-cbn.com/investorrelations/corporate-governance/cid-1506657916151/code-of-conduct/</a>	




Recommendation 15.3			
1. Board establishes a suitable framework for whistleblowing that allows employees to freely communicate their concerns about illegal or unethical practices, without fear of retaliation	Compliant	Pls. see page 57 of the 2017 Annual Report.	
2. Board establishes a suitable framework for whistleblowing that allows employees to have direct access to an independent member of the Board or a unit created to handle whistleblowing concerns.	Compliant	Pls. see page 5 of the Manual on Corporate Governance for the Board's main duties. <a href="http://corporate.abs-cbn.com/investorrelations/corporate-governance/cid-1506657564229/whistleblowing-policy/">http://corporate.abs-cbn.com/investorrelations/corporate-governance/cid-1506657564229/whistleblowing-policy/</a>	
3. Board supervises and ensures the enforcement of the whistleblowing framework.	Compliant	Pls. see page 5 of the Manual on Corporate Governance for the Board's main duties. <a href="http://corporate.abs-cbn.com/investorrelations/corporate-governance/cid-1506657564229/whistleblowing-policy/">http://corporate.abs-cbn.com/investorrelations/corporate-governance/cid-1506657564229/whistleblowing-policy/</a>	
<b>Principle 16:</b> The company should be socially responsible in all its dealings with the communities where it operates. It should ensure that its interactions serve its environment and stakeholders in a positive and progressive manner that is fully supportive of its comprehensive and balanced development.			
Recommendation 16.1			
1. Company recognizes and places importance on the interdependence between business and society, and promotes a mutually beneficial relationship that allows the company to	Compliant	Pls. see pages 40-47 of the 2017 Annual Report.	



grow its business, while contributing to the advancement of the society where it operates.			
<b>Optional: Principle 16</b>			
1. Company ensures that its value chain is environmentally friendly or is consistent with promoting sustainable development	Compliant	Pls. see pages 34-35 and 59-60 of the 2017 Annual Report.	
2. Company exerts effort to interact positively with the communities in which it operates	Compliant	Pls. see pages 40-47 of the 2017 Annual Report.	

Pursuant to the requirement of the Securities and Exchange Commission, this Manual on Corporate Governance is signed on behalf of the registrant by the undersigned, thereunto duly authorized.



Mr. Martin L. Lopez  
Chairman of the Board

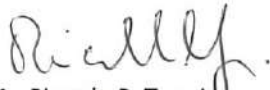


Mr. Carlo L. Katigbak  
President and Chief Executive Officer

Mr. Antonio Jose U. Periquet  
Lead Independent Director



Mr. Emmanuel S. de Dios  
Independent Director



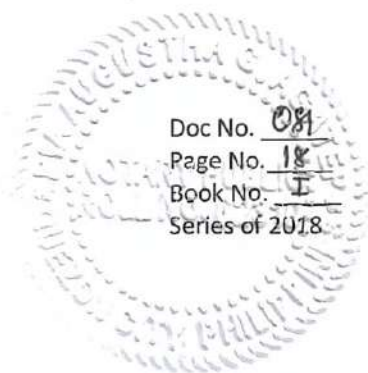
Mr. Ricardo B. Tan, Jr.  
Compliance Officer




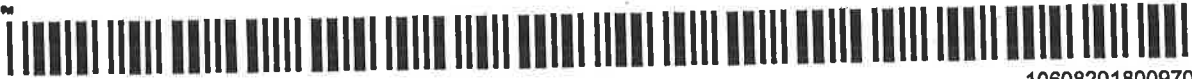
Atty. Enrique I. Quiason  
Corporate Secretary

SUBSCRIBED AND SWORN to before me this MAY 30 2018 day of 2018, affiant (s) exhibiting to me their identifications, as follows:

NAME	VALID ID NO.	DATE OF ISSUE / EXPIRY	PLACE OF ISSUE
Martin L. Lopez	Passport No. EC0996805	02 May 2019	DFA, Manila
Carlo L. Katigbak	Passport No. EC6618200	26 Jan 2021	DFA, Manila
Emmanuel S. De Dios	GSIS CRN No. 006-0086-9258-2		
Antonio Jose U. Periquet	SSS No. 03-8032428-6		
Ricardo B. Tan, Jr.	Passport No. P1587882A	11 Jan 2022	DFA, Manila
Enrique I. Quiason	Passport No. EC1299905	02 Jun 2019	DFA, NCR Central



  
**PIA AUGUSTHA G. AGATEP**  
Commission No. 222  
Notary Public for Quezon City  
Until December 31, 2019  
4/F, ELJ Communications Center  
Eugenio Lopez Drive, Quezon City  
Roll No. 62310  
PTR No. 5611622/01.09.2018/Quezon City  
IBP Lifetime Roll No. 019031/01.10.2018/Cagayan  
MCLE Compliance No. V-0007912/05.27.2015



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## SECURITIES AND EXCHANGE COMMISSION

SEC Building, EDSA, Greenhills, Mandaluyong City, Metro Manila, Philippines  
Tel: (632) 726-0931 to 39 Fax: (632) 725-5293 Email: mis@sec.gov.ph

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Remarks



June 13, 2018

**SECURITIES AND EXCHANGE COMMISSION**

G/F Secretariat Building, PICC Complex, Pasay City

Attention: **Mr. Vicente Graciano Felizmenio, Jr.**  
Director, Markets and Securities Regulation Department

**Atty. Rachel Esther J. Gumtang-Remalante**  
Officer-in-Charge, Corporate Governance and Finance Department

Subject: SEC FORM - I - ACGR - SIGNATURE PAGE OF INDEPENDENT DIRECTOR

---

Gentlemen/ Ladies:

This is a supplemental submission, bearing the original signature of our lead independent director, Mr. Antonio Jose U. Periquet, for our amended I-ACGR.

Thank you.

Very truly yours,

A handwritten signature in black ink that reads "Laurice P. Esteban-Tuason".

**LAURICE P. ESTEBAN-TUASON**  
Officer, Compliance

ABS-CBN BROADCAST CENTER, SGT. E.A. ESGUERRA AVENUE COR. MOTHER IGNACIA ST., QUEZON CITY  
TEL. NOS.: (632) 924-4101 • 415-2272


Pursuant to the requirement of the Securities and Exchange Commission, this Integrated Annual Corporate Governance Report is signed on behalf of the registrant by the undersigned, thereunto duly authorized.

  
Mr. Antonio Jose U. Periquet  
Lead Independent Director

SUBSCRIBED AND SWORN to before me this 06 <sup>JUN</sup> day of 2018, affiant (s) exhibiting to me their identifications, as follows:

NAME	VALID ID NO.	DATE OF ISSUE / EXPIRY	PLACE OF ISSUE
Antonio Jose U. Periquet	SSS No. 03-8032428-6		

Doc No. 261  
Page No. 24  
Book No. 5  
Series of 2018

  
**CARA MARIEL S. MAGLAYA**  
NOTARY PUBLIC  
FOR AND IN THE CITY OF PASIG AND SAN JUAN  
AND IN THE MUNICIPALITY OF PATEROS  
UNTIL DECEMBER 31, 2019  
PTR NO. 3897182; 1/10/2018; PASIG CITY  
IHP NO. 036966; 1/04/2018; RSM  
ROLL NO. 06519/APPOINTMENT NO. 36 (2018-2019)  
21/F Robinsons-Equitable Tower, 4 ADB Ave. cor. Poveda St.  
1605 Ortigas Center, Pasig City

ABS-CBN CORPORATION

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ANNEX B	-	Oct 2017 Minutes of the Regular Meeting of the Board of Directors of ABS-CBN Corporation
ANNEX C	-	Strategic Planning Process
ANNEX D	-	Succession Planning process
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ANNEX I	-	Code of Conduct Cases for 2017
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ANNEX N	-	IT Service Continuity Standards and Plan
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ANNEX P	-	Health, Safety, Welfare report



**ABS-CBN Corporation**  
Sgt. Esguerra Avenue, Quezon City, Philippines

September 15, 2017

**SECURITIES AND EXCHANGE COMMISSION**

Secretariat Building  
PICC Complex, Roxas Boulevard  
Pasay City, 1307

Attention: **DIRECTOR JUSTINA F. CALLANGAN**  
Corporate Governance and Finance Department

Dear Hon. Callangan:

In compliance with SEC Memorandum Circular No. 20, series of 2013, we hereby submit the Certificates of Attendance of the following ABS-CBN directors and key officers, who participated in the Corporate Governance training program conducted by the Institute of Corporate Directors (ICD) on September 6, 2017 at 8 Rockwell Drive, Rockwell Center, Makati City, Philippines.

	Name of Person	Position/Designation
1)	Eugenio Lopez III	Chairman of the Board
2)	Carlo L. Katigbak	President and Chief Executive Officer
3)	Federico R. Lopez	Board of Director
4)	Manuel M. Lopez	Board of Director
5)	Salvador G. Tirona	Board of Director
6)	Federico M. Garcia	Board of Director
7)	Martin L. Lopez	Board of Director, Chief Technology Officer
8)	Abigail Q. Aquino	Head, Regional Network Group
9)	Ma. Rosario S. Bartolome	Head, Kidzania
10)	Mario Luza Bautista	General Counsel
11)	Jose Agustin C. Benitez, Jr	Head, Integrated Sales
12)	Philip Lamberto Berba	Head, Human Resources & Organization Development
13)	Aldrin M. Cerrado	Chief Finance Officer
14)	Kane Errol C. Choa	Head, Integrated Corporate Communications
15)	Carmela del Mundo	OIC, Internal Audit
16)	Higino T. Dungo	Head, Integrated Public Service
17)	Marifel Gaerlan-Cruz	Assistant Corporate Secretary
18)	Robert G. Labayen	Head, Customer Relationship Management
19)	Dino J. Laurena	Head, Integrated Sports
20)	Charles A. Lim	Head, Access
21)	Raymund Martin T. Miranda	Chief Strategy Officer and Chief Risk Management Officer
22)	Mario Carlo P. Nepomuceno	Head, Corporate Services Group 1
23)	Enrique I. Quiason	Corporate Secretary
24)	Ma. Regina E. Reyes	Head, Integrated News and Current Affairs
25)	Ma. Lourdes N. Santos	Chief Operating Officer, Star Creatives
26)	Ricardo B. Tan	Compliance Officer and Head, Treasury





**ABS-CBN Corporation**  
Sgt. Esguerra Avenue, Quezon City, Philippines

	<b>Name of Person</b>	<b>Position/Designation</b>
27)	Vivian Y. Tin	Head, Integrated Customer Business Development
28)	Elaine Uy	OIC, Digital Media Division
29)	Rolando P. Valdueza	Head, Corporate Services Group 2 and Group Chief Finance Officer
30)	Antonio S. Ventosa	Chief Operating Officer, Sky Cable
31)	Ma. Socorro V. Vidanes	Chief Operating Officer, Broadcast
32)	Fernando V. Villar	Head, Integrated Marketing

We trust that you will find everything in order.

Very truly yours,

A handwritten signature in blue ink, appearing to read 'Enrique I. Quiason'.

**ENRIQUE I. QUIASON**  
Corporate Secretary

## ANNEX B

MINUTES OF THE REGULAR MEETING OF THE  
BOARD OF DIRECTORS OF  
ABS-CBN CORPORATION  
HELD AT 15<sup>th</sup> FLOOR, ROCKWELL BUSINESS CENTER  
TOWER 3, ORTIGAS AVENUE, PASIG CITY  
ON OCTOBER 26, 2017 AT 2:30 PM

---

### Board of Directors

#### Present:

Mr. Emmanuel S. de Dios  
Mr. Carlo L. Katigbak  
Mr. Augusto Almeda Lopez  
Mr. Eugenio L. Lopez III  
Mr. Federico R. Lopez  
Mr. Manuel M. Lopez  
Mr. Martin L. Lopez  
Mr. Oscar M. Lopez  
Mr. Antonio Jose U. Periquet  
Mr. Salvador G. Tirona

#### Absent:

Mr. Federico M. Garcia

### Board of Advisors

#### Present:

Mr. Mario L. Bautista  
Prof. Randolph S. David  
Mr. Honorio G. Poblador IV  
Ms. Ma. Rosario Santos-Concio

Also present were: Ms. Ma. Socorro V. Vidanes, Chief Operating Officer, Broadcast; Mr. Rolando P. Valdueza, Head, Corporate Services Group II & Group Chief Financial Officer; Mr. Raymund Martin T. Miranda, Chief Strategy Officer & Chief Risk Management Officer; Mr. Aldrin M. Cerrado, Chief Financial Officer; Mr. Antonio S. Ventosa, Chief Operating Officer, Sky Cable Corporation; Mr. Jose Agustin C. Benitez, Head, Integrated Sales; Ms. Ma. Regina E. Reyes, Head, Integrated News and Current Affairs; Mr. Charles Lim, Head, Access; Ms. Liza A. Aleta, Head, Broadcast Researches, Customer Business

Development Research and Analytics; Mr. Ricardo B. Tan, Jr., Head, Treasury; and Ms. Loraine A. Garcia, Head, Comptrollership.

### **CALL TO ORDER**

The Chairman of the Board, Mr. Eugenio Lopez III, Lopez, called the meeting to order and presided over the same. The Corporate Secretary, Mr. Enrique I. Quiason recorded the minutes of the proceedings.

### **APPROVAL OF THE MINUTES OF THE PREVIOUS MEETING**

The reading of the minutes of the regular meeting of the Board held on September 28, 2017, was dispensed with, and the said minutes were unanimously approved.

### **REPORT OF MANAGEMENT**

#### ***Ratings, Audience Share and Comparative Viewing***

Ms. Liza A. Aleta, Head, Broadcast Researches, Customer Business Development Research and Analytics, gave the report on ratings and audience share, and presented tables showing the comparative National, Mega Manila and Metro Manila Ratings and Audience Share for the period ending October 23, 2017 based on Kantar Media – Total Households survey. ABS-CBN's total overall Philippines (urban and rural) ratings for the month of October was at 16.5 while GMA was at 11.6. For daytime, ABS-CBN was at 13.2 while GMA was at 10.3. For primetime, ABS-CBN was at 23.1 while GMA was at 14. For urban ratings and ABS-CBN was at 16.4 while for rural, ABS was at 16.6. Ms. Aleta said that the high ratings of ABS-CBN for the past three months have been sustained.

In terms of total overall Philippines (urban and rural) audience share, ABS-CBN was at 46 while GMA was at 33. Ms. Aleta said that the rating of 46 is higher than the past ratings of ABS-CBN in 2016, 2015 and 2014. Ms. Aleta said that ABS-CBN is maintaining a significant margin over GMA for both primetime and non-primetime. For daytime, ABS-CBN was at 43 while GMA was at 34. For primetime, ABS-CBN was at 50 while GMA was at 30. For urban audience shares, ABS-CBN was at 43 while for rural, ABS-CBN was at 51.

For Mega Manila ratings, ABS-CBN was at 14.8 while GMA was at 13.7. For daytime, ABS-CBN was at 11.9 while GMA was at 11.7. For primetime, ABS-CBN was at 20.7 while GMA was at 17.8. For Metro Manila ratings, ABS-CBN was at 17.3 while GMA was at 10.6. For daytime, ABS-CBN was at 13.9 while GMA was at 8.9. At primetime, ABS-CBN was at 24.2 while GMA was at 13.9.

Ms. Aleta said that:

Mr. Eugenio L. Lopez III, Chairman, asked:

Ms. Aleta said:

The Chairman asked:

Mr. Jose Agustin C. Benitez, Head, Integrated Sales, said that:

Mr. Benitez said that:

Mr. Benitez said that:

The Chairman asked:

Ms. Ma.

Socorro V. Vidanes, Chief Operating Officer, Broadcast, said that:

Mr. Antonio Jose U. Periquet, Independent Director,

Mr. Carlo L. Katigbak, President, said that

Mr. Periquet:

about

The Chairman said that

In terms of overall audience share in Mega Manila, ABS-CBN was at 37 while GMA was at 34. For daytime, ABS-CBN and GMA were both at 34. For primetime, ABS-CBN was at 39 while GMA was at 34. For Metro Manila, ABS-CBN was at 42 while GMA was at 26. For daytime, ABS-CBN was at 40 while GMA is at 26. For primetime, ABS-CBN was at 46 while GMA was at 26.

As to the overall top programs, ABS-CBN's shows occupied all of the top ten programs for total households – total Philippines (urban and rural) and the top ten programs in the rural areas for October. ABS-CBN's shows occupied almost all of the top ten programs in the urban areas for October.

For Mega Manila, ABS-CBN's shows occupied ranks one, two, three, five, nine and ten, with: *FPJ's Ang Probinsyano*; *La Luna Sangre*; *TV Patrol Weekday*; *MMK 2*; *Little Big Shots Sunday* and *I Can See Your Voice Saturday*. For Metro Manila, ABS-CBN's shows occupied all of the top ten programs.

Ms. Aleta said that for the past three months, the top ten programs were mostly ABS-CBN's shows. Ms. Aleta also said that,

Ms. Vidanes said that

Ms. Aleta also gave a report on the comparative viewing levels by period (per minute) or audience flow. Ms. Aleta said that

Mr. Augusto Almeda-Lopez asked,

The Chairman said that,

Mr. Augusto Almeda-Lopez asked,

the

Ms. Ma. Regina E. Reyes, Head, Integrated News and Current Affairs, said that

The Chairman said that

Ms. Reyes said,

Ms. Aleta said that

***Operating Key Performance Indicators***

Mr. Raymund Martin T. Miranda, Chief Strategy Officer & Chief Risk Management Officer, and the business heads gave a report on the Operating Key Performance Indicators of ABS-CBN and its subsidiaries for the period ending September 30, 2017.

For One Domain, Mr. Miranda said that there was a

In response to the query of the Chairman, Mr. Miranda said that

For News, Ms. Ma. Regina E. Reyes, Head, Integrated News and Current Affairs, said that the

For ABS-CBN Cable, Mr. Miranda said that

For Star Cinema Movies, Mr. Miranda reported that

Mr. Miranda said that

Mr. Miranda said that

For Sky Cable, Mr. Antonio S. Ventosa, Chief Operating Officer, Sky Cable Corporation, said that the

to the

The Chairman asked Mr. Ventosa said the

For TV Plus, Mr. Charles Lim, Head, Access, said that

Mr. Lim said that

For ABS-CBN Mobile - Pre-paid, Mr. Lim said

Mr. Lim said that the

For Global, Mr. Miranda said that

Based on the Enterprise Database, Mr. Miranda said

For Kidzania, Mr. Miranda said that the

For O-Shopping, Mr. Miranda said that the

***Sales Analysis/Updates***

Mr. Jose Agustin C. Benitez, Head, Integrated Sales, gave a sales analysis report and updates for ABS-CBN. Mr. Benitez said that:



***Financial Report***

Mr. Aldrin M. Cerrado, Chief Financial Officer, gave the financial report for the period ending September 30, 2017.

**OTHER MATTERS**

Management requested the Board approval of the following:

- A. Authority of the Corporation to enter into a Service Agreement with \_\_\_\_\_ for the \_\_\_\_\_
- B. Amendment and simplification of the Approvals and Contracts Signatories Matrix;
- C. Authority of the Corporation's Head of Fixed Assets and Materials (Logistics), to transact with the LTO for the replacement of lost plate of the Corporation's vehicle;
- D. Authority of the Corporation to avail of the online payment integration solutions of \_\_\_\_\_ and to apply as \_\_\_\_\_
- E. Authority of the Corporation's Head, Real Estate Development, to apply for and secure construction, permits and licenses for the construction of ABS-CBN Experience Store; and
- F. Authority of the Corporation to apply for accreditation as vendor of various entities.

Upon the request of Management and upon motion duly made and seconded, the Board approved the following resolutions:

**A**

**RESOLVED**, That the authority of ABS-CBN Corporation (the "Corporation") to enter into Service Agreement with \_\_\_\_\_ be hereby confirmed and ratified.

**RESOLVED, FURTHER**, That the authority of the following officers of the Corporation, acting jointly, to negotiate for such terms and conditions as are in the best interests of the Corporation, and to sign, execute and deliver, for and on behalf of the Corporation, any and all documents, contracts and papers necessary and proper to carry out the foregoing resolution:

Aldrin M. Cerrado – Chief Finance Officer  
Rolando P. Valdueza – Head, Corporate Services Group 2

be hereby confirmed and ratified.

**B**

**RESOLVED**, That the amendment and simplification of the attached Approvals and Contracts Signatories Matrix, as recommended and approved by the Audit Committee, be hereby confirmed and ratified.

**C**

**RESOLVED**, That the Board of Directors of ABS-CBN Corporation (the "Corporation"), authorize, as it hereby authorizes the Corporation's Head of Fixed Assets and Materials (Logistics), Mr. Alvin L. Lumacang, with full power of delegation and substitution, to transact with the Land Transportation Office for the replacement of lost plate of the Corporation's vehicle, Mitsubishi Canter Aluminum Van with plate number \_\_\_\_\_ and to sign, execute, and deliver any and all documents (except contracts), in relation thereto.

**D**

**RESOLVED**, That the Board of Directors of ABS-CBN Corporation (the "Corporation") be hereby authorized to avail of the online payment integration solutions of \_\_\_\_\_ and to apply as

**RESOLVED, FURTHER**, That the following officers of the Corporation, acting jointly, be hereby authorized to negotiate for such terms and conditions as are in the best interests of the Corporation, and to sign, execute and deliver, for and on behalf of the Corporation, any and all documents, contracts and papers necessary and proper to carry out the foregoing:

Toni-May E. Dita – Finance Officer  
Luis Paolo M. Pineda – Head, Business Development

**E**

**RESOLVED**, That the authority of ABS-CBN Corporation's (the "Corporation") Head, Real Estate Development, Grant O. Orbeta, with full power of delegation and substitution, to transact with relevant government agencies and to apply for and secure construction/renovation, permits and licenses for the construction of ABS-CBN Experience Store, located at the 4th Floor, Ayala Trinoma, and to sign, execute, and deliver any and all documents (except contracts), in relation thereto, be hereby confirmed and ratified.

F

**RESOLVED**, That ABS-CBN Corporation (the "Corporation") be hereby authorized to apply for accreditation as vendor of various entities.

**RESOLVED, FURTHER**, That the following officers of the Corporation, acting jointly, be hereby authorized to negotiate for such terms and conditions as are in the best interests of the Corporation, and to sign, execute and deliver, for and on behalf of the Corporation, any and all documents, contracts and papers necessary and proper to carry out the foregoing:


Aldrin M. Cerrado – Chief Finance Officer  
Lina D. Quiogue – Head, Retail, Licensing and Storefronts

**ADJOURNMENT**

There being no further business to transact, upon motion duly made and seconded, the meeting was adjourned.

  
ENRIQUE I. QUIASON  
Corporate Secretary

ATTEST:

  
EUGENIO LOPEZ III  
Chairman of the Board

# ANNEX C

## Strategic Planning Process

Every year, Strategic Planning oversees a rolling 5-Year Planning and Budgeting process of the company using a planning cycle as follows:

Q1: Performance Appraisals for employees covering the previous year's targets and objectives

Q2:

1. Environment Scan through a roundtable with external speakers
2. Landscape scan of current macro and micro indicators
3. Landscape scan of industry related data and trends
4. SWOT Analysis
5. Business and Financial review of past performance
6. Convene the strategy and budget committee to review current initiatives and propose changes to the previous year's 5-Year Plan as deemed necessary
7. Communicate any updates to the Management Committee

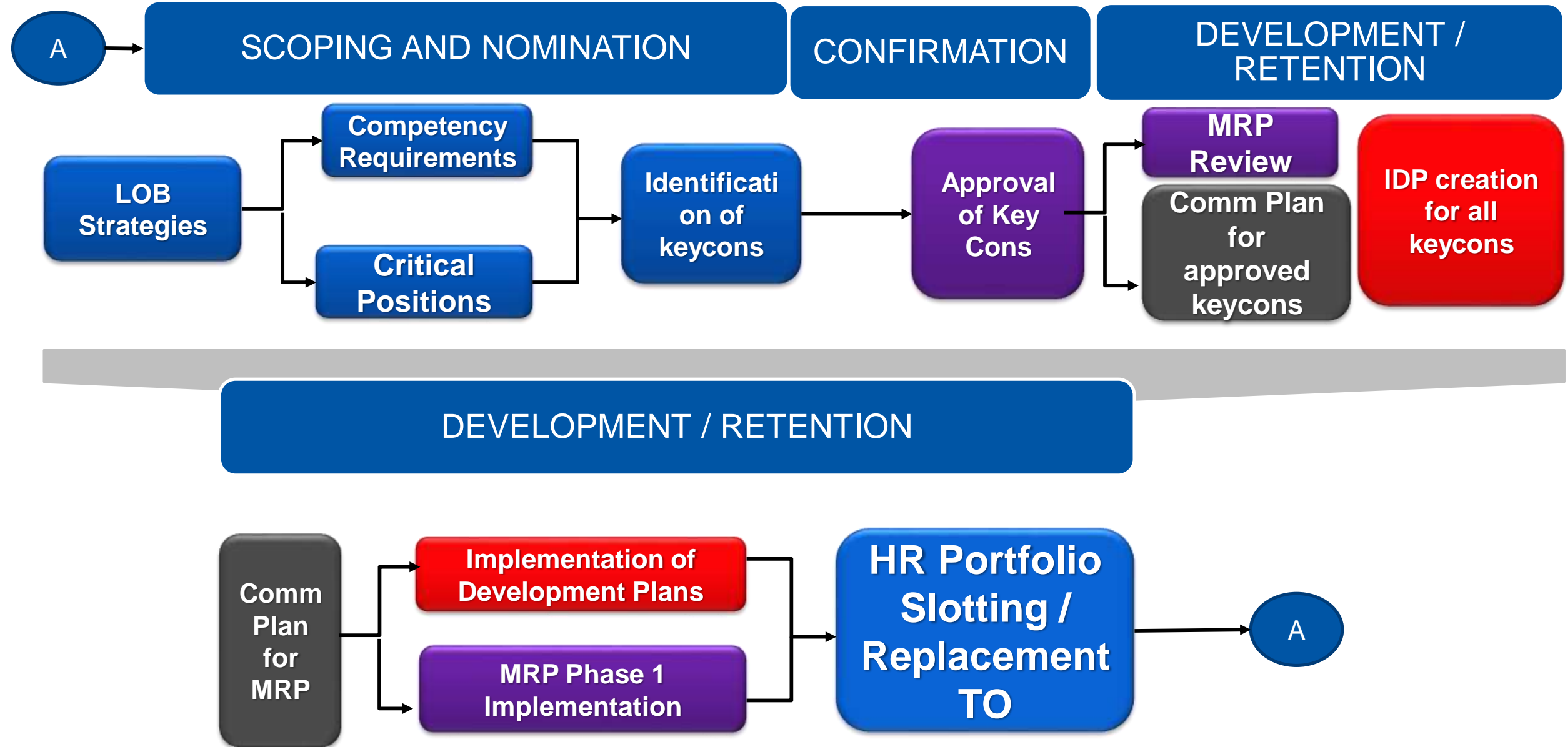
Q3:

1. Multiple passes of proposed budgets and initiatives ensuring alignment to the agreed strategy and plans
2. Establish metrics of success to track these initiatives
3. Convene the management conference to ensure alignment across all businesses

Q4:

1. Present the proposed 5-Year Plan to the board at a board retreat for approval
2. Adoption of the approved 5-Year Plan for the current period
3. Release of budget memos to the various business units covering the current period

# SUCCESSION PLANNING PROCESS



## ANNEX E

MINUTES OF THE ORGANIZATIONAL MEETING OF THE  
BOARD OF DIRECTORS OF  
**ABS-CBN CORPORATION**  
HELD AT THE ROXAS ROOM, ELJ COMMUNICATIONS CENTER  
MOTHER IGNACIA AVE., QUEZON CITY, METRO MANILA  
ON APRIL 6, 2017 AT 10:00 A.M.  
Immediately after the Annual Stockholders' Meeting

---

Present:

Mr. Eugenio L. Lopez III  
Mr. Emmanuel S. De Dios  
Mr. Federico M. Garcia  
Mr. Carlo L. Katigbak  
Mr. Augusto Almeda Lopez  
Mr. Federico R. Lopez  
Mr. Oscar M. Lopez  
Mr. Antonio Jose U. Periquet  
Mr. Salvador G. Tirona

Absent:

Mr. Manuel M. Lopez  
Mrs. Presentacion L. Psinakis

### **CALL TO ORDER**

The Chairman of the Board, Mr. Eugenio Lopez III, called the meeting to order, and presided over the same. The minutes of the proceedings were recorded by Mr. Enrique I. Quiason, the Corporate Secretary.

### **CERTIFICATION AS TO ELECTED DIRECTORS**

The Secretary certified to the election of the following stockholders as directors of the Corporation for the current year (2017-2018):

Mr. Augusto Almeda Lopez  
Mr. Emmanuel S. de Dios – independent director  
Mr. Federico M. Garcia

Mr. Carlo L. Katigbak  
 Mr. Eugenio L. Lopez III  
 Mr. Federico R. Lopez  
 Mr. Manuel M. Lopez  
 Mr. Martin L. Lopez  
 Mr. Oscar M. Lopez  
 Mr. Antonio Jose U. Periquet – independent director  
 Mr. Salvador G. Tirona

**ELECTION OF OFFICERS**

The Board next proceeded to the election of the officers of the Corporation. Upon nominations duly made and seconded, the following were elected to the offices set forth after their respective names:

Eugenio Lopez III	Chairman of the Board
Augusto Almeda Lopez	Vice-Chairman of the Board
Carlo L. Katigbak	President and Chief Executive Officer
Ma. Socorro V. Vidanes	Chief Operating Officer, Broadcast
Ma. Lourdes N. Santos	Chief Operating Officer, Star Creatives
Ma. Rosario Santos-Concio	Executive Adviser to the Chairman, Chief Content Officer and President of ABS-CBN University
-----	-----
Abigail Q. Aquino	Head, ABS-CBN Regional
Ma. Rosario S. Bartolome	Governor of Kidzania Manila and CEO of Play Innovations, Inc.
Mario Luza Bautista	General Counsel
Jose Agustin C. Benitez, Jr.	Head, Integrated Sales
Philip Lamberto L. Berba	Head, Human Resources and Organization Development
Aldrin M. Cerrado	Chief Financial Officer
Kane Errol C. Choa	Head, Corporate Communications
Marifel G. Gaerlan-Cruz	Assistant Corporate Secretary
Carmela Grace C. Del Mundo	Head, Internal Audit - OIC
Higino T. Dungo	Head, Public Service Convergence & Sagip Kapamilya Program
Laurenti M. Dyogi	Director & Concurrent Head, EMPI
Richmond Ezer O. Escolar	Head, TV Production
Roberto G. Labayen	Head, Customer Relations Management
Dino Jacinto M. Laurena	Head, Creative Communications Management
Charles A. Lim	Head, Integrated Sports & ABS-CBN Sports + Action
	Head, Access



Martin L. Lopez	Chief Technology Officer & Concurrent Head, Information Technology
Rafael L. Lopez	Head, Global
Raymund Martin T. Miranda	Chief Strategy Officer & Chief Risk Management Officer
Mario Carlo P. Nepomuceno	Head, Corporate Services Group 1
Gabriel D. Orendain	Head, ABS-CBN University
Luis Paolo M. Pineda	Head, Business Development
Caesar J. Poblador	Head, Corporate Legal Affairs
Enrique I. Quiason	Corporate Secretary
Lina D. Quiogue	Head, Licensing, Retail & Storefronts & Concurrent Head, Strategic Sales for Access
Evelyn D. Raymundo	Head, Integrated Acquisition & International Sales Distribution
Ma. Regina E. Reyes	Head, Integrated News and Current Affairs
Vivian Y. Tin	Head, Integrated Customer Business Development
Elaine E. Uy	Head, Digital Media - OIC
Rolando P. Valdueza	Head, Corporate Services Group 2 and Group Chief Financial Officer
Antonio S. Ventosa	Chief Operating Officer, Sky Cable Corp.
Fernando V. Villar	Head, Integrated Marketing
Teresita L. Villareal	Head, Creative Programs Inc. - OIC

### **APPOINTMENT OF BOARD OF ADVISORS**

Upon motion duly made and seconded, Prof. Randolph S. David, Mr. Mario Luza Bautista, Mr. Honorio G. Poblador IV, Ms. Maria Rosario Santos-Concio and Ms. Presentacion L. Psinakis were appointed as members of the Board of Advisors.

### **BOARD COMMITTEES**

The Board also appointed the Chairmen and Members of the following committees:

#### **Audit and Compliance Committee**

1. Mr. Antonio Jose U. Periquet, Chairman
2. Mr. Salvador G. Tirona, Member
3. Mr. Emmanuel S. de Dios, Member
4. Mr. Martin L. Lopez, Member

**Advisor:** Mr. Honorio Poblador IV

### **Programming Committee**

1. Mr. Federico M. Garcia, Chairman
2. Mr. Emmanuel S. de Dios, Member

**Advisors:** Prof. Randolph S. David  
Ms. Ma. Rosario Santos-Concio

### **Compensation Committee**

1. Mr. Augusto Almeda Lopez, Chairman
2. Mr. Federico R. Lopez, Member
3. Mr. Antonio Jose U. Periquet, Member

**Advisors:** Mr. Mario Luza Bautista  
Prof. Randolph S. David

### **Succession Committee**

1. Mr. Salvador G. Tirona, Chairman
2. Mr. Emmanuel S. de Dios, Member
3. Mr. Augusto Almeda Lopez, Member

**Advisor:** Prof. Randolph S. David

### **Compensation Committee For the Chairman and Chief Executive Officer**

1. Mr. Augusto Almeda Lopez, Chairman
2. Mr. Federico M. Garcia, Member
3. Mr. Antonio Jose U. Periquet, Member

**Advisor:** Mr. Mario Luza Bautista

### **Risk Management Committee**

1. Mr. Salvador G. Tirona, Chairman
2. Mr. Federico M. Garcia, Member
3. Mr. Emmanuel S. de Dios, Member

**Advisor:** Mr. Honorio Poblador IV

**Nominations and Elections Committee**

1. Mr. Eugenio Lopez III, Chairman
2. Mr. Carlo L. Katigbak, Member
3. Mr. Antonio Jose U. Periquet, Member

**Advisor:** Prof. Randolph S. David

**ADJOURNMENT**

There being no further business to transact, upon motion duly made and seconded, the meeting was adjourned.



**ENRIQUE I. QUIASON**  
Corporate Secretary

ATTEST:



**EUGENIO LOPEZ III**  
Chairman of the Board

# ANNEX F

MINUTES OF THE REGULAR MEETING OF THE  
BOARD OF DIRECTORS OF  
ABS-CBN CORPORATION  
HELD AT 15<sup>th</sup> FLOOR, ROCKWELL BUSINESS CENTER  
TOWER 3, ORTIGAS AVENUE, PASIG CITY  
ON SEPTEMBER 28, 2017 AT 2:30 PM

---

## Board of Directors

### Present:

Mr. Emmanuel S. de Dios  
Mr. Carlo L. Katigbak  
Mr. Augusto Almeda Lopez  
Mr. Manuel M. Lopez  
Mr. Martin L. Lopez  
Mr. Antonio Jose U. Periquet  
Mr. Salvador G. Tirona

### Absent:

Mr. Federico M. Garcia  
Mr. Eugenio L. Lopez III  
Mr. Federico R. Lopez  
Mr. Oscar M. Lopez

## Board of Advisors

### Present:

Mr. Mario L. Bautista  
Prof. Randolph S. David  
Ms. Ma. Rosario Santos-Concio

### Absent:

Mr. Honorio G. Poblador IV

Also present were: Ms. Ma. Socorro V. Vidanes, Chief Operating Officer, Broadcast; Mr. Rolando P. Valdueza, Head, Corporate Services Group II & Group Chief Financial Officer; Ms. Vivian Y. Tin, Head, Integrated Customer Business Development; Mr. Raymund Martin T. Miranda, Chief Strategy Officer & Chief Risk Management Officer; Mr. Aldrin M. Cerrado, Chief Financial Officer; Mr. Antonio S. Ventosa, Chief Operating

### **PUBLIC SERVICE**

Mr. Mark Nepomuceno, Head, Corporate Services Group I, gave a presentation on the succession plans of ABS-CBN. The managers and executives of ABS-CBN who will retire by the mandatory retirement age of 60 will be immediately engaged as consultants of ABS-CBN after retirement. The retired employee cannot be appointed to his/her same role prior to his/her retirement. The managers and executives shall be responsible in identifying and developing their respective successors.

### **IMPLEMENTATION OF THE MANUAL ON CORPORATE GOVERNANCE**

The following actions were adopted by the Board in connection with the implementation of the provisions of the Corporation's Manual on Corporate Governance:

1. Appointment of Mr. Antonio Jose U. Periquet as the Lead Independent Director by the Corporation's Independent Directors
2. Formal approval of the Code of Business Conduct by the Board and posting on the company website
3. Formal approval of the Whistleblowing Policy by the Board and posting on the company website
4. Appointment of Ms. Carmela del Mundo, Head, Internal Audit, as the Corporation's Chief Audit Executive, effective September 28, 2017
5. Appointment of Mr. Emmanuel S. De Dios as member of the Corporation's Nominations and Elections Committee to replace Mr. Carlo L. Katigbak

**CONFLICT OF INTEREST - DISCLOSURE FORM**

The following is a disclosure statement required by the Company pursuant to the Conflict of Interest provision in the Code of Conduct. Please respond to each of the questions below:

		YES	NO
<b>1. Do you or does your parent, sibling, spouse, son/daughter, parent-in-law, son-in-law/daughter-in-law; work for, or have a proprietary interest in, a customer, supplier or competitor of ABS-CBN or any of its subsidiaries?</b>			
<b>2. Are you engaged in any activity:</b>	a. that competes with the Company and any of its subsidiaries (includes working for, or providing services to a competitor)?		
	b. wherein you serve as a member of the Board of Directors, or as an officer, or employee of a third party that has a direct or indirect business relationship with the Company and any of its subsidiaries, or provides services to a competitor?		
	c. wherein you provide services to a third party that has a direct or indirect business relationship with the Company and its subsidiaries, or provides services to a competitor?		
	d. which involves co-employee(s) that you have reporting or workflow relationships with (outside of your functions & duties as an employee of the company)?		
<b>3. Do you have any relative (parent, sibling, spouse, son/daughter, uncle, aunt, nephew, niece, parent-in-law, sibling-in-law, son-in-law/daughter-in-law, nephew-in-law/niece-in-law, cousin, cousin-in-law) in the Company/Subsidiary:</b>	a. that reports to you?		
	b. that was hired by you (regardless of employment type, including agency/outsourced personnel)?		
	c. over whom you have authority on matters of pay, performance appraisals and other conditions of employment?		
	d. that have <b>workflow relationships</b> with you? <small>(A business process, in whole or part, during which documents, information or tasks are passed from one <b>Employee</b> to another for action, according to a set of procedural and company rules, including sign-off, evaluation, and work performance as defined in the job descriptions and operational requirements.)</small>		
<b>4. Are there other Conflict of Interest matters involving you not covered by the foregoing (including other known relatives in the company not covered by #3.)?</b>			

*IF YOU ANSWERED YES TO ANY OF THE QUESTIONS, PLEASE EXPLAIN BELOW OR IN A SEPARATE SHEET IF NEEDED.*

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

All employees must recognize and avoid the areas and situations stated above as well as any other instances that may result in a **Conflict of Interest (CoI)** situation- including other instances not mentioned that you may deem relevant. A **conflict of interest** exists even if no unethical or improper act results from it. However, conflict of interest situations can create an appearance of impropriety that can undermine confidence in the person. Any actual or perceived CoI must be fully disclosed.

Any actual or perceived conflict of interest should be declared by the **Employee** involved. Accomplished Disclosure Forms shall be submitted to your Division's **HR Account** and shall be endorsed to the **Conflict of Interest Committee secretariat (Employee Relations Department)**. Additional disclosures shall be made every time you find yourself placed in a situation where **Conflict of Interest** exists, will exist or is perceived to exist.

-----  
I hereby affirm that I have read and understood the foregoing and that my declarations herein are true and complete.

NAME and SIGNATURE: \_\_\_\_\_  
 POSITION / DIVISION \_\_\_\_\_  
 DATE: \_\_\_\_\_

## ANNEX H

### **ABS-CBN CORPORATION**

Audit Committee Meeting will be held on  
Friday, February 17, 2017, 2:30pm to 4:30pm at  
Conference Rooms 1 and 2 Lopez Holdings Wing,  
4/F Benpres Bldg., Pasig City

### **AGENDA**

- |      |  |                 |
|------|--|-----------------|
| I.   | SGV Presentation on 2016 Year End Audit  | For Approval    |
| II.  | Management Presentation on 2016 Financial Statements   | For Approval    |
| III. | Approval of Minutes of December 1, 2016 Meeting  | For Approval    |
| IV.  | Status of Actionable Item From Previous Meeting  | For Information |
| V.   | Internal Audit Presentation on:  |                 |
|      | a. Status of 2016 Audit Plan   | For Information |
|      | b. Highlights of Significant Audit Findings  | For Information |
| VI.  | Other Matter – Approval of Audit Committee Report<br>to the Board of Directors (For Annual Report) | For Approval    |
| VII. | Schedule of Next Audit Committee Meeting   | For Approval    |

**ABS-CBN CORPORATION**  
Audit Committee Meeting will be held on  
Thursday, March 23, 2017, 1:00pm to 2:00pm at  
Mahogany Conference Room,  
5/F Rockwell Business Center Tower 3, Pasig City

**AGENDA**

- |      |  |              |
|------|--|--------------|
| I.   | Approval of Minutes of February 17, 2017 Meeting   | For Approval |
| II.  | Management Presentation on:  |              |
|      | a. Purchase of Bell 429 Helicopter   | For Approval |
|      | b. Proposed Teachers College   | For Approval |
| III. | ABS-CBN and Sky Cable Management Presentation<br>on Related Party Transaction – ABS-CBN Loan to Sky<br>Cable and Uses of the Funds | For Approval |
| IV.  | Schedule of Next Audit Committee Meeting   | For Approval |



## **ABS-CBN CORPORATION**

Audit and Compliance Committee Meeting will be held on  
Monday, May 22, 2017, 2:30pm to 4:30pm at  
Conference Rooms 1 and 2 Lopez Holdings Wing,  
4/F Benpres Bldg., Pasig City

### **AGENDA**

- |      |  |                 |
|------|--|-----------------|
| I.   | SGV Presentation on Management Letter Comments | For Information |
| II.  | Approval of Minutes of March 23, 2017 Meeting  | For Approval    |
| III. | Internal Audit Presentation on:                |                 |
|      | a. Status of 2017 Audit Plan                   | For Information |
|      | b. Highlights of Significant Audit Findings    | For Information |
| IV.  | Approval of Audit Committee Charter            | For Approval    |
| V.   | Schedule of Next Audit Committee Meeting       | For Approval    |

## **ABS-CBN CORPORATION**

Audit Committee Meeting will be held on  
Thursday, September 21, 2017, 2:30pm to 4:30pm at  
Conference Rooms 1 and 2 Lopez Holdings Wing,  
4/F Benpres Bldg., Pasig City

### **AGENDA**

- |      |   |                 |
|------|---|-----------------|
| I.   | SGV Presentation on:  |                 |
|      | a. 2016 Significant Management Letter Comments                          | For Information |
|      | b. 2017 Yearend Audit Plan  | For Approval    |
| II.  | Approval of Minutes of May 22, 2017 Meeting                             | For Approval    |
| III. | Internal Audit Presentation on Highlights of Significant Audit Findings | For Information |
| IV.  | Schedule of Next Audit Committee Meeting                                | For Approval    |

**ABS-CBN CORPORATION**  
Audit Committee Meeting will be held on  
Monday, December 4, 2017, 2:30pm to 4:30pm at  
Mahogany Conference Room,  
5/F Rockwell Business Center Tower 3, Pasig City

## **AGENDA**

- |      |   |                 |
|------|---|-----------------|
| I.   | Approval of Minutes of September 21, 2017 Meeting | For Approval    |
| II.  | Management Presentation on:                       |                 |
|      | a. Pending Legal Cases                            | For Information |
|      | b. Actions Taken on Overtime Claims               | For Information |
|      | c. SGV Audit Fees                                 | For Approval    |
|      | d. Accounts Receivable for Write-off              | For Approval    |
| III. | Internal Audit Presentation on:                   |                 |
|      | a. Status of 2017 Audit Plan                      | For Information |
|      | b. 2018 Audit Plan                                | For Approval    |
| IV.  | Schedule of 2018 Audit Committee Meetings         | For Approval    |



ANNEX I

# Code of Conduct Cases Year 2017

Division	Major	Dismissal
Entertainment Production	67	18
Regional	1	2
Technical Operations	7	14
Sports	1	
Finance/Logistics	1	
Marketing		1
Integrated News and Current Affairs	56	13
Audit	2	
<b>Total</b>	<b>135</b>	<b>48</b>

- Major Cases - 15 days suspension and higher
- Dismissal cases

ANNEX J

# COMMGROUP INTERNAL AUDIT



# KEY FOCUS AREAS

## Processes

- Payroll and Employee Benefits
- Revenue, Billing, and Collection
- Procurement, Payables, and Disbursement
- Fixed Assets and Inventories
- Financial Reporting

## For the following Divisions/Entities:

- ABS-CBN Parent/Shared Services
- ABS-CBN Films Production, Inc.
- ABS-CBN Global
- ABS-CBN Convergence, Inc.
- ACJO Home Shopping
- Digital Terrestrial Television
- Regional Stations



# KEY FOCUS AREAS

## IT General Controls Reviews

- **Network Security (System and Servers Administration, Firewall Policies, Network Access Control, Email System, Cloud Security, VPN remote access)**
- **Compliance Review (Data Privacy, IT Acquisitions)**

## Application Reviews

- **Revenue and Billing Process (IPTV, TFC.tv, Airtime)**
- **Payroll Process (Regular, IJM and Talent)**
- **CRM Projects (ECD, SSO, Loyalty)**
- **DMD Projects (Social Media Accounts, DMD Operations)**
- **Procurement Process – (Ariba Electronic Bidding)**
- **IT Applications (Aspera, Websites Administration)**

## Data Analytics

- **Revenue, Expense, Payroll and Global Synchronization**



# KEY FOCUS AREAS

- Major Production Related Expenses for Drama (Location Rental, Props, Costumes and Sets, Catering, Service Fees)
- Production Reviews – Variety, AFPI and Integrated Events
- Production Reviews and Non-Commercial Ex Deals – Cable Channels and ABS-CBN Global Programs
- Enterprise Risk Management
- On Air Operations



# KEY FOCUS AREAS

- **Transmission Planning & Engineering and Operations & Maintenance**
- **Technical Facilities Acquisition, Inventory, Utilization, Security and Maintenance**
- **Content Handling and Security**
- **Electrical Systems and Architectural/Civil Services**
- **Regional Technical Operations**
- **iCONN Technical Support/Services Management**

# **FREQUENCY OF REVIEW**

**High Risk Areas – yearly**

**High Medium Risk Areas – every other year**

**Medium to Low Risk Areas – once over the 4-year audit cycle**

ANNEX K



**OFFICIAL RECEIPT**  
 Republic of the Philippines  
**NATIONAL TELECOMMUNICATIONS COMMISSION**

361165  
 4:35:15 PM



ORIGINAL

N<sup>o</sup> **1296639 A**  
 1296639

DATE: 9/6/2017

PAYOR: **ABS-CBN CORPORATION**

DETAILS OF PAYMENT

AMOUNT

(SRF - Supervision & Regulations Fee) 2017



UAC - 26-021-01-00000

TOTAL

P

27,767,560.00

27,767,560.00

Amount in Words:

Twenty Seven Million Seven Hundred Sixty Seven Thousand Five Hundred Sixty Pesos And Zero Centavos.

MODE OF PAYMENT:  Cash  Check/PMO

Check/Money Order Number:

BDO#11286

27,767,560.00

Date:

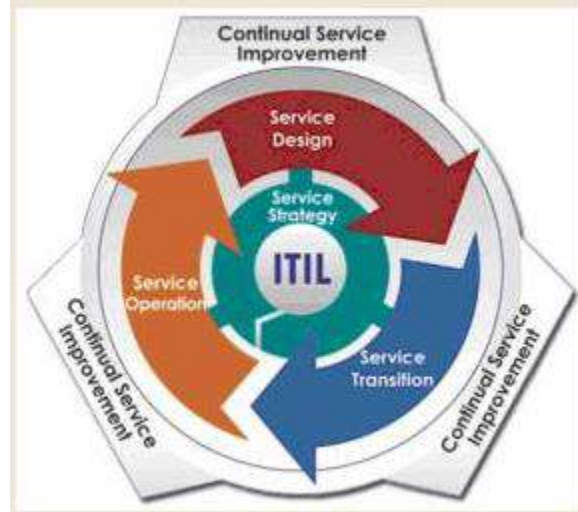
09/04/2017

Received  
 the amount  
 stated  
 above.

*JS*  
 JOCELYN P. MANUEL

COLLECTING OFFICER

# ITIL: Major Incident Management Process



Powered by:



# Scope & Objectives

## Scope:

- This procedure and related policies apply to all Incidents that have a significant impact or urgency for the business/organization and demands a response beyond the routine incident management process (Major Incidents).

## Objectives:

- Provide guidelines in the identification and classification of major incidents.
- Accelerate resolution for major incidents and ensure that all support teams of IT follow a consistent response and communication approach during service restoration.
- Minimize the operational impact on affected groups by providing relevant information to internal IT teams and ABS-CBN employees in a timely and appropriate manner.

# Definition of Terms

**Incident** - an unplanned interruption to an IT Service or a reduction in the Quality of an IT Service (ITILv3)

## IT Incident Classification:

### 1. Minor Incident

- limited to minor components (single circuit, modem, monitor, printer)
- affecting a single or small number of users

### 2. Major Incident

- Degradation or complete outage of [critical](#) services
  - Critical Service - service is critical to the ability of the company to meet its business and regulatory obligations*
  - service is directly used by our business customers/end users*
  - service has direct impact on revenue*
- Outage of non-critical services with immediate impact
- Cost of service unavailability is or will be substantial
- With significant impact on reputation, legal compliance, regulation or security

### 3. Disaster\*

- Disruptions affecting organization's IT systems, business processes, and facilities
- Caused by natural (flood, fire, earthquake), human (sabotage, labor strike), or environmental factors (outage, electric power failure)
- Usually catastrophic, denying access to the normal facility for an extended period and may require relocation

\* <http://www.ocio.usda.gov/sites/default/files/docs/2012/DM3570-001%5B1%5D.htm>

# Major Incident Process

## Reporting & Monitoring

Detection & Classification

Organizing the Major Incident Team

Incident Resolution and Closure

Major Incident Review

## Major Incident Communication

- Detection
  - Reactive (L1- triggered)
  - Pro-active (Application monitoring)
- Logging & Classification (as Major Incident)
- Initial Communication

- Organizing the Major Incident Team:
  - Major Incident Owner - Incident Manager or Incident Managers
  - Major Incident Members - SME's (L3/L4)
  - Communication Spoc

- Planning (optional)
- Escalation (Hierarchical/Functional)
- Resolution (can be work around)
- Closure
- Communication with Advisories

- Compilation of Actions and Findings
- Preparation of Closure Report
- Holding a "Lessons Learned" meeting
- Problem Management
  - Root Cause Analysis

# Roles & Responsibilities

Role	Responsibility
<b>Incident Manager</b>	<ul style="list-style-type: none"> <li>• Ensures that all IT support groups follow the incident management process for every incident</li> <li>• Communicates the incident matrices to all Service Desk analysts to enable them to determine the correct Severity, Urgency and Impact.</li> <li>• Ensures that major incidents have an identified Major Incident Owner/Lead</li> <li>• Ensures that IT has an effective and efficient system for responding to major incidents, which is appropriate to the individual circumstances</li> </ul>
<b>Major Incident Owner/ Lead</b>	<ul style="list-style-type: none"> <li>• Forms Major Incident Resolution Team</li> <li>• Facilitates the handling of the major incidents</li> <li>• Ensures that support groups maintain the full history of the entire investigation, diagnosis, and all other actions taken to resolve an incident.</li> <li>• Ensures that Major Incidents are communicated and resolved as defined in the '<i>Incident Escalation, Communication &amp; SLA Matrix</i>' document</li> </ul>
<b>Service Desk Level 1</b>	<ul style="list-style-type: none"> <li>• Escalates possible major incidents to Incident Manager</li> <li>• Categorizes and prioritizes incidents as major based on severity, impact and urgency defined in guidelines.</li> <li>• Performs post-resolution validation with end-user to ensure that all work services are functioning properly.</li> </ul>
<b>Service Desk Level 2</b>	<ul style="list-style-type: none"> <li>• Service Engineer (optional for InfoSec Incidents)</li> </ul>
<b>Level 3 Analyst (Administration, Internal Subject Matter Experts)</b>	<ul style="list-style-type: none"> <li>• Immediately notifies the Incident Manager of possible major incident</li> <li>• Registers and classifies received Incidents and undertakes an immediate effort in order to restore a failed IT service as quickly as possible.</li> <li>• Provides the necessary technical subject matter expertise in responding to incidents.</li> <li>• Escalates incident to Level 4 Support if unable to resolve incident.</li> <li>• Informs and updates Service Desk regarding Major Incidents detected and resolved.</li> </ul>

*Refer to Appendix D for Additional Roles and Responsibilities for InfoSec Incidents*



# Major Incident Process

This guideline provides a generic framework for operational response, but cannot undertake to cover all possible incidents that may happen. It is therefore designed to be generic, to permit decisions to be taken in consideration given the major incident details.

## 1. Major Incident Detection & Categorization

Analyst logging or owning the incident ticket should ensure that available information is gathered to confirm the current situation.

Incident Detected by	Next Steps
<b>End User calls IT-SD or files an Incident ticket via KSP</b>	<ol style="list-style-type: none"><li>IT-SD identifies potential major incident by verifying with the Major Incident <a href="#">Playbook</a> <i>Example: Several users has already raised an incident which may signify that a critical service is down or there is a degradation of an IT service (Major Incident has a Severity 1 &amp; 2 based on the Incident Escalation, Communication &amp; SLA Matrix )</i></li><li>IT-SD informs Incident Manager and coordinates with service owner/ ME for confirmation if major incident is being encountered.</li><li>IT-SD Notifies Incident Message Group</li></ol>
<b>SME's as raised directly by users or identified when using the system</b>	SME should advise Incident Manager of the potential major incident. Incident Manager immediately notifies IT-ManCom of the Major Incident via Message Group Incident Manager should ensure that an Incident ticket was created either by the SME or SD Analyst.
<b>Operations by monitoring IT services, applications, servers</b>	SysOps should advise Incident Manager of the potential major incident. Incident Manager notifies IT-ManCom of the Major Incident via Message Group Incident Manager should ensure that an Incident ticket was created either by the SME or SD Analyst.

Immediate notification should be sent regarding the occurrence of the major incident.

\* IT Service Desk's focus is to alert concerned groups and affected units to the occurrence of a Major Incident as quickly as possible. Early notification of a potential issue is more important than an accurate description of the problem.

# Major Incident Process

## 2. Organizing the Major Incident Response Team

- The Major Incident Owner/ Lead will vary depending on which IT Service is affected.

The Major Incident Owner/ Lead may change during the course of investigation when the affected IT Service has been verified. In this case, the initial Major Incident Owner/ Lead should ensure proper transition and handover to the appropriate Major Incident Owner/ Lead who will own and lead the Major Incident Response Team (*e.g. Application Head will handover the Major Incident Owner/ Lead role to Network Head if the issue was identified to be Network*).

- Organize the Major Incident Response Team
  - Major Incident Owner should engage appropriate resources.
  - Heads of involved technical groups should ensure that resources are made available for the investigation and prompt resolution of major incidents.
  - The Incident Manager is the de facto communication Spoc and should handle communication of investigation and resolution progress and updates to be released by the Service Desk.

# Major Incident Process

## 3. Incident Resolution and Closure

- A planning meeting may be initiated within the Major Incident Response Team, involving any support analyst who has already been working on the incident, affected managers, and any other relevant technical specialists to determine action plan for incident resolution.
- If incident happens beyond office hours, a bridge call may be initiated.
- As the major incident progresses, the Major Incident Owner/Lead should ensure that any additional resource requirements are allocated and coordinated. He may also escalate issues (Functional or Hierarchic Escalation), if required, to facilitate faster resolution.
- Communication Spoc should provide timely information regarding the incident from the investigation until resolution to appropriate groups. Please refer to the 'Incident Escalation, Communication & SLA Matrix' document for the communication plan.
- Advisories should be reviewed/acknowledged by the Major Incident Owner/Lead prior to release.
- A formal Incident Report should be accomplished with details of the incident, its cause, options considered, and resolution.

# Major Incident Process

## 4. Major Incident Review

Details of the major incident should be reviewed once service is restored. The incident should be analyzed and root causes identified. Information gathered from this activity will be used as inputs for Problem Management (*Please refer to Problem Management Process.*) The Major Incident Review process should include the following activities, at the very least:

- **Holding a “Lessons Learned” Meeting:** This should be held within several days of the end of the incident. Questions to be answered in the meeting include:
  - Exactly what happened, and at what times?
  - Were the documented procedures followed? Were they adequate?
  - What information was needed sooner?
  - Were any steps or actions taken that might have facilitated the recovery?
  - What would we do differently the next time a similar incident occurs?
  - What corrective actions can prevent similar incidents in the future?
- **Using Collected Incident Data:** Lessons learned activities should produce a set of objective and subjective data regarding each incident. Over time, the collected incident data should be useful in several capacities. Data to be collected should be actionable.
- **Evidence Retention:** The following factors should be considered during creation of evidence retention policy:
  - Legal/ Regulatory
  - Data Retention Policy
  - Cost

# Classification: Severity

Severity Level	Critical	High	Medium	Low
Service Impact	Enterprise-wide	Enterprise-wide/ Limited	Single/multiple users	Single user or none
Severity Level Defined	Complete outage of critical services.	Complete outage of non-critical services. <i>or</i> Critical Service has degraded, business can still continue/ commit its operations <i>or</i> Single division affected by interruption of a critical service	<ul style="list-style-type: none"> <li>• Multiple users</li> <li>• VIP</li> </ul>	Single user service impact
Resolution by	Major Incident Team (Adhoc)	Major Incident Team (Adhoc)	SD L1/L2 Analyst SD TL or L3 SME	SD L1/L2 Analyst L3 SME

Refer to Appendix E for table of Severity for InfoSec Incidents

# Incident Communication

## Incident Advisory

- The Major Incident Communication Spoc shall be responsible for providing information, so that the Service Desk, support teams and customers are informed.
- Templates should be used for internal and external major incident advisories.
- Advisories should be reviewed/acknowledged by the Major Incident Owner/Lead prior to release.

## Advisory Dissemination

- A communal email should be used for all external advisory communication.
- SMS should always be sent for the initial major incident advisory to ManCom in addition to Group Chat.

## Major incidents occurring beyond business hours:

- If a contact is unavailable (i.e. on leave, not responding to call, etc.) then the person covering for them or their immediate supervisor should be substituted for that contact.
- An advisory may not be released if the affected service/system does not have immediate impact (*e.g. users need the system during business hours, major incident is resolved before business hours*)

# Communication: Internal

## Internal Communication

Severity Level	Critical	High	Medium	Low
Immediate Notification	IT ManCom – by Incident Manager of the IT Support Analyst who detected/received the incident (Informal via SMS & Group Chat) <b>Immediate</b>	IT ManCom – by Incident Manager of the IT Support Analyst who detected/received the incident (Informal via SMS & Group Chat) <b>Immediate</b>	L3 (SME), L2 (SE)– by SD L1 When task with escalated priority is assigned to L2/L3	L3 (SME), L2 (SE)– by SD L1 When task is assigned to L2/L3
Additional Notifications	IT-Mancom, IT – by SD L1 (via email) <b>Every 30 minutes</b> until resolution or if there are updates	IT-Mancom, IT – by SD L1 (via email) <b>Every 30 minutes</b> until resolution or if there are updates	N/A	N/A
Communication Plan Type	Immediate: SMS & Group Chat Internal: Formal (with Advisory)	Immediate: SMS & Group Chat Internal: Formal (with Advisory)	Informal	Informal
Communication Methods	Direct Contact (phone, in-person), email, SMS, Group Chat	Direct Contact (phone, in-person), email, SMS, Group Chat	Service Ticket, email	Service Ticket, email

# Communication: Internal

## ManCom Advisory Information to be included in SMS/Group Chat

**Major Incident:** <Incident Summary>

Date/Time Detected:

Impact:

Update(s):

Major Incident Owner:

Communication Spoc:

SLA:

## Internal IT Email Advisory Template

INCIDENT INFORMATION	
INCIDENT REFERENCE NUMBER	IR#####
DETECTION DATE/TIME	Jan 13, 2015 4:00 am
INCIDENT DESCRIPTION	Internet and Intranet Connection Failure
AFFECTED SERVICE/SYSTEM	All LAN and WIFI Connections
AFFECTED SERVICE AREA(S)	ELJ Building
CUSTOMER IMPACT	No Network and Internet Service
RESOLVING TEAM(S)	IT - Network
DETAILS	Repair of Network Equipment
ESTIMATED TIME OF RESTORATION	Jan 13, 2015 1:00 pm
RESTORATION INFORMATION	
DATE / TIME RESTORED	
ACTION TAKEN	
ROOT CAUSE	
ACTION PLAN (if applicable)	

\* Initial notification may not contain complete information. Objective of initial notification is to inform recipients of the major incident, who are currently involved in the resolution of the issue.



# Communication: External

## External Communication (End Users)

Severity Level	Critical	High	Medium	Low
End User Notification	<p>Affected Business Units, IT-Accounts – by SD</p> <ul style="list-style-type: none"> <li>Email Advisory To be sent to the Division Head(s)</li> <li>For Programs, IT-Accounts will inform affected EP's</li> <li>For mobile, ABS-C Mancom should be notified</li> </ul> <p>Every <b>1 hour</b> until ticket resolution or if there are updates</p>	<p>Affected Business Units, IT-Accounts – by SD</p> <ul style="list-style-type: none"> <li>Email Advisory To be sent to the Division Head(s)</li> <li>For Programs, IT-Accounts will inform affected EP's</li> </ul> <p>Every <b>1 hour</b> until ticket resolution or if there are updates</p>	<p>End User – by Ticket Assignee</p> <p><b>10-11 am</b> for logged the previous day <i>and</i> <b>3-4 pm</b> for logged during the morning <i>or</i></p> <p>When there are updates on the ticket resolution</p>	<p>End User – by Ticket Assignee</p> <p><b>10-11 am</b> for logged the previous day <i>and</i> <b>3-4 pm</b> for logged during the morning <i>or</i></p> <p>When there are updates on the ticket resolution</p>
Communication Plan Type	Formal Email (with Advisory)	Formal Email (with Advisory)	Informal, via tool	Informal, via tool

- *Email Advisory To be sent to the Division Head(s)*
- *For Programs, IT-Accounts will inform affected EP's*

# Communication: External

## External Advisory Template

### *Sample External Email Advisory:*

Please be informed that **Network Services at ELJ Building** is currently unavailable. There was a scheduled core network maintenance activity last night. However, at 4AM our core switch maintenance has encountered some issues resulting in network disruption affecting parts of the of the ELJ Building.


INCIDENT INFORMATION	
INCIDENT REFERENCE NUMBER	IR#####
DETECTION DATE/TIME	Jan 13, 2015 4:00 am
INCIDENT	Internal Network Connection Failure
AFFECTED SERVICE/SYSTEM	All LAN and WIFI Connections
AFFECTED SERVICE AREA	ELJ Building
CUSTOMER IMPACT	No Network and Internet Service
RESOLVING TEAM(S)	IT – Network, CISCO, Fujitsu
ESTIMATED TIME OF RESTORATION	Jan 13, 2014 8:00 am
RESTORATION INFORMATION	
DATE / TIME RESTORED	
ACTIONS TAKEN	

We sincerely apologize for any inconvenience this might have caused. Should you have any concerns, feel free to contact **IT Service Desk at local 4200**. Thank you for your patience and your continued support.

# Service Level Agreement

Severity Level	Critical	High	Medium	Low
Response Time	10 minutes	10 minutes	10 minutes	10 minutes
Internal Isolation	1 hour	1 hour	N/A	N/A
Resolution – Business Hours (9am-6pm)	4 hours	6 hours	Within 1 business day	Within 2 business days
Resolution – Beyond BH	4 hours	Next business day		

**Thank you very much! 😊**

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## INFORMATION SECURITY POLICIES

### 1.0 INTRODUCTION

The Company (i.e. ABS-CBN Corporation and the subsidiaries who will adopt this policy) recognizes the role of Information Security in ensuring confidentiality, integrity and availability of information. Any risk or challenge to information security can affect and damage the Company's operations, reputation and cause financial loss. To eliminate, or at the very least minimize and mitigate, these risks, Information Security Management shall be an integral part of the Company's overall management system to establish, implement, monitor, review, maintain and improve information security.

### 1.1 PURPOSE AND OBJECTIVES

The overall objective of the General Information Security Policy is to establish mandatory requirements for the Company in securing all forms of information (e.g. computer data, documentation, intellectual property, etc.).

This Policy aims to protect the security of IT Resources to ensure that:

1. confidentiality is not breached, i.e. information is accessed only by authorized users;
2. the integrity of information is maintained, preserving its accuracy, currency and appropriateness;
3. information is always available to those who need it;
4. the Company complies with legal and regulatory requirements; and
5. the reputation of the Company is upheld.

### 1.2 SCOPE

The General Information Security Policy (the "Policy") covers all of the Company's IT Resources. Further, this Policy is applicable to all Company data and information, regardless of format and platform used, now existing and hereinafter developed.

This Policy applies to all users who create, use and access the Company's IT Resources, regardless of location and manner of access. Unless otherwise provided in other policies, the following users are covered by the Policy:

1. Employees<sup>1</sup>
2. Personnel engaged by the Company to render services (e.g. Intellectual Property Creators (IPC), Independent Contractors (IC)<sup>2</sup>, On the Job Trainees, etc.)
3. Third Party Contractors (e.g. Vendors, Suppliers, agency personnel, etc.)


### 2.0 RELATED DOCUMENTS

The following documents are related to the General Information Security Policy:

1. ABS-CBN Code of Conduct (HR Division)
2. On-Boarding and Off-Boarding Policy (HR Division)
3. Security Policy (Corporate Security & Safety Division)
4. Asset Management Policy (Asset Management Division)
5. Audit Policy (Internal Audit Division)
6. Procurement Policy (Procurement Division)

<sup>1</sup> Refers to all employees of the Company, whether regular (union and non-union members), probationary, project, contractual or casual employee, regardless of rank or position level, program/ workpool employees. *[Definition lifted from ABS-CBN COC]*

<sup>2</sup> For IPCs and ICs, extent of coverage to Information Security Policies shall be based on the terms of their Contract.

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7. Vendor Management Policy (Procurement Division)
8. IT Service Management Policy

### 3.0 ORGANIZATION OF THIS POLICY

This document outlines the General Information Security Policy and is aligned to ISO/IEC 27001:2013: Information Security Management System, covering the Company’s management direction (5.0), organization (6.0), user (7.0), asset management (8.0), access control (9.0), cryptography (10.0), physical and environmental security (11.0), operations security (12.0), communications security (13.0), systems acquisition, development and maintenance (14.0), supplier relationships (15.0), information security (16.0), business continuity (17.0), compliance (19.0), review and enforcement.

Standards, guidelines and procedures of these control areas shall be defined in separate documents.

### 4.0 INFORMATION SECURITY POLICIES

#### 4.1 MANAGEMENT DIRECTION FOR INFORMATION SECURITY

The Company is committed to implement security controls that follow the best practices, as set out in the ISO/IEC 27001:2013: Information Security Management System. The Company shall define specific Information Security standards, procedures and guidelines in order to ensure the confidentiality, integrity and availability of its information.

### 5.0 ORGANIZATION OF INFORMATION SECURITY

#### 5.1 INTERNAL ORGANIZATION

Information Security, under the office of the Chief Technology Officer, shall oversee the development, implementation, compliance with, and maintenance of a Company-wide Information Security Management System and Information Security Policy. It shall work with individuals and departments to deliver policies, standards, guidelines, procedures and solutions and to operate activities compliant with the Information Security Systems Plan and the Information Security Policy.

Information Security shall advise the Company on information security-related risk issues and, in consultation with other IT service owners, recommend appropriate actions in support of the Company’s larger risk management program. It shall ensure appropriate risk mitigation and control processes to prevent or remediate security incidents as required.

Information Security shall provide sufficient education and training to users, as deemed necessary, to ensure they understand the importance of information security. It will also provide guidance to the Company to raise awareness, develop understanding and good practices and minimize risk of information security-related incidents.


Information Security shall establish and maintain appropriate contacts with relevant law enforcement authorities, regulatory bodies, and third parties with respect to this Policy.

Information Security will work with Internal Audit and engage third party services, as deemed necessary, to provide assurance of compliance with these policies.

### 6.0 USER SECURITY

#### 6.1 PRIOR TO EMPLOYMENT OF EMPLOYEES/ ENGAGEMENT OF PERSONNEL AND THIRD PARTY



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## CONTRACTORS

Security responsibilities shall be taken into account when recruiting Employees, Personnel engaged by the Company to render services and Third Party Contractors (e.g. through adequate job descriptions, pre-employment screening and background check, etc.). Non-disclosure agreements and other information security related clauses shall be included in the relevant contracts (e.g. terms and conditions of employment contract, IPC, IC, or OJT contract, or Service Agreement, and other signed agreements on security roles and responsibilities) prior to employment, or to engagement.

### 6.2 DURING EMPLOYMENT/ ENGAGEMENT

All users of information shall be given appropriate training, as deemed necessary, and regular updates on information security policies. They shall be educated on the security requirements, security controls, legal responsibilities and proper use of IT Resources to ensure that they are informed of security threats/ vulnerabilities and to equip them to comply with the information security policy of the Company. It is the responsibility of the Immediate Superiors, or their respective agencies or employers, to track and ensure that the users are aware of and comply with this Policy. *(Refer to Standards on Delivering and Training User Awareness for the details. – WIP\*)*

All users shall have annual recertification, as deemed necessary, of the Acceptable Use Policy.

### 6.3 TERMINATION AND CHANGE OF EMPLOYMENT/ ENGAGEMENT

Immediate Superiors, or their respective agencies or employers, shall ensure that the security aspects of a user's exit from the Company or significant changes of roles shall be processed according to established procedures (e.g. returning corporate information and equipment in his possession, updating his access rights, and reminding him of his ongoing obligations under privacy laws, contractual terms, etc.).

## 7.0 ASSET MANAGEMENT

### 7.1 RESPONSIBILITY FOR ASSETS

All IT Resources shall be inventoried. IT shall ensure protection of these assets based on up-to-date industry standards.

Data/ Information Owners and Users shall be identified to be held accountable for the incidents and liabilities arising from non-acceptable use of these assets' security. *(Refer to Acceptable Use of IT Resources for the details.)*


### 7.2 DATA CLASSIFICATION

All Company information and data shall be classified to indicate the need, priority, criticality and degree of protection needed. An information classification system shall be used by the Company to define an appropriate set of protection levels and communicate the need for special handling measures. *(Refer to Data Classification Standards for the details. – WIP\*<sup>1</sup>)*

### 7.3 MEDIA HANDLING

Appropriate measures shall be implemented to manage the flow of Company information or document throughout its lifecycle – from creation, initial storage and use up to obsolescence and deletion or disposal. Information storage media shall be processed, managed, controlled and transported in such a way that the

<sup>1</sup> WIP: Work in Progress

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information content is not compromised. Information shall be destroyed prior to storage media being disposed of or re-used. *(Refer to Standards on Processing Information and Documents for the details. – WIP\*)*

**8.0 ACCESS CONTROL** *(Refer to Standard on Controlling Access to Information and Systems for the details.)*

**8.1 ACCESS CONTROL**

Physical and logical access controls to Company information shall be implemented, but not limited to, the following: operating systems, applications, workstations and mobile devices connecting to the company network, databases and servers, and network levels.

**8.2 USER ACCESS MANAGEMENT**

Provisioning of access rights to users shall be controlled from initial user registration to removal of access rights when no longer required, including special restrictions for privileged access rights. Management of access rights and authentication and regular reviews, audit and updates of access rights shall be enforced by the Authorized Group.

Immediate Superiors shall ensure that the appropriate departments are informed of the changes on a user’s roles and responsibilities.

**8.3 USER RESPONSIBILITIES**

Users shall be responsible for maintaining appropriate access controls on their workstations and all equipment and devices they are assigned to (e.g. choosing strong passwords and keeping them confidential).

**8.4 SYSTEM AND APPLICATION ACCESS CONTROL**

Access to Company information shall be restricted (e.g. through secure log-on, password management, control over privileged utilities, restricted access to program source code, etc.).

**9.0 CRYPTOGRAPHY**

**9.1 CRYPTOGRAPHIC CONTROLS**


Use of encryption, cryptographic authentication and integrity controls (e.g. digital signatures and message authentication codes, and cryptographic key management) shall be implemented according to data classification. *(Refer to Data Encryption Standards and Data Classification Standards for the details.)*

**10.0 PHYSICAL AND ENVIRONMENTAL SECURITY**

**10.1 SECURE AREA**

IT Resources containing Confidential Data (e.g. data centers, server rooms, etc.) shall be housed in secure areas, protected by defined security perimeters, with appropriate security barriers and entry controls, and physically protected from unauthorized access, damage and interference. The protection provided shall be commensurate with the identified data classification, risks and protection standards set by Information Security. The overall physical security within company sites shall follow the standards promulgated by the Physical Security Department of Corporate Security and Safety Division (CSSD). *(Refer to Access to IT Rooms Standards for the details.)*

Protection against fires, floods, earthquakes, bombs and other physical threats shall be properly designed, implemented and maintained in compliance with the Fire Code of the Philippines.

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## 10.2 EQUIPMENT SECURITY

All equipment containing Company information shall be stored and maintained in a controlled environment. These equipment shall be checked to ensure compatibility with other information processing and security facilities of the Company.

These equipment shall not be taken off-site unless authorized, and shall be adequately protected both on and off-site. *(Refer to Standards on Securing Hardware, Peripherals and Other Equipment for the details. – WIP\*)*

Protection against unauthorized physical access shall result from the application of principles of security design and shall include the employment of technologies that support a security strategy of Deter, Delay, Detect and Rapid Response.

## 11.0 OPERATIONS MANAGEMENT

### 11.1 OPERATIONAL PROCEDURES AND RESPONSIBILITIES

All information security operating responsibilities and procedures shall be documented and implemented. Separate environments for development, testing and production shall be in place. *(Refer to Software Development Policy for the details.)*

All changes to production environment systems shall be controlled. *(Refer to Change Management Standards for the details.)*

Capacity and performance shall be managed.

### 11.2 PROTECTION FROM MALWARE

Up-to-date protection from malware (e.g. worms, viruses, etc.) shall be enforced.

### 11.3 BACK-UP

Appropriate backups shall be taken and retained based on regulatory and business requirements. *(Refer to Back-up and Recovery Standards for the details.)*

### 11.4 LOGGING AND MONITORING


System user, administrator and operator activities, exceptions, faults and information security events shall be logged and protected by safeguarding the integrity of the logs from tampering or deletion.

### 11.5 CONTROL OF OPERATIONAL SOFTWARE

Software installed on operational systems shall be controlled, kept up-to-date and shall include standard security features. *(Refer to Standards on Purchasing and Maintaining Commercial Software for the details. – WIP\*)*

### 11.6 VULNERABILITY MANAGEMENT

Vulnerability management shall be implemented to remove and mitigate the risks to the Company's information systems.

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**11.7 INFORMATION SYSTEMS AUDIT CONSIDERATIONS**

IT audits shall be planned and controlled to minimize adverse effects on production systems and to avoid unauthorized information access.

**12.0 COMMUNICATIONS SECURITY**

**12.1 NETWORK SECURITY MANAGEMENT**

All Company networks and their associated services shall be secured. Appropriate segregation of network access shall be implemented.

**12.2 INFORMATION SECURITY TRANSFER**

Non-disclosure and confidentiality concerning information transfer to and from third parties, including electronic messaging and verbal communications, shall be agreed and signed.

**12.3 MOBILE DEVICE MANAGEMENT**

Security of mobile devices (e.g. laptops, removable media, smartphones, etc. connecting to Company resources), remote and virtual workplaces shall be managed, controlled and monitored to ensure that the Company’s information is not compromised.

**13.0 SYSTEM ACQUISITION, DEVELOPMENT AND MAINTENANCE**

**13.1 SECURITY REQUIREMENTS OF INFORMATION SYSTEMS**

Security control requirements of the Company’s Information Systems shall be analyzed and specified. These requirements shall include, but are not limited to, web applications and transactions.

**13.2 SECURITY IN DEVELOPMENT AND SUPPORT PROCESSES**

Secure software and systems development shall be implemented. Changes to systems shall be controlled. Software packages shall ideally not be modified, and secure system engineering principles shall be followed. Application coding and development environment shall be secured, and outsourced development shall follow approved IT Security Controls. System security shall be tested and acceptance criteria defined to include security aspects. *(Refer to Software Development Policy for the details)*

**13.3 USING LIVE TEST DATA**


The use of live data for testing of new systems or system changes may only be permitted where adequate controls for the security of the data are in place.

**14.0 SUPPLIER MANAGEMENT** *(Refer to Third Party Partner Management Standards)*

**14.1 INFORMATION SECURITY IN SUPPLIER RELATIONSHIPS**

Protection of Company information that is accessible to IT outsourcers and other external suppliers throughout the supply chain shall be enforced. These protection procedures shall be agreed by all parties involved and stipulated in the contracts.

**14.2 SUPPLIER SERVICE DELIVERY MANAGEMENT**

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Service delivery by external suppliers shall be monitored, reviewed and audited against the contracts and agreements. Any change in services shall be controlled.

**15.0 INFORMATION SECURITY INCIDENT MANAGEMENT**

**15.1 MANAGEMENT OF INFORMATION SECURITY INCIDENTS AND IMPROVEMENTS**

All Information Security Incidents detected by or reported to IT shall be recorded, assessed, and resolved consistently and effectively in order to minimize the impact of such incidents to the Company. Forensic evidences shall be collected and protected. *(Refer to Standards on Detecting and Responding to Information Security Incidents for the details. – WIP\*)*

**16.0 INFORMATION SECURITY ASPECTS OF BUSINESS CONTINUITY** *(Refer to Standards on Planning for Business Continuity for the details. – WIP\*<sup>1</sup>)*

**16.1 INFORMATION SECURITY CONTINUITY**

The continuity of information security shall be planned, implemented and reviewed as an integral part of the Company’s business continuity management systems.

**16.2 FACILITIES REDUNDANCIES**

IT facilities shall have sufficient redundancy to satisfy availability requirements.

**17.0 COMPLIANCE**

**17.1 COMPLIANCE WITH LEGAL AND CONTRACTUAL REQUIREMENTS**

Appropriate procedures shall be implemented to ensure compliance with legal and contractual requirements.


**17.2 INFORMATION SECURITY REVIEWS**

Information security shall be implemented and operated in accordance with the organizational policies and procedures.

**END OF DOCUMENT**  
**General Information Security**  
**Policy**

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<sup>1</sup> WIP: Work in Progress

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### Information Security Incident Process



*\*Information security incidents would follow the general flow of Incident Management Process*

### Some Types of Information Security Threats

Threat	Description
Unauthorized Access	Unauthorized successful logical access to an ABS-CBN IT resource or unauthorized access to customer IT resource from ABS-CBN Infrastructure
Denial of Service (DoS)	An attack that successfully prevents or impairs the normal authorized functionality of networks, systems or applications by exhausting resources. This activity includes being the victim or participating in the DoS.
Malicious Code	Successful installation of malicious software (e.g., virus, worm, Trojan horse, or other code-based malicious entity) that infects an operating system or application. IT GROUP team is NOT required to report malicious alerts that have been successfully quarantined by antivirus (AV) Software.
Data Leakage	Security incident involving loss of business information that has negative impact on ABS-CBN and/ or its Clients.

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Improper Usage	Actions involving IT assets that violate Acceptable Use Policy. <u>Examples:</u> <ul style="list-style-type: none"> <li>• Downloading unauthorized security tools</li> <li>• Using ABS-CBN IT resource for non-business purpose</li> <li>• Using P2P activities to acquire or distribute pirated material</li> </ul>
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### Information Security Incident Roles

Role	InfoSec Incidents
<b>CORE</b>	
Incident Lead/ Owner	Head of InfoSec
Incident Manager	InfoSec Analyst
L1 Support	Service Desk Analyst
L2 Support	-
L3 Support	SME
L4 Support (depending on the case)	Cyber Investigator, Forensic Investigator
<b>SUPPORT</b>	
Support Functions	IT HR-ER/LR Legal Services Compliance Corporate Communications Risk Management Physical Security

### Additional Incident Management Process Roles (Information Security Related)

Role	Responsibility
L3 Support (Cyber Investigator) = InfoSec Analyst	Specialized cyber technicians who shall be responsible for investigating a number of cases that range from suspected malware infections, unknown suspicious activities in the systems, and also be responsible for new technology review, investigations operating procedure enhancements and knowledge dissemination. Their responsibilities include: <ul style="list-style-type: none"> <li>• Handle investigation cases that are escalated by Incident Handlers</li> <li>• Liaise with legal teams as expert witness</li> <li>• Identify and recommend methods for efficient incident handling</li> <li>• Provide security knowledge training to Information Security teams and other relevant teams as necessary</li> </ul>



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<b>Role</b>	<b>Responsibility</b>
L3 Support (Forensic Investigator) = InfoSec Analyst	Expert digital forensic investigator who shall handle cases that require forensic analysis of digital evidences.
<b>IT</b>	<p>IT custodians responsible for the upkeep of ABS-CBN IT infrastructure</p> <ul style="list-style-type: none"> <li>• Perform regular backup of systems, maintain previous backup for specified time</li> <li>• Enable auditing on workstations, servers, and network devices</li> <li>• Assist ISIRT with necessary support during the course of investigation</li> <li>• Report suspected abnormal activities to Service Desk and Information Security</li> </ul> <p>Provide standby IT assets for testing and investigation purposes</p>
<b>HR- ER/LR</b>	<ul style="list-style-type: none"> <li>• Request and/or assist with Information Security investigations involving ABS-CBN employees.</li> <li>• Determine the motives of the act and recommend necessary action based on the Company Code of Conduct (COC)</li> <li>• Request technical help from Information Security for official data removal from the personal devices like memory drive, laptops etc.</li> <li>• Request technical help from Information Security in reviewing the personal mails of the employees</li> </ul> <p>Update the ISIRT about the disciplinary actions taken</p>
<b>Legal Services</b>	<ul style="list-style-type: none"> <li>• Provide advice and guidance regarding legal issues arising from incidents and investigations</li> </ul> <p>Facilitate interactions with law enforcement agencies requesting information</p>
<b>Compliance</b>	Ensure that the Company meets statutory, regulatory and contractual obligations triggered by an Information Security incident
<b>Corporate Communications</b>	<ul style="list-style-type: none"> <li>• Handle all media and investor relations in collaboration with Information Security</li> </ul> <p>Ensure all publicized security incidents are handled in accordance with ABS-CBN's strategic message</p>
<b>Risk Management</b>	Provide risk requirements and areas of concern
<b>Physical Security</b>	Ensure that the physical location of affected IT Resources and other critical areas are secured during incident response.



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### Severity for Information Security–Related Incidents

FACTORS	SEVERITY LEVEL	
	SEVERITY-1 CRITICAL	SEVERITY-2 HIGH
Data Classification	Incident involves compromised / changed data that involves personal information or is confidential in nature (e.g. personal sensitive information)	No data was stolen, changed or compromised OR Incident involves compromised / changed data for general company use
People	Incident affects multiple internal users from multiple business groups / networks or the entire Company OR Incident affects one or more company executive and/or executive staff OR Incident affects more than one customer	Incident affects one or a few internal users or a business group, or network OR Incident affects a customer (isolated case)
Financial & Reputation	Incident involves significant loss of company income (more than 1,000,000 PHP), faces media coverage	Incident involves minor loss of company income (less than 1,000,000PHP)
Business Operations	Incident impacts major disruption of business. The company is unable to provide critical services to a group or to all of its users / customers.	Incident impacts minor disruption on business. The company is able to provide their services but with less efficiency. (e.g, makes use of workaround procedures to deliver service)


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## IT SERVICE CONTINUITY MANAGEMENT STANDARDS

### 1.0 INTRODUCTION

The Group (i.e. Technology Group within ABS-CBN Corporation and the subsidiaries who will adopt these standards) is committed to provide outstanding services and products to its customers, employees, shareholders and suppliers. To ensure the effective availability of essential products and services, the Group provides this IT Service Continuity Management Standards (“Standards”) in support of a comprehensive program for business continuity, disaster prevention and total business recovery.

### 1.1 PURPOSE AND OBJECTIVES

The purpose of IT Service Continuity Management (“ITSCM”) is to support the overall Business Continuity Management (“BCM”) process by ensuring that the required IT systems, facilities and services (including computer systems, networks, applications, data repositories, telecommunications, environment, technical support and Service Desk) can be resumed within required, and agreed, business timescales.

The objectives of ITSCM are to:


1. Maintain a set of IT Service Continuity Plan (“ITSCM Plan”) and IT Service Specific Recovery Procedures (“Recovery Procedures”) that support the overall Business Continuity Plans.
2. Complete regular Business Impact Analysis (“BIA”) exercises to ensure that all continuity plans are maintained in line with changing business impacts and requirements.
3. Conduct regular Risk Analysis and Management (“RAM”) exercises, particularly in conjunction with the business and the Availability Management and Security Management processes that manage IT services within an agreed level of business risk.
4. Provide advice and guidance to all other areas of the business and IT on all continuity- and recovery-related issues.
5. Ensure that appropriate continuity and recovery mechanisms are put in place to meet or exceed the agreed business continuity targets.
6. Assess the impact of all changes on the ITSCM Plan and Recovery Procedures.
7. Ensure that proactive measures to improve the availability of services are implemented wherever it is cost-justifiable to do so.
8. Negotiate and agree the necessary contracts with suppliers for the provision of the necessary recovery capability to support all continuity plans in conjunction with the Supplier Management process.

### 1.2 SCOPE

These Standards applies to all users of ABS-CBN Corporation and all the Subsidiaries who will adapt this policy (the “Company”) with BCM functions, regardless of affiliation with the Company. **Users** include but are not limited to the following:

1. Employees<sup>1</sup>

<sup>1</sup> Refers to all employees of the Company, whether regular (union and non-union members), probationary, project, contractual or casual employee, regardless of rank or position level, program/ workpool employees. [Definition lifted from ABS-CBN COC]

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2. Personnel engaged by the Company to render services (e.g. Intellectual Property Creators (IPC), Independent Contractors (IC)<sup>1</sup>, On the Job Trainees, etc.)
3. Third Party Contractors (e.g. Vendors, Suppliers, agency personnel, etc.)

## 2.0 RELATED DOCUMENTS

The following documents are related to the Standards:

1. Business Continuity Management (General)
2. Information Security Aspect of Business Continuity
3. IT Service Continuity Plan
4. IT Service Specific Recovery Procedures

## 3.0 ORGANIZATION OF THIS DOCUMENT

This document outlines the Standards and is aligned to ITIL V3 – IT Service Continuity Management, covering the Policies (4.0), Process (5.0), Performance Evaluation (6.0), and Improvement (7.0).

Guidelines and procedures of these standards shall be defined in separate documents.

## 4.0 ITSCM POLICIES

1. Safety of IT personnel and users shall be given the highest priority during and following a disaster or crisis.
2. IT systems, services and facilities shall be restored and recovered within required and agreed business timescales and within vendor contracted service levels.

## 5.0 ITSCM PROCESS

The Group shall follow the ITSCM Process, which is composed of the following activities: (1) Initiation, (2) Requirements and Strategy Formulation, (3) Implementation, and (4) Ongoing Operations.

### 5.1 INITIATION

The Group shall initiate the ITSCM and shall conduct the following activities: (1) Policy Setting, (2) Scope Definition, and Project Initiation.

#### 5.1.1 POLICY SETTING


The Group shall establish the ITSCM Policy and communicate the same to all the members of the Group. The Policy, at the minimum, shall contain a set of management objectives and intention.

#### 5.1.2 SCOPE DEFINITION

The Group shall define the scope and responsibilities of all the members in the ITSCM Organization. Outstanding audit points, regulatory or client requirements, and insurance organization stipulations shall be taken into consideration.

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<sup>1</sup> For IPCs and ICs, extent of coverage to Information Security Policies shall be based on the terms of their Contract.

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**5.1.3 PROJECT INITIATION**

The Group shall allocate resources to meet the objectives of ITSCM. Plans shall be established, monitored and controlled. Variances shall be addressed to achieve the acceptable level of quality.

**5.2 REQUIREMENTS AND STRATEGY FORMULATION**

The Group shall identify and analyze the business requirements for ITSCM. It shall perform the following activities: (1) Business Impact Analysis, (2) Risk Analysis, and (3) IT Service Continuity Strategy Formulation.

**5.2.1 BUSINESS IMPACT ANALYSIS**

The Group shall quantify the impact to the business the loss of service would have and shall identify the most important services to the organization.

**5.2.2 RISK ANALYSIS**

The Group shall identify the likelihood that a disaster or other serious service disruption will occur.

**5.2.3 IT SERVICE CONTINUITY STRATEGY FORMULATION**

The Group shall use the results of business impact analysis and risk assessment to enable the appropriate IT Service Continuity strategies. The strategies shall be an optimum balance of risk reduction and recovery or continuity options. The Group shall consider the relative service recovery priorities and the changes in relative service priority for the time of day, day of week and monthly and annual variations.

**5.3 IMPLEMENTATION**

The Group shall implement ITSCM. It shall perform the following activities: (1) Organization Planning, (2) Definition of IT Service Continuity Plan, (3) Designing IT Service Specific Recovery Procedures, and (4) Designing the Test Plan.


**5.3.1 ORGANIZATION PLANNING**

The Group shall assign members of the IT Service Continuity Management Response Team that is composed, at the minimum, of the following roles:

- Executive – senior management role with overall authority and direction setting function.
- Coordinator – coordination role, which shall be responsible for coordination efforts within the group.
- Recovery Team – service owner roles, which shall be responsible for executing the plans within their own areas.

**5.3.2 DEFINITION OF IT SERVICE CONTINUTY PLAN**

The Group shall prepare the ITSCM Plan that is aligned with the over-all Business Continuity Plan and based on the formulated strategies. It shall be developed to enable necessary information for critical systems, services and facilities to either continue to be provided or to be reinstated within an acceptable period to the business. It shall contain both resilience and recovery measures. The Group shall ensure that the ITSCM Plan is available to key personnel at all times and shall be a controlled document to ensure that only the latest versions are in circulation and each recipient shall ensure personal copy maintained off-site.

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**5.3.3 DESIGNING IT SERVICE SPECIFIC RECOVERY PROCEDURES**

The Group shall define detailed procedures for recovering or reinstating the service. The Group shall ensure that the Recovery Procedures are available to key personnel at all times and shall be controlled documents to ensure that only the latest versions are in circulation and each recipient shall ensure personal copy maintained off-site.

**5.3.4 DESIGNING THE TESTING PLAN**

The Group shall plan for testing the ITSCM Plan and Recovery Procedures to ensure that the selected strategy, standby arrangements, logistics, recovery activities and procedures will work in practice.

**5.4 ONGOING OPERATIONS**

The Group shall maintain ITSCM through: (1) Education, awareness and training, (2) Review and Testing, and (3) Change Management.

**5.4.1 EDUCATION, AWARENESS AND TRAINING**

The Group shall ensure that all IT personnel are aware of the implications of business continuity and ITSM, and consider these as part of their normal working. Everyone involved in the plan shall be trained in how to implement the ITSCM Plan and Recovery Procedures.

**5.4.2 TESTING**

The Group shall establish a program for regularly testing the ITSCM Plan and Recovery Procedures to ensure that the critical components of the strategy meet their objectives.

**5.4.3 CHANGE MANAGEMENT**

The Group’s Change Management Process shall ensure that all changes are assessed for their potential impact on the ITSCM Plan and Recovery Procedures. These shall then be updated and tested before implementation.


**6.0 PERFORMANCE EVALUATION**

The Group shall measure, analyze and evaluate its ITSM in order to ensure their continuing suitability, adequacy and effectiveness. These evaluations shall be undertaken through periodic reviews, exercising, testing, post-incident reporting and performance evaluations. Significant changes arising shall be reflected in the ITSCM Plans and Recovery Procedures in a timely manner.

**6.1 IT SERVICES ARE DELIVERED AND CAN BE RECOVERED TO MEET BUSINESS OBJECTIVES**

The following are the key performance indicators:

- Regular audits of the ITSCM Plan and Recovery Procedures to ensure that, at all times, the agreed recovery requirements of the business can be achieved.
- All service recovery targets are agreed and documented in Service Level Agreements “SLA” and are achievable within the ITSCM Plan and Recovery Procedures.
- Regular and comprehensive testing of ITSCM Plan and Recovery Procedures.
- Regular reviews are undertaken of the business and IT continuity plans with the business areas.
- Negotiate and manage all necessary ITSCM contracts with third party.

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- Overall reduction in the risk and impact of possible failure of IT services.

## 6.2 AWARENESS THROUGHOUT THE ORGANIZATION OF THE ITSCM PLAN AND RECOVERY PROCEDURES

The following are the key performance indicators:

- Ensure awareness of business impact, needs and requirements throughout the Group
- Ensure that all Group service areas and staff are prepared and able to respond to an invocation of the ITSCM Plan and Recovery Procedures.
- Regular communication of the ITSCM objectives and responsibilities within the appropriate business and IT service areas.

## 6.3 INTERNAL AUDIT

The Group shall conduct internal audits at planned intervals to provide information on whether the ITSCM conforms to the BCM and is effectively implemented and maintained.

## 6.4 MANAGEMENT REVIEW

The Group Management shall review the Group's ITSCM, at planned intervals, to ensure its continuing suitability, adequacy and effectiveness.

The outputs of the management review shall include decisions related to continual improvement opportunities and the possible need for changes to the ITSCM.

## 7.0 IMPROVEMENT

### 7.1 NONCONFORMITY AND CORRECTIVE ACTIONS


When nonconformity occurs, the Group shall identify the nonconformity, take action to control and correct it, or deal with the consequences and evaluate the need for action to eliminate the causes of the nonconformity, in order that it does not recur or occur elsewhere.

### 7.2 CONTINUAL IMPROVEMENT

The Group shall continually improve the suitability, adequacy and effectiveness of the ITSCM.

<p><b>END OF DOCUMENT</b></p> <p><b>IT Service Continuity</b></p> <p><b>Management Standards</b></p>
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## IT SERVICE CONTINUITY PLAN

### 8.0 INTRODUCTION

The Group (i.e. Technology Group within ABS-CBN Corporation and the subsidiaries who will adopt the framework or format of this plan) is committed to provide outstanding services and products to its customers, employees, shareholders and suppliers. To ensure the effective availability of essential products and services, the Group provides this IT Service Continuity Plan (“Plan”) in support of a comprehensive program for business continuity, disaster prevention and total business recovery.

### 8.1 PURPOSE AND OBJECTIVES

The purpose of this Plan is to support the overall Business Continuity Management (“BCM”) and IT Service Continuity Management (“ITSCM”) processes and objectives. This Plan aims to provide a standardized series of activities in responding to disaster or crisis that may affect IT technical and service facilities (including computer systems, networks, applications, data repositories, telecommunications, environment, technical support and Service Desk).

The specific objectives of this Plan are to:

9. Establish the roles and responsibilities of the IT Service Continuity Management Response Team (“ITSCM-RT”) before, during and after a disaster or crisis has been declared.
10. Establish the IT Service Continuity Procedures consisting of four stages (1) Planning Stage, (2) Response and Recovery Stage, (3) Post Disaster Stage, and (4) Communication and Monitoring Stage.
11. Enable the ITSCM-RT to:
  - a. plan and prepare for emergency situations
  - b. immediately respond to emergency situations
  - c. restore and recover critical services within the required and agreed business timescale
  - d. resume normal operations
  - e. review emergency response and crisis management
  - f. communicate updates effectively

### 8.2 SCOPE

This Plan applies to all users of ABS-CBN Corporation and all the Subsidiaries who will adapt these procedures (the “Company”) with BCM functions, regardless of affiliation with the Company. **Users** include but are not limited to the following:


1. Employees<sup>1</sup>
2. Personnel engaged by the Company to render services (e.g. Intellectual Property Creators (IPC), Independent Contractors (IC)<sup>2</sup>, On the Job Trainees, etc.)
3. Third Party Contractors (e.g. Vendors, Suppliers, agency personnel, etc.)

This Plan applies to identified or common disaster scenarios.<sup>3</sup>

<sup>1</sup> Refers to all employees of the Company, whether regular (union and non-union members), probationary, project, contractual or casual employee, regardless of rank or position level, program/ workpool employees. [Definition lifted from ABS-CBN COC]

<sup>2</sup> For IPCs and ICs, extent of coverage to Information Security Policies shall be based on the terms of their Contract.

<sup>3</sup> Classifications and Levels of Disaster or Crisis will be discussed in subsequent Phases. In addition, IT Service Continuity Plan will anchor its impact and risk assessment on the over-all business impact analysis of the organization.

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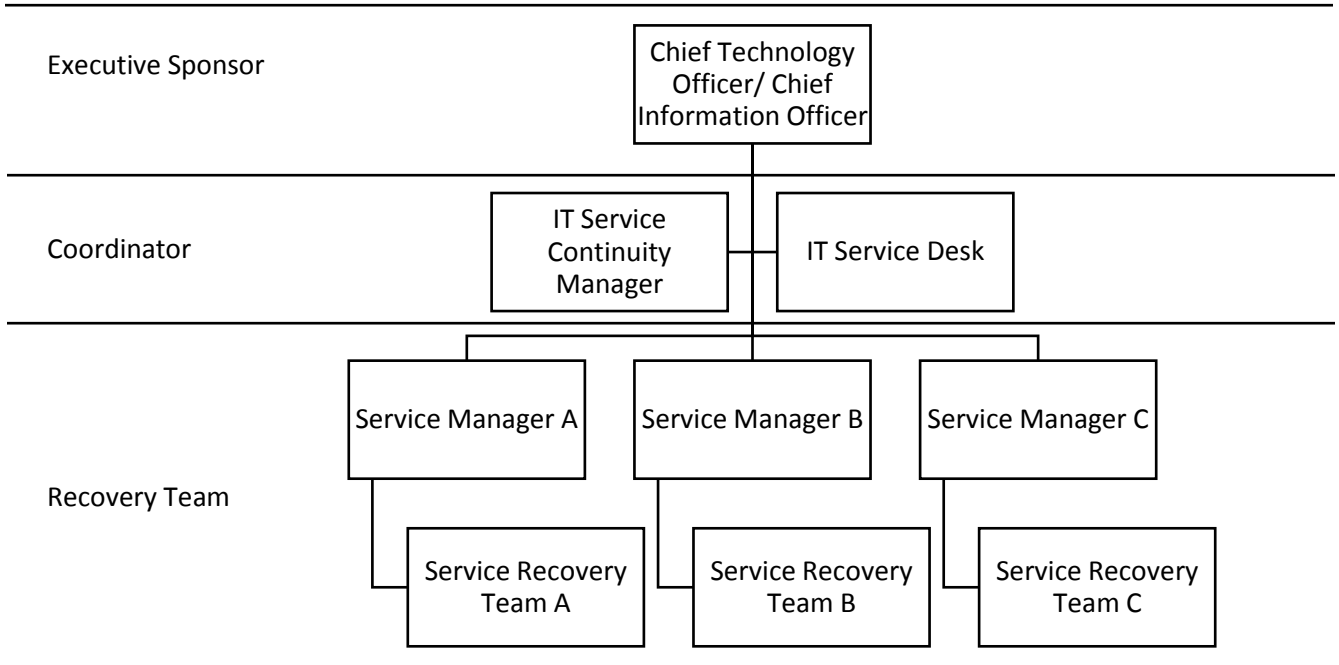
**9.0 RELATED DOCUMENTS**

The following documents are related to the IT Service Continuity Plan:

5. Business Continuity Management (General)
6. IT Service Continuity Management Standards
7. IT Service Specific Recovery Procedures
8. Information Security Aspect of Business Continuity

**10.0 ITSCM-RT ORGANIZATIONAL STRUCTURE**

The illustration below summarizes the ITSCM-RT Organizational Structure



**11.0 ITSCM ROLES AND RESPONSIBILITIES**

This section summarizes the roles and responsibilities of the ITSCM-RT.

Role	Responsibilities		
	Planning Stage	Response and Recovery Stage	Post Disaster
Chief Technology Officer / Chief Information Officer	<ul style="list-style-type: none"> <li>• Provide executive sponsorship and direction for ITSCM</li> <li>• Approve policy, standards, plan and resources for ITSCM</li> </ul>	<ul style="list-style-type: none"> <li>• Declare activation IT Service Recovery Procedures</li> <li>• Provide the communications to the BCM Committee</li> </ul>	<ul style="list-style-type: none"> <li>• Declare deactivation of IT Service Recovery Procedures</li> </ul>



# IT SERVICE CONTINUITY MANAGEMENT STANDARDS AND PLAN


Information Technology Division

## Business Continuity Management

Prepared By | Information Technology

Policy Owner | Information Technology | Last Update By/ Date | 03/19/2018

Role	Responsibilities		
	Planning Stage	Response and Recovery Stage	Post Disaster
(CTO / CIO)		and Executive Committee <ul style="list-style-type: none"> <li>Approve official statements and communication memos</li> </ul>	
IT Service Continuity Manager	<ul style="list-style-type: none"> <li>Maintain ITSCM Standards and Plan</li> <li>Ensure education, awareness and auditing plans</li> </ul>	<i>*Rotating every 24hours</i> <ul style="list-style-type: none"> <li>Lead the ITSCM coordination</li> <li>Update / report to the CTO/CIO</li> <li>Ensure proper enforcement of the ITSC Policies, Standards and processes</li> <li>Craft official statement to be reviewed by the CTO / CIO</li> </ul>	<ul style="list-style-type: none"> <li>Lead the post disaster review</li> </ul>
Service Manager	<ul style="list-style-type: none"> <li>Ensure that IT Service Recovery Procedures are maintained, up to date and tested</li> <li>Ensure education and awareness of the Service Recovery Team</li> </ul>	<i>*Rotating every 24hours</i> <ul style="list-style-type: none"> <li>Lead and manage the Service Recovery Team, its safety, shifts and its activities</li> <li>Provide on-ground communications to the CTO / CIO and ITSC Manager whenever applicable</li> <li>Manage and monitor the ITSC during operations</li> </ul>	<ul style="list-style-type: none"> <li>Lead the Service Recovery Team</li> <li>Provide service specific reports during the post disaster review</li> </ul>
Service Recovery Team	<ul style="list-style-type: none"> <li>Maintain and test the IT Service Recovery Procedures</li> </ul>	<ul style="list-style-type: none"> <li>Execute the IT Service Continuity</li> </ul>	<ul style="list-style-type: none"> <li>Assess recoverability and restoration of resources where the</li> </ul>

	<b>IT SERVICE CONTINUITY MANAGEMENT STANDARDS AND PLAN</b>		
	Information Technology Division		
	<b>Business Continuity Management</b>		
	Prepared By	Information Technology	
Policy Owner	Information Technology	Last Update By/ Date	03/19/2018

Role	Responsibilities		
	Planning Stage	Response and Recovery Stage	Post Disaster
		Plan and IT Service Recovery Procedures	disaster has occurred. <ul style="list-style-type: none"> <li>• Manage primary site restoration and rebuilding activities.</li> <li>• Restore IT systems, application and data communication support at the primary site.</li> <li>• Provide service specific reports during the post disaster review</li> </ul>
IT Service Desk	<ul style="list-style-type: none"> <li>• Maintain and ensure that IT personnel contact list is up to date</li> <li>• Maintain and ensure that IT personnel schedule is up to date</li> <li>• Maintain and ensure that supplier contact list is up to date</li> </ul>	<ul style="list-style-type: none"> <li>• Provide internal (group level) update</li> <li>• Issue official statements and communication memos that are approved by the CTO/CIO</li> </ul>	<ul style="list-style-type: none"> <li>• Provide input during the post-disaster review</li> </ul>

**12.0 IT SERVICE CONTINUITY PROCEDURES**

This section summarizes the IT Service Continuity Procedures consisting of four stages (1) Planning Stage, (2) Response and Recovery Stage, (3) Post-Disaster Stage, and (4) Communication and Monitoring Stage.



# IT SERVICE CONTINUITY MANAGEMENT STANDARDS AND PLAN

Information Technology Division

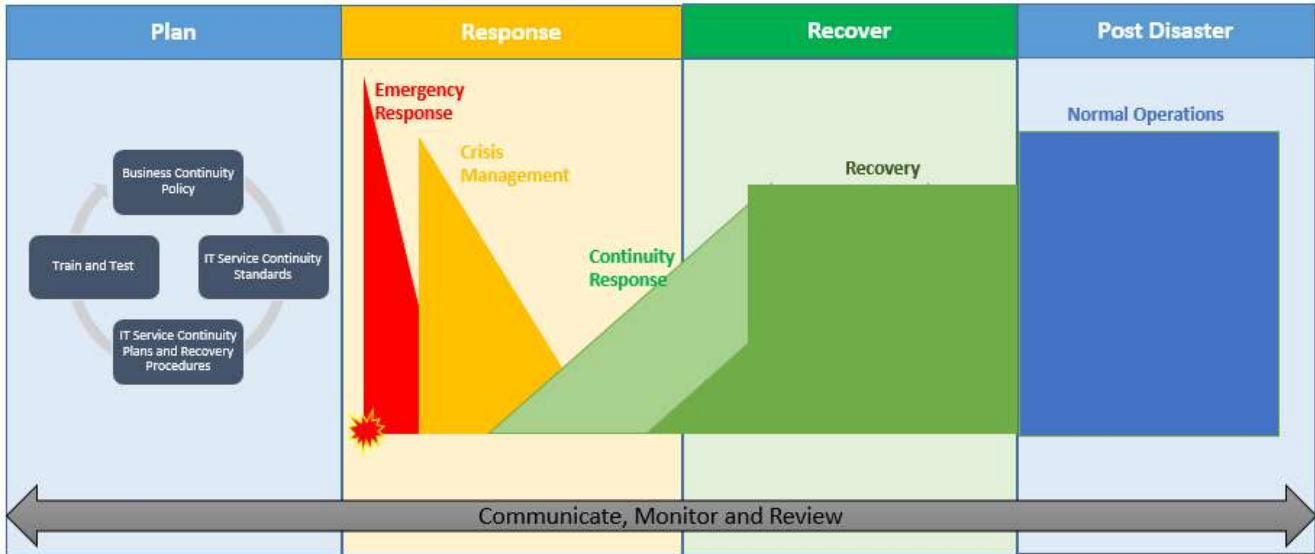
## Business Continuity Management

Prepared By Information Technology

Policy Owner Information Technology

Last Update By/ Date

03/19/2018



PLANNING STAGE			
Input	Activities	Output	Responsible
<b>Business Continuity Policy</b>			
<input type="checkbox"/> Business Strategy <input type="checkbox"/> Forecasts	5.1. Define the Business Continuity Policy and Strategy	<input type="checkbox"/> Business Continuity Policy <i>*Enterprise level BCP</i>	<input type="checkbox"/> Enterprise Business Continuity Manager
<b>IT Service Continuity Standards</b>			
<input type="checkbox"/> Business Continuity Policy	5.2. Define and maintain the IT Service Continuity Standards	<input type="checkbox"/> IT Service Continuity Standards	<input type="checkbox"/> IT Service Continuity Manager
	5.3. Review and Approve the IT Service Continuity Standards		<input type="checkbox"/> CTO / CIO, Service Managers
<b>IT Service Continuity Plans and Recovery Procedures</b>			
<input type="checkbox"/> IT Service Continuity Standards	5.4. Define and maintain the IT Service Continuity Plan	<input type="checkbox"/> IT Service Continuity Plan	<input type="checkbox"/> IT Service Continuity Manager
	5.5. Review and Approve the IT Service Continuity Plan		<input type="checkbox"/> CTO / CIO, Service Managers



**IT SERVICE CONTINUITY MANAGEMENT STANDARDS AND PLAN**

Information Technology Division

**Business Continuity Management**

Prepared By | Information Technology

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**PLANNING STAGE**

Input	Activities	Output	Responsible
	5.6. Define and maintain the IT Service Recovery Procedures		<input type="checkbox"/> Service Recovery Team
	5.7. Review and Approve the IT Service Recovery	<input type="checkbox"/> IT Service Recovery Procedures	<input type="checkbox"/> Service Manager
	5.8. Maintain contact lists and schedule	<input type="checkbox"/> IT Personnel Contact List and Schedule <input type="checkbox"/> Supplier Contact List	<input type="checkbox"/> IT Service Desk
<b>Training and Testing</b>			
<input type="checkbox"/> IT Service Continuity Standards <input type="checkbox"/> IT Service Continuity Plan	5.9. Educate and train ITSCM-RT	<input type="checkbox"/> Training attendance	<input type="checkbox"/> IT Service Continuity Manager
<input type="checkbox"/> IT Recovery Procedures	5.10. Educate and train Service Recovery Team	<input type="checkbox"/> Training attendance	<input type="checkbox"/> Service Manager

**RESPONSE AND RECOVERY STAGE**

Input	Activities	Output	Responsible
<b>Emergency Response</b>			
<input type="checkbox"/> Declared Disaster (from Enterprise BCM)	5.11. Declare activation of IT Service Continuity Procedures and Recovery Plan	<input type="checkbox"/> Declaration of ITSC activation	<input type="checkbox"/> CTO / CIO
<input type="checkbox"/> Declaration of ITSC activation	5.12. Contact and ensure safety of team members	<input type="checkbox"/> <i>This activity shall follow Corporate Security and Safety Procedures</i>	
<input type="checkbox"/> Declaration of ITSC activation	5.13. Coordinate with ITSCM-RT	<input type="checkbox"/> Responses from ITSCM-RT	<input type="checkbox"/> IT Service Continuity Manager
<b>Crisis Management and Continuity Response</b>			



# IT SERVICE CONTINUITY MANAGEMENT STANDARDS AND PLAN

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### RESPONSE AND RECOVERY STAGE

Input	Activities	Output	Responsible
<input type="checkbox"/> Declaration of ITSC activation	5.14. Execute IT Recovery Procedures	<input type="checkbox"/> Recovered Services	<input type="checkbox"/> Service Manager / Service Recovery Team
<b>Recovery</b>			
<input type="checkbox"/> Disaster status lifted (from Enterprise BCM)	5.15. Declare deactivation of IT Service Continuity Procedures and Recovery Plan	<input type="checkbox"/> Declaration of ITSC deactivation	<input type="checkbox"/> CTO / CIO
<input type="checkbox"/> Declaration of ITSC deactivation	5.16. Coordinate with ITSCM-RT	<input type="checkbox"/> Responses from ITSCM-RT	<input type="checkbox"/> IT Service Continuity Manager
<input type="checkbox"/> Declaration of ITSC activation	5.17. Execute IT Recovery Procedures to return to normal operations	<input type="checkbox"/> Normal Operations	<input type="checkbox"/> Service Manager / Service Recovery Team

### POST DISASTER STAGE

Input	Activities	Output	Responsible
<input type="checkbox"/> Normal Operations	5.18. Conduct post disaster review	<input type="checkbox"/> Post Disaster Report	<input type="checkbox"/> ITSCM-RT

### COMMUNICATION AND MONITORING STAGE

Input	Activities	Output	Responsible
<b>Internal (Group Level) Communication</b>			
<input type="checkbox"/> On-ground activity / event	5.19. Update CTO / CIO and IT Service Continuity Manager	<input type="checkbox"/> Update	<input type="checkbox"/> ITSCM-RT
<input type="checkbox"/> Update	5.20. Create communication memo	<input type="checkbox"/> Communication memo	<input type="checkbox"/> IT Service Continuity Manager
<input type="checkbox"/> Contacts List <input type="checkbox"/> Communication memo	5.21. Send Communication memo	<input type="checkbox"/> Distributed communication memo	<input type="checkbox"/> IT Service Desk
<b>Business Unit and Supplier Communication</b>			



**IT SERVICE CONTINUITY MANAGEMENT STANDARDS AND PLAN**

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<b>COMMUNICATION AND MONITORING STAGE</b>			
<b>Input</b>	<b>Activities</b>	<b>Output</b>	<b>Responsible</b>
<input type="checkbox"/> On-ground activity / event	5.22. Update CTO / CIO and IT Service Continuity Manager	<input type="checkbox"/> Update	<input type="checkbox"/> ITSCM-RT
<input type="checkbox"/> Update	5.23. Create communication memo	<input type="checkbox"/> Communication memo	<input type="checkbox"/> IT Service Continuity Manager
<input type="checkbox"/> Communication memo	5.24. Review and Approve communication memo	<input type="checkbox"/> Communication memo	<input type="checkbox"/> CTO / CIO
<input type="checkbox"/> Contacts List <input type="checkbox"/> Communication memo	5.25. Send Communication memo	<input type="checkbox"/> Distributed communication memo	<input type="checkbox"/> IT Service Desk
<b>Business Continuity Committee and Executive Communication</b>			
<input type="checkbox"/> On-ground activity / event	5.26. Update CTO / CIO and IT Service Continuity Manager	<input type="checkbox"/> Update	<input type="checkbox"/> ITSCM-RT
<input type="checkbox"/> Update	5.27. Create communication memo	<input type="checkbox"/> Communication memo	<input type="checkbox"/> IT Service Continuity Manager
<input type="checkbox"/> Communication memo	5.28. Review and Approve communication memo	<input type="checkbox"/> Communication memo	<input type="checkbox"/> CTO / CIO
<input type="checkbox"/> Communication memo	5.29. Send Communication memo	<input type="checkbox"/> Distributed communication memo	<input type="checkbox"/> CTO / CIO, IT Service Continuity Manager

**13.0 ITSCM PLAN REVIEW AND IMPROVEMENT**

The Plan shall be reviewed at least once year or if there are any major updates in IT systems, services, or facilities.

**END OF DOCUMENT**  
**IT Service Continuity Plan**



## ANNEX O



May 29, 2018

**To the Chairman and Members of the Audit Committee  
ABS-CBN Corporation**

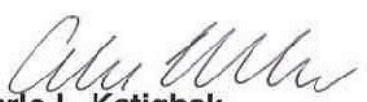
We conducted a risk-based assessment of the Company in developing our audit plan which was presented to and approved by the Audit Committee.

As part of our 2017 Audit Plan, we reviewed the processes identified below, including the risks and controls within the processes:

- Revenue, Billing and Collection
- Procurement, Payables and Disbursements
- Fixed Assets and Inventories
- Payroll and Employee Benefits
- Financial Reporting
- IT General and Application Controls
- Production Process and Costs
- Core Broadcasting and Transmission Networks, including Digital Terrestrial TV
- I-Post Production System
- Regional Technical Operations

The results of our reviews were communicated to and acted upon by the Management.

Based on our reviews, we conclude that material risks were identified and assessed, and that the related controls to mitigate those risks were designed adequately and operating effectively during the period of reliance. We attest that a sound governance, risk management, control and compliance system is in place and operating effectively.

  
**Carlo L. Katigbak**  
President and Chief Executive Officer

  
**Carmela Grace Del Mundo**  
OIC – Head, CommGroup Internal Audit

## ANNEX P: Health, Safety and Welfare Report

	<b>PROGRAMS/INITIATIVES</b>
<i>Health and Wellness</i>	<ul style="list-style-type: none"> <li>• <i>Medical insurance with the Company's accredited HMO provider is a standard benefit for all regular employees including their immediate dependents.</i></li> <li>• <i>The Company has a flexible benefits program (Flexben) for its regular employees wherein allowances for medical, optical, rice and educational expenses may be availed of either in lump amounts or in the form of purchases of vaccine, medical insurance package for family members, among others.</i></li> <li>• <i>The Company has medical clinics, which operates 24/7 in its premises. Competent registered doctors and nurses who have varied specializations such as internal medicine, family medicine, pulmonary medicine, OB/gynecology and nutrition operate these clinics.</i></li> <li>• <i>The annual physical exam and follow thru consultation for each employee are done regularly.</i></li> <li>• <i>Health and Wellness Fair, sports/fitness activities, health symposium and awareness campaigns are regularly conducted to increase employees' health consciousness and promote healthy lifestyle.</i></li> <li>• <i>In 2016, the Kilos Kapamilya Wellness 360 program was launched. This program is geared towards a culture of health &amp; wellness that encourages and empowers the employees to take action for their well-being.</i></li> </ul>
<i>Safety and Security</i>	<p><i>In 2017, following are the Safety and Security activities:</i></p> <ul style="list-style-type: none"> <li>• <i>1,022 ABS-CBN Regional employees participated in the Emergency and Disaster Preparedness Training Program. This program aims to train ABS-CBN Regional employees for them to be self-reliant and self-sustained during an emergency, and be able to help/assist others in times of an emergency and disaster.</i></li> <li>• <i>Mandatory orientation seminars on "safety and events risk management policies, regulations, SOPs, permit forms and issuance processes" for all newly-designated PAs, APs and EPs are conducted; Processes on issuance of permits were conducted.</i></li> <li>• <i>Thorough and comprehensive ocular inspection of facilities/locations being considered as venues for remote ABS-CBN events are conducted to serve as bases in the formulation of security and emergency contingency plans for remote ABS-CBN events.</i></li> <li>• <i>Safety Statistics for the Annual Accident/Illness Exposure Data Report and the Annual Medical Report are consolidated, prepared and submitted to BWC-DOLE</i></li> <li>• <i>Emergency response skills and team work are honed through team training / retraining of SERM personnel to include newly assigned ones.</i></li> <li>• <i>One unannounced daytime compound-wide fire evacuation drill conducted on 5 May 2017, with 2,224 participated and evacuation was recorded at 20 minutes</i></li> <li>• <i>One announced daytime evacuation drill conducted in participation with MMDA Shakedown on 14 July 2017.</i></li> </ul>
<i>Welfare</i>	<ul style="list-style-type: none"> <li>• <i>Regular and covered program employees are extended assistance in the event of natural calamities.</i></li> </ul>