



May 29, 2019

PHILIPPINE STOCK EXCHANGE
6/F PSE Tower
5th Avenue corner 28th Street
Bonifacio Global City, Taguig City

Attention: Ms. Janet A. Encarnacion
Head, Disclosure Department

Gentlemen:

We submit herewith a copy of PLDT Inc.'s Integrated Annual Corporate Governance Report for Year 2018 as filed with the Securities and Exchange Commission (SEC) in compliance with SEC Memorandum Circulars No. 19, Series of 2016, and No. 15, Series of 2017.

This shall also serve as the disclosure letter for the purpose of complying with the PSE Revised Disclosure Rules.

Very truly yours,


MA. LOURDES C. RAUSA-CHAN
Corporate Secretary



May 29, 2019

SECURITIES & EXCHANGE COMMISSION
Ground Floor, Secretariat Building
Philippine International Convention Center
PICC Complex, Pasay City

Attention: Atty. Rachel Esther J. Gumtang-Remalante
OIC – Corporate Governance and Finance Department

Gentlemen:

In compliance with SEC Memorandum Circulars No. 19, Series of 2016, and No. 15, Series of 2017, we submit herewith PLDT Inc.'s Integrated Annual Corporate Governance Report for Year 2018.

Very truly yours,

A handwritten signature in black ink, appearing to read "LRCHA" with a flourish at the end.

MA. LOURDES C. RAUSA-CHAN
Corporate Secretary



SEC FORM - I-ACGR

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT

1. For the fiscal year ended **31 December 2018**
2. SEC Identification Number **PW-55**
3. BIR Tax Identification No. **000-488-793**
4. Exact name of issuer as specified in its charter **PLDT Inc.**
5. **Republic of the Philippines**
Province, Country or other jurisdiction of
incorporation or organization
6. (SEC Use Only)
Industry Classification Code:
7. **Ramon Cojuangco Building, Makati Avenue, Makati City** **1200**
Address of principal office Postal Code
8. **(632) 8168553**
Issuer's telephone number, including area code
9. **Not Applicable**
Former name, former address, and former fiscal year, if changed since last report.

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT			
	COMPLIANT / NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
The Board's Governance Responsibilities			
Principle 1: The company should be headed by a competent, working board to foster the long- term success 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.			
Recommendation 1.1			
1. Board is composed of directors with collective working knowledge, experience or expertise that is relevant to the company's industry/sector.	Compliant	Annual Report 2018, pp. 25-28, 48-51, 40-41 link link link link link Annual Report 2018 on Phil SEC Form 17-A ("Annual Report 17-A"), pp. 86-91 link PLDT website: Governance Structures> Our Board of Directors link Board Diversity link Education and Communication> Directors' CG Enhancement Session and Trainings link Director Orientation link Manual on Corporate Governance ("CG Manual"), Sec. 2.1.3, Annexes A, B, C and D link link link link link (http://pldt.com/docs/default-source/corporate-governance-files/CG-Manual/pldt-manual-on-corporate-governance.pdf?sfvrsn=0#page=4)	
2. Board has an appropriate mix of competence and expertise.	Compliant	CG Manual, Sec. 2.1.3, Annexes A, B, C and D link link link link link Board of Directors Charter ("Board Charter), Sec. 2.2, Annexes A, B, C and D link link (http://pldt.com/docs/default-source/corporate-governance-files/committee-charter/board-of-directors-charter.pdf?sfvrsn=4)	
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		

		Annual Report 2018, pp. 25-26, 48-51 link link link Board Diversity Policy, Secs. 2-4 link (http://pldt.com/docs/default-source/corporate-governance-files/board-diversity-policy.pdf?sfvrsn=2)	
Recommendation 1.2			
1. Board is composed of a majority of non-executive directors.	Compliant	CG Manual, Sec. 2.1.1(b) link Annual Report 2018, pp. 25, 27 link link	
Recommendation 1.3			
1. Company provides in its Board Charter and Manual on Corporate Governance a policy on training of directors.	Compliant	Board Charter, Sec. 5.2 link CG Manual, Sec. 2.1.9 link	
2. Company has an orientation program for first time directors.	Compliant	Board Charter, Sec. 5.2 link CG Manual, Sec. 2.1.9(a) and (b) link Director Orientation link	
3. Company has relevant annual continuing training for all directors.	Compliant	Directors' CG Enhancement Session and Trainings link Annual Report 2018, pp. 26-28, 40-41 link link	
Recommendation 1.4			
1. Board has a policy on board diversity.	Compliant	Board Diversity Policy link The level of Board diversity in terms of gender, age, ethnicity, work experience, professional background and type of directorship is presented in the Annual report. Annual Report 2018, pp. 25-26, 48-51 link link link	
Optional: Recommendation 1.4			
1. Company has a policy on and discloses measurable objectives for	Compliant	Board Diversity Policy link Annual Report 2018, pp. 25-26 link link	

<p>implementing its board diversity and reports on progress in achieving its objectives.</p>		<p>The Board has adopted a Board Diversity Policy and discloses in the Annual Report the level of Board diversity with respect to age, gender, ethnicity, work experience, professional background and type of directorship.</p> <p>The Board evaluates the implementation of the Board Diversity Policy through the annual Board Assessment wherein the Board assesses the effectiveness of its selection process. In the 2018 Board Assessment, the rating of 4.8 on a scale of 0 to 5, 5 being the highest, was obtained for the Company's process of selection to ensure that all directors meet the qualifications prescribed under the CG Manual, applicable laws and regulations and that there is a mix of knowledge, skills, expertise and experience and balance among independent, non-executive and executive directors.</p>	
<p>Recommendation 1.5</p>			
<p>1. Board is assisted by a Corporate Secretary.</p>	<p>Compliant</p>	<p>CG Manual, Sec. 2.5 link Annual Report 17-A, p. 91 link Information Statement, pp. 16, 18 link (www.pldt.com/docs/default-source/annual-meeting-of-stockholders/2018/definitive-is-2018-and-proxy-form_04-27-18-8pm_signed_final.pdf?sfvrsn=0)</p>	
<p>2. Corporate Secretary is a separate individual from the Compliance Officer.</p>	<p>Non-compliant</p>		<p>The Board has the responsibility of selecting and appointing the Corporate Secretary and the Chief Governance Officer, who, among other governance functions, performs compliance functions in coordination with other responsible departments of the Company. In this regard, the Board considers the qualifications, skills and character needed to perform the functions of said offices and determines who can carry out such functions in the most effective and efficient manner and serve the best interest of the Company and its stakeholders, as a whole. Such selection and appointment take into account relevant factors, including performance and demonstrated ability and integrity to effectively perform the functions of the office considering other functions concurrently held. In discharging this responsibility, the Board selected and appointed Atty. Ma. Lourdes C. Rausa-Chan, a director, as the Company's Corporate Secretary and Chief Governance Officer.</p>
<p>3. Corporate Secretary is not a member of the Board of Directors.</p>	<p>Non-compliant</p>		

			The Board's selection and appointment of the Corporate Secretary, as well as the Assistant Corporate Secretary, ensure that the Board is ably assisted in its duties in accordance with Principle 1.
4. Corporate Secretary attends training/s on corporate governance.	Compliant	Annual Report 2018, p. 28 link Directors' CG Enhancement Session and Trainings link Trainings in 2018 link	
Optional: Recommendation 1.5			
1. Corporate Secretary distributes materials for board meetings at least five business days before scheduled meeting.	Compliant	CG Manual, Sec. 2.1.6(a) link Secretary's Certificate, Item 1 - attached hereto as Annex A	
Recommendation 1.6			
1. Board is assisted by a Compliance Officer.	Compliant	The Board is assisted by a Chief Governance Officer whose functions include compliance functions in collaboration with other responsible departments of the Company to: (i) monitor, review, evaluate and ensure compliance with relevant laws and regulations; (ii) ensure the integrity and accuracy of documentary submissions to regulatory agencies; and (iii) address compliance issues.	
2. Compliance Officer has a rank of Senior Vice President or an equivalent position with adequate stature and authority in the corporation.	Compliant		
3. Compliance Officer is not a member of the board.	Non-compliant	Our Chief Governance Officer is Atty. Ma. Lourdes C. Rausa-Chan, who has adequate stature and authority to effectively perform the functions of the office. CG Manual, Sec. 2.9 link Annual Report 17-A, p. 91 link Annual Report 2018, p. 36 link Information Statement, p. 18 link	See Explanation under Recommendation 1.5 (2) and (3). The Board's selection and appointment of the Chief Governance Officer take into account relevant factors, including the ability to effectively and efficiently perform the responsibilities of the office considering other functions concurrently held. The Board's selection and appointment of the Chief Governance Officer, who is assisted by the Corporate Governance Office which has at least 3 corporate governance executives, ensure that the Board is ably assisted in its duties in accordance with Principle 1.
4. Compliance Officer attends training/s on corporate governance.	Compliant	Annual Report 2018, p. 28 link Directors' CG Enhancement Session and Trainings link Trainings in 2018 link	

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

<p>1. Directors act on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the company.</p>	<p>Compliant</p>	<p>CG Manual, Secs. 2.1.5 and 2.1.4 link link Secretary's Certificate, Item 2.1 - attached hereto as Annex A Board Charter, Sec. 3.1.2, Annex G link link Annual Report 2018, pp. 23, 26 and 4-9 link link link Minutes of AGM 2018 link (http://www.pldt.com/docs/default-source/annual-meeting-of-stockholders/2018/2018_june13_annual-meeting-(as-of-06-18-18)_final.pdf?sfvrsn=0)</p>	
---	-------------------------	---	--

Recommendation 2.2

<p>1. Board oversees the development, review and approval of the company's business objectives and strategy.</p>	<p>Compliant</p>	<p>CG Manual, Sec. 2.1.4(e) link Annual Report 2018, Determination and review of strategic objectives, pp. 23, 26 and 4-9 link link link Board Charter, Annex F, Item e.1 link Board Activities>Annual Strategic Planning Session link</p>	
<p>2. Board oversees and monitors the implementation of the company's business objectives and strategy.</p>	<p>Compliant</p>	<p>CG Manual, Sec. 2.1.4(h) link Annual Report 2018, Management oversight, p. 23 link The Board reviews the Company's business objectives and strategy at least once each year.</p>	

Supplement to Recommendation 2.2

<p>1. Board has a clearly defined and updated vision, mission and core values.</p>	<p>Compliant</p>	<p>Vision-Mission link Our Corporate Governance Principles/Values link Annual Report 2018, pp. 1, 37 link link</p>	
--	-------------------------	--	--

		<p>Code of Business Conduct and Ethics, Principles and Values link (http://pldt.com/docs/default-source/policies/pldt-code-of-business-conduct-and-ethics.pdf?sfvrsn=4)</p> <p>CG Manual, Sec. 2.1.4(a) and (e) link</p> <p>The Company's Vision and Mission is reviewed every year and its core values, every 2 years.</p> <p>Annual Report 2018, pp. 23, 37 link link</p>	
2. Board has a strategy execution process that facilitates effective management performance and is attuned to the company's business environment, and culture.	Compliant	<p>The Board reviews and guides corporate strategy, major plans of action, risk management policies and procedures, annual budget and business plans; sets performance objectives; monitors implementation and corporate performance; and oversees major capital expenditures, acquisitions and divestitures.</p> <p>By-Laws, Sec. Art. V, Secs. 9-11, Art. VI-XII link link (http://pldt.com/docs/default-source/Articles-of-Incorporation-and-By-laws/pldt-by-laws-(latest-amended-version)-_nov-14-2016-.pdf?sfvrsn=0)</p> <p>CG Manual, Secs. 2-4 link link link</p> <p>Board Charter link</p> <p>Annual Report 2018, pp. 34-41, 42-46 link link</p>	
Recommendation 2.3			
1. Board is headed by a competent and qualified Chairperson.	Compliant	<p>CG Manual, Sec. 2.3 link</p> <p>Annual Report 2018, pp. 48, 4-9 link link</p>	
Recommendation 2.4			
1. Board ensures and adopts an effective succession planning	Compliant	<p>CG Manual, Secs. 2.1.2 and 2.1.4(i) link link</p>	

<p>program for directors, key officers and management.</p>		<p>Annual Report 2018, pp. 32-33 link Governance and Nomination Committee Charter, Schedule-Functions and Duties, Item B. 6 link (http://pldt.com/docs/default-source/corporate-governance-files/committee-charter/amended-gnc-charter-jan22-2018.pdf) Executive Compensation Committee Charter, Schedule-Functions and Duties, Item III.v link (http://pldt.com/docs/default-source/corporate-governance-files/committee-charter/amended-ecc-charter-mar8-2018.pdf)</p> <p>The accelerated disruptions driven by the digital revolution across all facets of the information and communication technology industry in the country and globally requires a new breed of leadership talents and skills. To help ensure the success of the ongoing business transformation of the Company, implementing an updated succession planning program is one of the imperatives for PLDT.</p> <p>The succession planning policy and process focus on identifying and developing talents as future successors to leadership and mission-critical positions, through a clearly defined selection criteria and development plan. It aligns the current and future leadership requirements to the business strategies and transformation goals for the whole organization. This includes talent review and assessment of internal bench vis-à-vis external talent market.</p>	
<p>2. Board adopts a policy on the retirement for directors and key officers.</p>	<p>Compliant</p>	<p>The succession planning policy and process focus on identifying and developing talents as future successors to leadership and mission-critical positions, through a clearly defined selection criteria and development plan. It aligns the current and future leadership requirements to the business strategies and transformation goals for the whole organization. This includes talent review and assessment of internal bench vis-à-vis external talent market.</p>	

		<p>With respect to retirement of key officers, the Company has a policy on retirement applicable to all employees, including key officers, which defines the retirement age and the benefits upon retirement. With respect to the retirement of directors, the Company respects the right of the stockholders to nominate and elect directors, regardless of age, based on their assessment of such directors' qualifications, ability to discharge the functions of a director effectively and efficiently, and contribution to the achievement of the corporate objectives and the performance of the Board as a whole.</p> <p>Annual Report 20-F, pp. 110 link CG Manual, Sec. 2,1,2, Annexes A to C link link Annual Report 2018, pp. 245-246 link Annual Report 17-A, pp. F-141 link</p>	
Recommendation 2.5			
1. Board aligns the remuneration of key officers and board members with long-term interests of the company.	Compliant	<p>The Company's Compensation Philosophy (for key officers):</p> <ul style="list-style-type: none"> • Pay for Position – Incorporates pay for the importance of the position with respect to the internal organization and considers the external market covering the pay practices of competitors and other comparator companies. Pay for position is defined based on review and updates on external and internal benchmarks. Compensation, Rewards and Performance Management (Compensation) conducts a periodic review of the market for benchmark jobs and updates slotting of positions. 	
2. Board adopts a policy specifying the relationship between remuneration and performance.	Compliant	<ul style="list-style-type: none"> • Pay for Performance – Incorporates pay for performance focusing on Company, team and individual 	

		<p>performance to help achieve business objectives. Pay for performance is compensated through the Performance Bonus/ Incentive Program and merit increase for applicable positions.</p> <ul style="list-style-type: none"> • Pay for Person – Incorporates pay for competencies and skills of the individuals that are valuable to the Company. Pay for person is guided by the employee’s competency pay level. <p>The Board approved the Short-Term Incentive Plan (STIP) and the Long-Term Incentive Plan (the Transformation Incentive Plan or TIP). Both require and will depend on the achievement of the target core net income.</p> <p>Directors do not receive any compensation, as such, except for reasonable per diems or directors’ fees for attendance in Board meetings, unless provided in the By-Laws or granted by a vote of the stockholders. Directors’ fees are periodically reviewed and benchmarked against industry practice, taking into account revenues, profitability, scope and complexity of the business, and frequency of board meetings, among others.</p>	
<p>3. Directors do not participate in discussions or deliberations involving his/her own remuneration.</p>	<p>Compliant</p>	<p>CG Manual, Secs. 2.1.4(i), 2.4.3 link link Executive Compensation Committee Charter, Schedule-Functions and Duties, Sec. I(ii) link Annual Report 17-A, pp. 99, F-148 re Transformation Incentive Plan link link Disclosure on Transformation Incentive Plan link</p>	

		<p>Annual Report 2018, pp. 24, 26, 30, 32-34, 44 link link link link link</p> <p>CG Manual, Sec. 2.1.7 link Board Charter, Sec. 5.1.a link</p>	
Optional: Recommendation 2.5			
1. Board approves the remuneration of senior executives.	Compliant	<p>Disclosure on Transformation Incentive Plan link Annual Report 17-A, pp. 99, F-148 link link CG Manual, Sec. 2.4.3 link Executive Compensation Committee Charter, Schedule-Functions and Duties, Secs. II.A, II.B link Annual Report 2018, pp. 32-34 link</p> <p>Compensation programs for senior executives are reviewed and submitted by the Executive Compensation Committee to the Board for approval. In 2017, the Board approved the Transformation Incentive Plan (TIP) which is intended to provide incentive compensation to key officers, executives and other eligible participants who are consistent performers and contributors to the achievement of the long-term transformation strategy and financial goals of the Company.</p> <p>For the year 2018, the Executive Compensation Committee approved the awards/payments under the TIP and the Short-term Incentive Plan (STIP) which is an annual incentive system that encourages and rewards both individual and group/team performance and is tied to the achievement of Corporate/Unit/ Customer Satisfaction Objectives.</p>	
2. Company has measurable standards to align the performance-based	Compliant	<p>Disclosure on Transformation Incentive Plan link</p>	

remuneration of the executive directors and senior executives with long-term interest, such as claw back provision and deferred bonuses.		<p>Annual Report 17-A, pp. 99, F-148 link link Annual Report 2018, pp. 21, 32-33, 44 link link Information Statement, pp. 32-34 link</p> <p>Under the Transformation Incentive Plan, the incentive compensation will be released in three annual grants on the condition, among others, that pre-determined consolidated core net income targets are successfully achieved.</p>	
--	--	---	--

Recommendation 2.6

1. Board has a formal and transparent board nomination and election policy.	Compliant	<p>CG Manual, Annex D-Guidelines on the Search, Screening and Selection of Directors link and Secs. 2.1.3, 2.1.4(b), Annexes A to C link link Guidelines on the Search, Screening and Selection of Directors link Board Charter, Sec. 2.3 link Annual Report 2018, p. 24 link</p>	
2. Board nomination and election policy is disclosed in the company's Manual on Corporate Governance.	Compliant	<p>CG Manual, Secs. 2.1.3, 2.1.4(b), Annexes A to C, Annex D-Guidelines on the Search, Screening and Selection of Directors link link link</p>	
3. Board nomination and election policy includes how the company accepted nominations from minority shareholders.	Compliant	<p>CG Manual, Annex D-Guidelines on the Search, Screening and Selection of Directors, Item 1 link</p>	
4. Board nomination and election policy includes how the board shortlists candidates.	Compliant	<p>CG Manual, Annex D-Guidelines on the Search, Screening and Selection of Directors, Items 2-8 link</p>	
5. Board nomination and election policy includes an assessment of the	Compliant	<p>CG Manual, Annex D-Guidelines on the Search, Screening and Selection of Directors, last paragraph link</p>	

effectiveness of the Board's processes in the nomination, election or replacement of a director.		An assessment of the effectiveness of the Board's processes in the nomination, election and replacement of a director was conducted as part of the annual performance assessment of the Board and the Governance and Nomination Committee.	
6. Board has a process for identifying the quality of directors that is aligned with the strategic direction of the company.	Compliant	CG Manual, Annex D-Guidelines on the Search, Screening and Selection of Directors, Item 5, and Sec. 2.1.4(b) link link Governance and Nomination Committee Charter, Schedule-Functions and Duties, Item B.5 link	
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.	-----	CG Manual, Annex D, last paragraph link The Governance and Nomination Committee may use external sources, such as professional search firms, director databases and/or other reputable external sources to further enhance the search for and widen the base of potential nominees.	
Recommendations 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	CG Manual, Sec. 2.1.4(n) link Board Activities>Conflict of Interest & Guidelines on the Proper Handling of Related Party Transactions link	
2. RPT policy includes appropriate review and approval of material	Compliant	Audit Committee Charter, Schedule-Items 3.6, 3.7 link	

RPTs, which guarantee fairness and transparency of the transactions.		(http://pldt.com/docs/default-source/corporate-governance-files/committee-charter/amended-ac-charter-jan22-2018.pdf) Annual Report 2018, pp. 31, 234-243 link link Annual Report 17-A, pp. 103, F-130 to F-139 link link	
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			
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.	Compliant	CG Manual, Sec. 3.4 link Guidelines on the Proper Handling of Related Party Transactions link Annual Report 2018, p. 37 link Annual Report 17-A, pp. 103, F-130, F-138 link link	
2. Board establishes a voting system whereby a majority of non-related party shareholders approve specific types of related party transactions during shareholders' meetings.	Compliant	The Company complies with the voting requirement provided in the Corporation Code for those types of related party transactions that require stockholders' approval (i.e., Sec. 32 on dealings of directors or officers with the corporation, Sec. 33 on contracts between corporations with interlocking directors, and Sec. 44 on management contracts; now, Secs. 31, 32 and 43, respectively, under the Revised Corporation Code of the Philippines which took effect on February 23, 2019). The Company has established safeguards for the proper handling of related party transactions, including	

		the review of material related party transactions by the Audit Committee which is comprised entirely of independent directors.	
Recommendation 2.8			
1. Board is primarily responsible for approving the selection of Management led by the Chief Executive Officer (CEO) and the heads of the other control functions (Chief Risk Officer, Chief Compliance Officer and Chief Audit Executive).	Compliant	<p>CG Manual, Secs. 2.1.4(g) link Governance and Nomination Committee Charter, Schedule-Functions and Duties, Sec. B.8 link</p> <p>The Management team is disclosed in the Annual Report.</p> <p>Annual Report 17-A, pp. 87-88, 91-93 link Annual Report 2018, pp. 52-55 link</p>	
2. Board is primarily responsible for assessing the performance of Management led by the Chief Executive Officer (CEO) and the heads of the other control functions (Chief Risk Officer, Chief Compliance Officer and Chief Audit Executive).	Compliant	<p>CG Manual, Secs. 2.1.4(g), 2.4.2 link link Executive Compensation Committee Charter, Schedule-Purposes, Item 3 and Functions and Duties, Secs. III(iv) link link Annual Report 2018, pp. 42, 44 link link Annual Report 2017, pp. 30 link</p> <p>The Board, through the Executive Compensation Committee: (i) reviews and approves the corporate goals of the CEO and evaluates his performance in the light of those goals, and (ii) oversees the development and administration of the Company's performance management framework to monitor and assess the performance of employees, including the heads of control functions.</p> <p>The Company's annual performance appraisal was rebranded in 2017 as "Performance Excellence Program (PEP)" that aligns individual goals/key</p>	

		<p>results areas to the Company's shared goals.</p> <p>Annual Report 2018, p. 44 link Annual Report 2017, p. 30 link</p>	
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.	Compliant	<p>The Company's annual performance appraisal for Management and personnel, the Performance Excellence Program (PEP), aligns individual goals/key results areas to the Company's shared goals.</p> <p>CG Manual, Secs. 2.1.4(g), 2.4.2 link link Annual Report 2018, p. 44 link Annual Report 2017, p. 30 link</p>	
2. Board establishes an effective performance management framework that ensures that personnel's performance is at par with the standards set by the Board and Senior Management.	Compliant	<p>Executive Compensation Committee Charter, Schedule-Purposes, Item 3 and Functions and Duties, Item III.iv link link</p>	
Recommendation 2.10			
1. Board oversees that an appropriate internal control system is in place.	Compliant	<p>CG Manual, Secs. 2.1.4(j), 2.1.4(n) link Board Charter, Annex F, pp. 27-28 link Audit Committee Charter, Schedule-Item 3 link Annual Report 2018, pp. 31-32, 35-36, 37-38 link link link</p>	
2. The internal control system includes a mechanism for monitoring and managing potential conflict of interest of the Management, members and shareholders.	Compliant	<p>Financial reporting, internal control, internal audit and independent audit link Conflict of Interest Policy and Guidelines on the Proper Handling of Related Party Transactions link</p>	
3. Board approves the Internal Audit Charter.	Compliant	<p>Audit Committee Charter, Schedule-Item 2.6 link Annual Report 2018, p. 31 link Annual Report 2017, p. 41 link</p>	

		The PLDT Board approved the revised Internal Audit Charter on March 23, 2017.	
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	CG Manual, Secs. 2.1.4(o) link Risk Committee Charter, Schedule-Purposes, Functions and Duties link (http://pldt.com/docs/default-source/corporate-governance-files/committee-charter/amended-rc-charter-jan-22-2018.pdf)	
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	Audit Committee Charter, Schedule-Items 4 and 6 link Annual Report 2018, pp. 24, 33, 47 link link link Board Activities> Enterprise Risk Management link ERM Framework link Annual Report 17-A, Item 9, pp. 74-84 link	
Recommendation 2.12			
1. Board has a Board Charter that formalizes and clearly states its roles, responsibilities and accountabilities in carrying out its fiduciary role.	Compliant	Board Charter, Sec. 3 link	
2. Board Charter serves as a guide to the directors in the performance of their functions.	Compliant	Board Charter link link	
3. Board Charter is publicly available and posted on the company's website.	Compliant	Board Charter link - posted on the Company website link	
Additional Recommendation to Principle 2			
1. Board has a clear insider trading policy.	Compliant	CG Manual, Sec. 3.2.1 link Code of Business Conduct and Ethics, Sec. A-Compliance, Item 1 link	

		<p>Board Activities>Restriction on Trading of Shares and Policy on Blackout Period link link Annual Report 2018, p. 38 link</p> <p>The Management sends regular email reminders to employees concerned regarding the restriction against buying or selling of PLDT shares, the trading restriction period and the relevant provisions of the PSE Revised Disclosure Rules and the Securities Regulation Code.</p>	
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.	Compliant	Code of Business Conduct and Ethics, Sec. D.5 link Conflict of Interest Policy link (http://pldt.com/corporate-governance-in-pldt/policies-processes-and-practices)	
2. Company discloses the types of decision requiring board of directors' approval.	Compliant	By-Laws, Sec. Art. V, Sec. 9 link CG Manual, Sec. 2.1.4 link Board Charter, Sec. 3 link	
<p>Principle 3: Board committees should be set up to the extent possible to support the effective performance of the Board's functions, particularly with respect to audit, risk management, related party transactions, and other key corporate governance concerns, such as nomination and remuneration. The composition, functions and responsibilities of all committees established should be contained in a publicly available Committee Charter.</p>			
Recommendation 3.1			
1. Board establishes board committees that focus on specific board functions to aid in the optimal performance of its roles and responsibilities.	Compliant	CG Manual, Sec. 2.2 link Annual Report 2018, pp. 30-32 link Board Committees link	
Recommendation 3.2			
1. Board establishes an Audit Committee to enhance its oversight	Compliant	CG Manual, Secs. 2.1.4(c) and 2.2, Annex E link link	

<p>capability over the company's financial reporting, internal control system, internal and external audit processes, and compliance with applicable laws and regulations.</p>		<p>Audit Committee Charter, Schedule-Purposes, Duties and Powers link</p> <p>The Audit Committee is responsible for the appointment and removal of the company's external auditor.</p> <p>Audit Committee Charter, Schedule-Item 1.2 link</p>	
<p>2. Audit Committee is composed of at least three appropriately qualified non-executive directors, the majority of whom, including the Chairman is independent.</p>	<p>Compliant</p>	<p>The Audit Committee is composed of three members, all of whom are independent directors.</p> <p>Audit Committee Charter, Secs. 3.1, 3.2 link</p> <p>Audit Committee link</p>	
<p>3. All the members of the committee have relevant background, knowledge, skills, and/or experience in the areas of accounting, auditing and finance.</p>	<p>Compliant</p>	<p>Audit Committee Charter, Sec. 3.2 link</p> <p>PLDT FPI Annual Written Affirmation, Exhibit C, pp. 1-4 link</p> <p>Annual Report 2018, p. 30-31, 48-51 link link</p> <p>Through their education and experience as Chairman of the Board and CEO of other companies, they possess accounting and related financial management competencies, more specifically (a) an understanding of generally accepted accounting principles (GAAP) and financial statements, (b) ability to assess the general applications of GAAP, (c) experience in reviewing or analyzing financial statements, (d) an understanding of internal controls and procedures for financial reporting, and (e) an understanding of Audit Committee functions. In addition, one of the Advisors of the Audit Committee, Ms. Corazon S. de la Paz-Bernardo, is a certified public accountant who has</p>	

		expertise in accounting and financial management.	
4. The Chairman of the Audit Committee is not the Chairman of the Board or of any other committee.	Compliant	Audit Committee Charter, Sec. 3.1 link Results of 2018 AGM, pp. 8-9 link Annual Report 2018, pp. 30-33, 48-51 link link Board and Board Committees>Audit Committee link link	
Supplement to Recommendation 3.2			
1. Audit Committee approves all non-audit services conducted by the external auditor.	Compliant	Audit Committee Charter, Schedule-Items 1.3,- 1.4 link Annual Report 2018, pp. 31, 96 link link	
2. Audit Committee conducts regular meetings and dialogues with the external audit team without anyone from management present.	Compliant	Audit Committee Charter, Schedule-Items 1, 3.10 link link Annual Report 2018, p. 31 link Annual Report 17-A, pp. 96-97 link	
Optional: Recommendation 3.2			
1. Audit Committee meet at least four times during the year.	Compliant	The Audit Committee had a total of 8 meetings in 2018. Audit Committee Charter, Sec. 4.1(a) link Annual Report 17-A, p. 96 link Annual Report 2018, pp. 29, 31 link link Audit Committee>Meetings link	
2. Audit Committee approves the appointment and removal of the internal auditor.	Compliant	Audit Committee Charter, Schedule-Item 2.1 link Internal Audit link Annual Report 2018, p. 55 link The Audit Committee approved the appointment of the new Head of the Internal Audit organization, Mr. Luis S. Reñon, effective July 1, 2018, to replace Mr. Jun R. Florencio who retired from the Company on the same date. The Board confirmed the	

		appointment of Mr. Reñon on August 9, 2018.	
Recommendation 3.3			
1. Board establishes a Corporate Governance Committee tasked to assist the Board in the performance of its corporate governance responsibilities, including the functions that were formerly assigned to a Nomination and Remuneration Committee.	Compliant	<p>The Board has established a Governance and Nomination Committee and an Executive Compensation Committee.</p> <p>CG Manual, Sec. 2.2 link Governance and Nomination Committee Charter link Executive Compensation Committee Charter link</p> <p>In a meeting of the Governance and Nomination Committee held on March 23, 2018, the said committee screened the nominees for directors and independent directors, and alignment with the company's strategic directions is one of the screening criteria applied.</p> <p>Governance and Nomination Committee Charter, Schedule-Item B.2, B.5 and Annex D link link link Annual Report 2018, p. 32 link</p>	
2. Corporate Governance Committee is composed of at least three members, all of whom should be independent directors.	Non-compliant	<p>CG Manual, Sec. 2.2.1(b) link Governance and Nomination Committee Charter, Sec. 3 link Annual Report 2018, pp. 32, 48-51 link link Board Committees>Governance and Nomination Committee link</p>	<p>Independent Directors constitute a majority of the voting members of the Governance and Nomination Committee (GNC) to ensure its independence.</p> <p>The composition of GNC was established by the Board as the optimum balance of independence and knowledge and familiarity with the business that will ensure that the GNC will be able to support the effective performance of the Board's governance and nomination functions in accordance with Principle 3.</p>
3. Chairman of the Corporate Governance Committee is an independent director.	Non-compliant	<p>Annual Report 17-A, p. 97 link Annual Report 2018, p. 32 link</p>	<p>The Board, in the exercise of its function and duty to promote and safeguard the interest of the Company and its stakeholders, as a whole, has decided to appoint a non-Independent director as GNC Chairman. The independence of the GNC is ensured by the independent directors who constitute a majority of its voting members.</p> <p>Aside from establishing the composition of the GNC, the Board appointed as its Chairman and members those whom the Board has determined will be able to collectively perform the responsibility of the GNC to support the</p>

			effective performance of the Board's governance and nomination functions in accordance with Principle 3.
Optional: Recommendation 3.3.			
1. Corporate Governance Committee meet at least twice during the year.	Compliant	The Governance and Nomination Committee had a total of 4 meetings in 2018. Annual Report 2018, pp. 29, 32 link link Governance and Nomination Committee>Meetings link	
Recommendation 3.4			
1. Board establishes a separate Board Risk Oversight Committee (BROC) that should be responsible for the oversight of a company's Enterprise Risk Management system to ensure its functionality and effectiveness.	Compliant	CG Manual, Sec. 2.2 link Risk Committee Charter link link (http://pldt.com/docs/default-source/corporate-governance-files/committee-charter/amended-rc-charter-jan-22-2018.pdf) Annual Report 2018, p. 33 link	
2. BROC is composed of at least three members, the majority of whom should be independent directors, including the Chairman.	Compliant	CG Manual, Sec. 2.2 link Risk Committee Charter, Sec. 3.1(a) link Annual Report 2018, pp. 33, 48-51 link link Board Committees>Risk Committee link	
3. The Chairman of the BROC is not the Chairman of the Board or of any other committee.	Compliant	Risk Committee Charter, Sec. 3.1(a) link Results of 2018 AGM, pp. 8-9 link Annual Report 2018, pp. 30-33, 48-51 link link Board and Board Committees>Risk Committee link link	
4. At least one member of the BROC has relevant thorough knowledge and experience on risk and risk management.	Compliant	Risk Committee Charter, Sec. 3.2 link Annual Report 2018, p. 33, 48-51 link link	

Recommendation 3.5			
1. Board establishes a Related Party Transactions (RPT) Committee, which is tasked with reviewing all material related party transactions of the company.	Compliant	The Board assigned this function to the Audit Committee, which is composed of three members all of whom are independent directors, instead of creating a separate Related Party Transaction Committee. CG Manual, Sec. 3.4(b) link Audit Committee Charter, Schedule-Items 3.6, 3.7 link	
2. RPT Committee is composed of at least three non-executive directors, two of whom should be independent, including the Chairman.	Compliant	The Audit Committee which reviews material RPTs is composed of three members all of whom are Independent Directors. CG Manual, Sec. 2.2 link Audit Committee Charter, Secs. 3.1, 3.2 link PLDT FPI Annual Written Affirmation, Exhibit C, pp. 1-4 link Annual Report 2018, pp. 30-32, 48-51 link link	
Recommendation 3.6			
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.	Compliant	Each of the Board Committees has a Charter which includes their respective purposes, composition, functions, reporting activities and performance evaluation in relation to the standards set forth therein. Audit Committee Charter link link Governance and Nomination Committee Charter link link Risk Committee Charter link link Executive Compensation Committee Charter link link Technology Strategy Committee Charter link link	
2. Committee Charters provide standards for evaluating the performance of the Committees.	Compliant		
3. Committee Charters were fully disclosed on the company's website.	Compliant	Copies of the Board Committee Charters are posted on the PLDT website. link link	

		(http://pldt.com/about-us/company-leadership) See Recommendation 3.6.2 above for the links to the charters.	
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	Board Charter, Sec. 4.3 link Secretary's Certificate, Item 2.2 - attached hereto as Annex A Audit Committee Charter, Sec. 4.1[k] link Governance and Nomination Committee Charter, Sec. 4.1[k] link Risk Committee Charter Sec. 4.1[k] link Executive Compensation Committee Charter, Sec. 4.1[k] link Technology Strategy Committee Charter Sec. 4.1[k] link Annual Report 2018, pp. 27, 29 link Board Meetings link Board Committee Meetings link	
2. The directors review meeting materials for all Board and Committee meetings.	Compliant	CG Manual, Secs. 2.1.5, 2.1.6(a) link Secretary's Certificate, Item 2.2 - attached hereto as Annex A Board Charter, Sec. 4.3(a) and (d) link Meeting materials are sent to the members prior to meetings of the Board and Board Committees to enable them to review the materials before the meeting.	
3. The directors ask the necessary questions or seek clarifications and explanations during the Board and Committee meetings.	Compliant	CG Manual, Sec. 2.1.5, 2.1.6(a) link Secretary's Certificate, Item 2.2 - attached hereto as Annex A Board Charter, Sec. 4.3(a) and (d) link	

Recommendation 4.2			
<p>1. Non-executive directors concurrently serve in a maximum of five publicly-listed 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.</p>	<p>Non-compliant</p>	<p>CG Manual, Sec. 2.1.8 link Board Charter, Sec. 3.1.2 link Annual Report 2018, pp. 26, 48-51 link link</p>	<p>The Company has not set a one-size fits all quantitative limit on directorships which may not give due regard to differences in individual capabilities and nature of directorships. The Company has instead adopted, as embodied in the CG Manual, a performance-based standard that directorships should not compromise the capacity of a director to serve and perform his duties and responsibilities to the Company diligently and efficiently. The Company ensures that other directorships do not compromise the capacity of a director to perform his responsibilities effectively through appropriate measures, while taking into account that such measures in no way restrict or prevail over the stockholders' legal right to vote for and be voted as a director, which right shall remain inviolable. Such measures include the screening procedures for nominees for directors which consider differences in individual capacities and nature of directorships to ensure that the Company and its stockholders are able to elect directors who can contribute value to the Company, as well as the duty of directors to notify the Board before accepting other directorships, and the annual Board assessment which includes the evaluation of the performance of individual directors. We have an independent director who has directorships in more than 5 publicly-listed companies. However, upon evaluation by the Governance and Nomination Committee (GNC) using the performance-based standard, the GNC determined that said independent director's directorships in other PLCs has not impaired, and is not expected to impair, his ability to diligently and effectively perform his duties as an independent director. The GNC considered said independent director's perfect attendance in the Board and Board Committees' meetings in the previous year, active participation in the independent decision making of said bodies, and his valuable expertise and experience in law and regulatory matters as they affect the Company not only in the Philippines, but also in New York where the Company is listed in the New York Stock Exchange.</p>
Recommendation 4.3			
<p>1. The directors notify the company's board before accepting a directorship in another company.</p>	<p>Compliant</p>	<p>CG Manual, Sec. 2.1.8(b) link Secretary's Certificate, Item 3 - attached hereto as Annex A</p>	
Optional: Principle 4			
<p>1. Company does not have any executive directors who serve in more than two boards of listed companies outside of the group.</p>	<p>Non-compliant</p>	<p>CG Manual, Sec. 2.1.8 link Annual Report 2018, pp. 48-51 link</p>	<p>Same explanation as in Recommendation 4.2 above.</p>

2. Company schedules board of directors' meetings before the start of the financial year.	Compliant	Board Charter, Sec. 4.2(a) link Annual Report 2018, p. 26 link	
3. Board of directors meet at least six times during the year.	Compliant	The Board had eleven (11) meetings in 2018. Board Charter, Sec. 4.2(a) link Annual Report 2018, p. 27 link CG Manual, Sec. 2.1.6 link Board Meetings link	
4. Company requires as minimum quorum of at least 2/3 for board decisions.	Non-compliant		The By-Laws provide that at any meeting of the Board of Directors, a majority of the number of the Directors as specified in the Articles of Incorporation shall constitute a quorum. At any meeting of the Board of Directors at which there is a quorum, all matters approved by at least a majority of the Board of Directors present at such meeting shall be valid as a corporate act, except for such matters which require the vote of majority of all the members of the Board as prescribed by the law or the By-Laws. This quorum requirement is consistent with Section 25 of the <i>Corporation Code</i> (Section 52 of the Revised Corporation Code) which provides that unless the articles of incorporation or by-laws provide for a greater majority, a majority of the number of directors as fixed in the articles of incorporation shall constitute a quorum for the transaction of corporate business, and every decision of at least a majority of the directors present at a meeting at which there is a quorum shall be valid as a corporate act, except for the election of officers which shall require the vote of all members of the board. At least 2/3 of the Board members was present and all matters for approval in each meeting in 2018 were acted upon based on the votes of at least 2/3 of the Board membership.

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	CG Manual, Sec. 2.1.1(b) link Annual Report 2018, pp. 25-26, 48-51 link link Our Board of Directors link	The Company has 3 Independent Directors representing twenty percent (20%) of the total membership of the Board. The Board is able to exercise objective and independent judgment on all corporate affairs, including the performance of its duties to monitor Management's performance, prevent conflicts of interests and balance competing demands on the corporation, through the following governance measures: - 3 independent directors (IDs) and 7 other non-executive directors out of a total of 13 directors,
--	----------------------	--	---

			<ul style="list-style-type: none"> - Audit Committee composed entirely of IDs, - Governance and Nomination Committee, Executive Compensation Committee and Risk Committee with IDs constituting a majority of their respective voting members, and - Company policies and procedures established to manage conflicts of interests.
Recommendation 5.2			
1. The independent directors possess all the qualifications and none of the disqualifications to hold the positions.	Compliant	CG Manual, Sec. 2.1.3(c) and Annex C link link Results of 2018 AGM, pp. 10-16 link	
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	CG Manual, Sec. 2.1.5 link Our Board of Directors link	
Recommendation 5.3			
1. The independent directors serve for a cumulative term of nine years (reckoned from 2012).	Compliant	CG Manual, Sec. 2.1.2 link Annual Report 17-A, pp. 89-90 link	
2. The company bars an independent director from serving in such capacity after the term limit of nine years.	Compliant	CG Manual, Sec. 2.1.2 link	
3. In the instance that the company retains an independent director in the same capacity after nine years, the board provides meritorious justification and seeks shareholders' approval during the annual shareholders' meeting.	Compliant	CG Manual, Sec. 2.1.2 link No independent director has served for a cumulative term of nine years (reckoned from 2012).	
Recommendation 5.4			

<p>1. The positions of Chairman of the Board and Chief Executive Officer are held by separate individuals.</p>	<p>Non-compliant</p>	<p>Mr. Manuel V. Pangilinan Chairman of the Board and Chief Executive Officer</p> <p>Annual Report 17-A, p. 87 link Annual Report 2018, pp. 25, 35, 48 link link link</p>	<p>The Board appointed the Chairman as the concurrent President and CEO in their judgment that he can best serve the interest of the Company and its stakeholders at this critical juncture of the Company's digital transformation. The Board, however, ensured that there are checks and balances in order for the Board to get the benefit of independent views and to exercise objective and independent judgment on all corporate affairs: (a) the duties and responsibilities of the Chairman and the President & CEO are clearly defined; (b) exercise by the Board of its independent oversight, supported by its 3 Independent Directors, seven non-executive Directors, the Audit Committee composed entirely of Independent Directors, and the Executive Compensation Committee, Risk Committee and Governance and Nomination Committee with Independent Directors constituting the majority of their respective voting members; and (c) Company policies and procedures established to manage conflicts of interests.</p>
<p>2. The Chairman of the Board and Chief Executive Officer have clearly defined responsibilities.</p>	<p>Compliant</p>	<p>CG Manual, Secs. 2.3 and 2.4 link link By-Laws, Art. VII, Secs. 1 and 2 link Board Charter, Sec. 3.3 link Annual Report 17-A, p. 87-88 link Annual Report 2018, pp. 25-26, 35 link link</p>	
<p>Recommendation 5.5</p>			
<p>1. If the Chairman of the Board is not an independent director, the board designates a lead director among the independent directors.</p>	<p>Non-compliant</p>	<p>The Chairman is not an Independent Director. On March 21, 2019, the Board appointed Retired Chief Justice Artemio Panganiban as lead independent director.</p> <p>Please see Explanation for year 2018.</p> <p>Annual Report 2018, p. 26 link</p>	<p>Under the Company's By-Laws, Board Charter and CG Manual, in case the Chairman is absent or is unable to preside at a Board meeting due to a conflict of interest, a director chosen by a majority of the Board present at such meeting at which there is a quorum shall preside at such meeting. Aside from this selection process, the independent decision making of the Board is assured by 3 independent directors and 7 other non-executive directors, and the other measures mentioned in the Explanations under Recommendations 5.1 and 5.4.</p> <p>By-Laws, Art. II, Sec. 5 and Art. VII link link Board Charter, Sec. 3.1.2 link CG Manual, Sec. 2.1.5 link</p>
<p>Recommendation 5.6</p>			
<p>1. Directors with material interest in a transaction affecting the corporation abstain from taking part in the deliberations on the transaction.</p>	<p>Compliant</p>	<p>Board Charter, Sec. 3.1.2(c)(ii) link Secretary's Certificate, Item 2.3 - attached hereto as Annex A CG Manual, Sec. 2.1.5 link Conflict of Interest Policy link</p>	
<p>Recommendation 5.7</p>			

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.	Compliant	The independent directors and non-executive directors, through the Audit Committee and Risk Committee, in both of which all independent directors and no executive director are serving as members, have separate periodic meetings with the external auditor and heads of internal audit, compliance and risk functions, without other executives present.	
2. The meetings are chaired by the lead independent director.	Non-compliant	<p>Audit Committee Charter, Sec. 2.3, Schedule-Items 3.10, 5.3 link link</p> <p>Risk Committee Charter, Schedule-Functions and Duties, Sec. 2.3 link link</p> <p>CG Manual, Sec. 2.1.6(d) link</p> <p>Annual Report 2018, pp. 26, 30-33 link link</p>	Such meetings of the Audit Committee and Risk Committee are chaired by their respective chairmen, both of whom are independent directors.

Optional: Principle 5

1. None of the directors is a former CEO of the company in the past 2 years.	-----	<p>Mr. Manuel V. Pangjilinan, President & CEO</p> <p>Annual Report 17-A, pp. 87-91 link</p> <p>Annual Report 2018, pp. 25-26, 48-51 link link</p>	See Explanation in Recommendation 5.4.1.
--	-------	---	--

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.	Compliant	<p>CG Manual, Sec. 2.1.10 link</p> <p>Annual Report 2018, pp. 25, 28, 42 link link</p>	
2. The Chairman conducts a self-assessment of his performance.	Compliant		
3. The individual members conduct a self-assessment of their performance.	Compliant		

4. Each committee conducts a self-assessment of its performance.	Compliant		
5. Every three years, the assessments are supported by an external facilitator.	Compliant	<p>CG Manual, Sec. 2.1.10 link</p> <p>The Company adopted this recommendation in its CG Manual approved on May 12, 2017. As provided therein, the annual self-assessment shall, as practicable, be supported by an external facilitator every three years.</p>	
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.	Compliant	<p>CG Manual, Secs. 2.1.10 link Annual Report 2018, pp. 28 and 42 link link</p> <p>As provided in the CG Manual, Sec. 2.1.10(b), the annual self-assessment shall, as practicable, allow for a feedback mechanism for stockholders.</p>	
2. The (Board Assessment) system allows for a feedback mechanism from the shareholders.	Compliant	<p>The Company discloses the process and criteria for its Board Assessment, and the shareholders can give their feedback thereon through the various communication channels provided by the Company.</p>	
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 provides standards for professional and ethical behavior, as well as articulate acceptable and unacceptable conduct and	Compliant	<p>Code of Business Conduct and Ethics link</p>	

practices in internal and external dealings of the company.			
2. The Code is properly disseminated to the Board, senior management and employees.	Compliant	The Code of Business Conduct and Ethics is disseminated to the Board, senior management and employees online through PLDT's website and intranet, and as part of PLDT's Handbook on Corporate Governance. It is included in the Company's CG training program for employees. Code of Business Conduct and Ethics link	
3. The Code is disclosed and made available to the public through the company website.	Compliant	The Code of Business Conduct and Ethics is posted on the Company website and is accessible by the public. Code of Business Conduct and Ethics link link	
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	Anti-corruption policy link Anti-corruption program link	
Recommendation 7.2			
1. Board ensures the proper and efficient implementation and monitoring of compliance with the Code of Business Conduct and Ethics.	Compliant	The Code of Business Conduct and Ethics applies to the Company, its directors, officers and employees. Code of Business Conduct and Ethics- Implementation and Monitoring of the Code, pp. 5-6 link CG Manual, Secs. 3.3, 4 link link	
2. Board ensures the proper and efficient implementation and	Compliant	The Board ensures the proper and efficient implementation and monitoring of compliance with the	

<p>monitoring of compliance with company internal policies.</p>		<p>Code of Business Conduct and Ethics and internal policies through the: - issuance and implementation of appropriate supporting and enabling policies Policies, Processes and Practices link - training and communication programs Annual Report 2018, pp. 37-39, 42-45 link link Education and Communication link - implementation/enforcement mechanisms Annual Report 2018, pp. 40-41, 28 link link Monitoring and Evaluation link Human Resources Manual link</p>	
---	--	--	--

Disclosure and Transparency

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

Recommendation 8.1

<p>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.</p>	<p>Compliant</p>	<p>Code of Business Conduct and Ethics, Sec. E link CG Manual, Sec. 3.2 link Board Activities>Internal Disclosure Controls and Procedures link Investor Relations>Annual Reports and Sustainability Report link Investor Relations>Press Releases and Disclosures link</p>	
---	-------------------------	---	--

Supplement to Recommendations 8.1

<p>1. Company distributes or makes available annual and quarterly consolidated reports, cash flow statements, and special audit revisions. Consolidated financial statements are published within ninety (90) days from the end of the</p>	<p>Compliant</p>	<p>Release of 2018 Financial Results; 1st Quarter : 41 days 2nd Quarter : 40 days 3rd Quarter : 39 days Annual : 66 days Investor Relations>Financial Results link link</p>	
--	-------------------------	---	--

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.	Compliant	Annual Report 17-A, pp. 74-84 link Annual Report 20-F, pp. 9-21 link	
Recommendation 8.2			
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	CG Manual, Sec. 3.2.2 link Restriction on Trading of Shares link Annual Report 2018, pp. 38-39 link Investor Relations>Beneficial Ownership Disclosures link	
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	Investor Relations>Beneficial ownership link Investor Relations>Top 100 Stockholders link Annual Report 2018, pp. 39, 219 link link PLDT Group Corporate Structure link	

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	Annual Report 17-A, pp. 86-91 link Annual Report 2018, pp. 28, 39, 48-51 link link link Information Statement, pp. 10-17, 30, 34 link link link Directors' CG Enhancement Sessions and Trainings link Director Orientation link	
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	Annual Report 17-A, pp. 87-93 link Annual Report 2018, pp. 39, 52-55 link link Information Statement, pp. 18-30, 34 link link Officers' CG Enhancement Sessions and Trainings link Trainings in 2018 link	
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	CG Manual, Secs. 2.1.7 link Executive Compensation Committee Charter, Schedule-Functions and Duties, Secs. II.C link Remuneration in 2018 link Executive compensation link See Additional Information provided under Recommendation 2.5 above.	
2. Company provides a clear disclosure of its policies and procedure for setting executive remuneration, including the level and mix of the same.	Compliant	CG Manual, Secs. 2.4.3 link Executive Compensation Committee Charter, Schedule-Functions and Duties, Secs. I and II link Remuneration in 2018 link Executive compensation link See Additional Information provided under Recommendation 2.5 above.	
3. Company discloses the remuneration on an individual basis, including termination and retirement provisions.	Non-compliant	Annual Report 17-A, p. 99 link Annual Report 2018, p. 27 link	The Company discloses the remuneration of directors on an individual basis, and the aggregate compensation paid to the President and CEO and the four most highly compensated officers in accordance with applicable regulations, for security reasons.

Recommendation 8.5			
1. Company discloses its policies governing Related Party Transactions (RPTs) and other unusual or infrequently occurring transactions in their Manual on Corporate Governance.	Compliant	CG Manual, Secs. 2.1.4(n), 3.2.1(a) and Sec. 3.4 link link link Conflict of Interest and Guidelines on the Proper Handling of Related Party Transactions link Audit Committee Charter, Schedule-Items 3.6, 3.7 link Board Charter, Sec. 3.1.2 link Secretary's Certificate, Item 2.4 - attached hereto as Annex A	
2. Company discloses material or significant RPTs reviewed and approved during the year.	Compliant	Relevant information on material RPTs are disclosed in the Annual Report. Annual Report 17-A, pp. F-130 to F-138 link Annual Report 2018, pp. 31-32, 234-243 link link	
Supplement to Recommendation 8.5			
1. Company requires directors to disclose their interests in transactions or any other conflict of interests.	Compliant	Board Charter, Sec. 3.1.2(c)(ii) link Secretary's Certificate, Item 2.4 - attached hereto as Annex A Information Statement, pp. 30, 34 link link Conflict of Interest Policy link	
Optional : Recommendation 8.5			
1. Company discloses that RPTs are conducted in such a way to ensure that they are fair and at arms' length.	Compliant	Annual Report 17-A, pp. 103 F-130 to F-138 link link Annual Report 2018, p. 37 link Guidelines on the Proper Handling of Related Party Transactions link	
Recommendation 8.6			
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	Compliant	CG Manual, Sec. 3.2 link Internal Disclosure Controls and Procedures link Annual Report 17-A, pp. F-86 to F-100, F-130 to F-138 link link	

<p>could adversely affect the viability or the interest of its shareholders and other stakeholders.</p>			
<p>2. Board appoints an independent party to evaluate the fairness of the transaction price on the acquisition or disposal of assets.</p>	<p>Compliant</p>	<p>The Company complies with the documentary, substantive and procedural requirements under the Corporation Code, Securities Regulation Code and its Implementing Rules and Regulations, and rules and regulations of the SEC and PSE, regarding acquisition of corporate control in the capital markets, extraordinary transactions such as mergers, and sales of substantial portions of corporate assets. Such requirements include, without limitation, approvals by the Board of Directors and, as applicable, by the stockholders in meetings duly called and convened for such purposes, prompt, full and fair disclosure of the material terms thereof, conduct of a tender offer (as applicable), and obtaining a fairness opinion from an independent financial adviser. It is also the Board's policy to create a Special Committee or task the Audit Committee composed of independent directors to independently review the terms and conditions of any acquisition of corporate control or extraordinary transaction, with the assistance of an independent financial adviser.</p> <p>In 2016, UBS/UBS Investment Philippines, Inc. was engaged as financial advisor in connection with the acquisition of the telco assets of San Miguel Corporation.</p> <p>In 2017, the Audit Committee was mandated to independently review</p>	

		<p>the proposed divestment of the Beacon shares held by PCEV to MPIC.</p> <p>In 2018, Bank of America Merrill Lynch was engaged as financial advisor to PLDT/Voyager in connection with the investment of KKR & Co. Inc. and Tencent Holdings Ltd. in Voyager.</p>	
Supplement to Recommendation 8.6			
<p>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.</p>	Compliant	<p>The strategic agreements between the NTT Group and First Pacific Group are disclosed in the Annual Report.</p> <p>Annual Report 17-A, pp. 100-103 link</p>	
Recommendation 8.7			
<p>1. Company's corporate governance policies, programs and procedures are contained in its Manual on Corporate Governance (MCG).</p>	Compliant	<p>CG Manual, Secs. 3, 2 link link</p>	
<p>2. Company's MCG is submitted to the SEC and PSE.</p>	Compliant	<p>The Company's CG Manual was submitted to the SEC and PSE on May 29, 2017. link</p>	
<p>3. Company's MCG is posted on its company website.</p>	Compliant	<p>The Company's CG Manual was posted on May 29, 2017 at the Company website. link link</p>	
Supplement to Recommendation 8.7			
<p>1. Company submits to the SEC and PSE an updated MCG to disclose any changes in its corporate governance practices.</p>	Compliant	<p>CG Manual link (as filed with SEC and PSE)</p>	

Optional: Principle 8			
1. Does the company's Annual Report disclose the following information:		Annual Report 2018 link link Annual Report 17-A link Annual Report 20-F link Copies of Annual Reports are posted at http://pldt.com/investor-relations/annual-and-sustainability-reports link	
a. Corporate Objectives	Compliant	Annual Report 17-A, pp. 6, 68 link link Annual Report 2018, pp. 1, 5-9 link link	
b. Financial performance indicators	Compliant	Annual Report 2018, pp. 2-3 link Annual Report 17-A, pp. 51, F-2 to F-177 link link	
c. Non-financial performance indicators	Compliant	Annual Report 17-A, Parts I-IV, pp. 1-110 link link link link link link	
d. Dividend Policy	Compliant	Annual Report 2018, p. 43 link	
e. Biographical details (at least age, academic qualifications, date of first appointment, relevant experience, and other directorships in listed companies) of all directors	Compliant	Annual Report 2018, pp. 48-51 link Annual Report 17-A, pp. 87-91 link	
f. Attendance details of each director in all directors meetings held during the year	Compliant	Annual Report 2018, pp. 27, 29 link link	
g. Total remuneration of each member of the board of directors	Compliant	Remuneration of directors, as such, which consists of per diems, are disclosed. Annual Report 2018, pp. 26, 27 link link Annual Report 17-A, p. 99 link	

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	Annual Report 2018, p. 42 link (Integrated Annual Corporate Governance 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	Annual 17-A, Item 9, pp. 96-97 link Annual Report 2018, pp. 23-24, 31-32, 96 link link link Annual Report 20-F, Item 15, p. 122 link	
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.	Compliant	Annual Report 2018, pp. 31-32, 96 link Annual Report 20-F, Item 15, p. 122 link	
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	Annual Report 2018, p. 47 link Annual Report 17-A, Item 9, pp. 74-84 link	

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	Audit Committee Charter, Schedule-Item 1 link The Audit Committee also considers and complies with the following policies and procedures: Policy on Auditor Independence, Procedures on	
--	------------------	--	--

		the Evaluation of External Auditor's Qualifications and Independence, and Evaluation Procedures for the External Auditor's Performance.	
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.	-----	<p>As per PLDT's By-Laws, the Audit Committee shall be directly responsible for the appointment, compensation, retention, removal or termination of engagement and oversight of the Company's independent auditors or external auditors. The Audit Committee's action on the matter is confirmed or ratified by the Board.</p> <p>The Company discloses to shareholders information about the external auditors in the Information Statement.</p> <p>As a foreign private issuer in the New York Stock Exchange, the Company is subject to the United States' Sarbanes and Oxley Act, Sec. 301, which requires that the audit committee of each issuer, in its capacity as a committee of the board of directors, shall be directly responsible for the appointment, compensation, and oversight of the work of any registered public accounting firm employed by that issuer.</p> <p>By-Laws, Art. XII link Audit Committee Charter, Secs. 1.2 and 1.3 link Information Statement, pp. 34-35 link</p>	
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.	N.A.	There was no removal of or change in the external auditor in 2018.	

Supplement to Recommendation 9.1

1. Company has a policy of rotating the lead audit partner every five years.	Compliant	CG Manual, Sec. 2.7.1(d) link Audit Committee Charter, Schedule-Item 1.7 link	
Recommendation 9.2			
1. Audit Committee Charter includes the Audit Committee's responsibility on: i. assessing the integrity and independence of external auditors; ii. exercising effective oversight to review and monitor the external auditor's independence and objectivity; and iii. exercising effective oversight to review and monitor the effectiveness of the audit process, taking into consideration relevant Philippine professional and regulatory requirements.	Compliant	Audit Committee Charter, Schedule-Purpose, Functions and Duties, Items 1, 2, 3, 4, 5 and 6 link link link link link	
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	Audit Committee Charter, Schedule-Item 1 (see 1.1, 1.5, 1.6) link	
Supplement to Recommendations 9.2			
1. Audit Committee ensures that the external auditor is credible, competent and has the ability to	Compliant	Audit Committee Charter, Schedule-Items 1 and 3 link link With respect to this item and item 2 below, the Audit Committee considers	

understand complex related party transactions, its counterparties, and valuations of such transactions.		and complies with the following policies and procedures that it has adopted: <ul style="list-style-type: none"> - Audit Committee Policy on Auditor Independence - Procedures on the Evaluation of External - Auditor's Qualifications and Independence - Evaluation Procedures for the External Auditor's Performance 	
2. Audit Committee ensures that the external auditor has adequate quality control procedures.	Compliant	Audit Committee Charter, Schedule-Item 1 (see 1.5, 1.6 link)	
Recommendation 9.3			
1. Company discloses the nature of non-audit services performed by its external auditor in the Annual Report to deal with the potential conflict of interest.	Compliant	The non-audit services and fees rendered by the external auditor, as disclosed in the Annual Report, include those in connection with the Sarbanes-Oxley Act 404 assessment, among others. Annual Report 17-A, Item 8, pp. 84-85 link	
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.	Compliant	Audit Committee Charter, Schedule-Item 1.4 link Annual Report 17-A, Item 8, pp. 84-85 link In determining any potential conflict of interest situation, the Audit Committee also considers and complies with the following policies and procedures adopted by the committee: <ul style="list-style-type: none"> - Policy on Auditor Independence - Procedures on the Evaluation of External Auditor's Qualifications and Independence. 	
Supplement to Recommendation 9.3			

<p>1. Fees paid for non-audit services do not outweigh the fees paid for audit services.</p>	<p>Compliant</p>	<p>For 2018: Audit Fees: Php 48M All other Fees: Php 21M</p> <p>Annual Report 17-A, Items 8-9, pp. 84-85, 96-97 link link</p> <p>Based on its review of audit and non-audit services provided by the external auditor, and the related fees for such services, the Audit Committee concluded that the non-audit fees are not significant to impair the latter's independence.</p> <p>Annual Report 2018, p. 96 link</p>	
Additional Recommendation to Principle 9			
<p>1. Company's external auditor is duly accredited by the SEC under Group A category.</p>	<p>Compliant</p>	<ol style="list-style-type: none"> 1. Name of the audit engagement partner: SGV & Co. Marydith C. Miguel 2. Accreditation number: Accreditation No. 0012-FR-5 as an auditing firm for companies classified under Group A 3. Date Accredited: November 6, 2018 4. Expiry date of accreditation: November 5, 2021 5. Name, address, contact number of audit firm: SGV & Co. 6760 Ayala Avenue, Makati City, 1226 Tel. No. 891-0307; Fax No.: 819-0872 	
<p>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).</p>	<p>Compliant</p>	<p>SGV & Co. has been subjected to SOAR on November 12-23, 2018. The names of the members of the engagement team were provided to the SEC during the SOAR inspection.</p>	

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>CG Manual, Sec. 3.2.1(a) link Annual Report 2018, pp. 1-55 link link link link Sustainability Report link</p>	
<p>2. Company adopts a globally recognized standard/framework in reporting sustainability and non-financial issues.</p>	<p>Compliant</p>	<p>Sustainability Report link The Sustainability Report contains Standard Disclosures from the Global Reporting Initiative (GRI) Sustainability Reporting Guidelines. link</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>	<ul style="list-style-type: none"> • Company's financial and operating results (including: Management Discussion and Analysis, Financial Statements/Annual Reports, Investor Presentations, and Press Releases) are: <ul style="list-style-type: none"> ◦ Posted on the PLDT corporate website (www.pldt.com) under the Investor Relations section link link link link link ◦ Filed as disclosures with the PSE, SEC and PDEX • Quarterly analysts' briefings on financial and operating results (with podcasts posted on the website) <ul style="list-style-type: none"> ◦ Quarterly conference calls 	
--	-------------------------	---	--

		<ul style="list-style-type: none"> o Face-to-face briefings for first half and full year results • Quarterly media briefings on financial and operating results • PLDT's Annual Sustainability Report is posted on the PLDT website. link 	
Supplemental to Principle 11			
1. Company has a website disclosing up-to-date information on the following:	Compliant	http://www.pldt.com/	
a. Financial statements/reports (latest quarterly)	Compliant	http://pldt.com/investor-relations/press-releases-and-disclosures/financial-results http://pldt.com/investor-relations/financial-results	
b. Materials provided in briefings to analysts and media	Compliant	http://pldt.com/investor-relations/presentations Please see Recommendation 11.1 above.	
c. Downloadable annual report	Compliant	http://www.pldt.com/investor-relations/annual-and-sustainability-reports Annual Report 2018 link link	
d. Notice of ASM and/or SSM	Compliant	Notice of ASM link	
e. Minutes of ASM and/or SSM	Compliant	Minutes of ASM link	
f. Company's Articles of Incorporation and By-Laws	Compliant	Articles of Incorporation link By-Laws link	
Additional Recommendation to Principle 11			
1. Company complies with SEC-prescribed website template.	Compliant	Company website: http://www.pldt.com/	

Internal Control System and Risk Management Framework

Principle 12: To ensure the integrity, transparency and proper governance in the conduct of its affairs, the company should have a strong and effective internal control system and enterprise risk management framework.

Recommendation 12.1

<p>1. Company has an adequate and effective internal control system in the conduct of its business.</p>	<p>Compliant</p>	<p>Board Activities>Financial reporting, internal control, internal audit and independent audit link Internal Control System link Audit Committee Charter, Schedule of Purposes, Duties and Powers link link Annual Report 2018, pp. 30-32, 47 link link link link</p> <p>In accordance with the PLDT IA Charter, the Internal Audit organization implements an annual risk-based internal audit plan, as approved, including, and as appropriate, any special tasks or projects requested by Management and the Audit Committee.</p> <p>PLDT has adopted the Internal Control – Integrated Framework issued in 2013 by COSO. PLDT IA also conducts independent testing of entity-level and process level controls in accordance with COSO’s 2013 Internal Control – Integrated Framework which PLDT has adopted.</p>	
<p>2. Company has an adequate and effective enterprise risk management framework in the conduct of its business.</p>	<p>Compliant</p>	<p>The ERM framework is based on the International Standard of ISO 31000.</p> <p>The ERM framework is reviewed annually.</p> <p>Annual Report 2018, pp. 47, 55 link link link Enterprise Risk Management link ERM Framework link</p>	

Supplement to Recommendation 12.1

<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>Annual Report 2018, pp. 37-42 link link link (Policies and Practices; Training and Education; Monitoring and Evaluation) Policies, Processes and Practices link Education and Communication link Monitoring and Evaluation link</p> <p>The compliance program is reviewed periodically, as necessary.</p>	
<p>Optional: Recommendation 12.1</p>			
<p>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.</p>	<p>Compliant</p>	<p>The Company has a Corporate Information Security Policy that includes an Information Security governance framework and processes pertaining to, among others, Business Continuity and Disaster Recovery, Network Security and Electronic Communications Security, to protect information assets against unauthorized access, disclosure, modification, misuse or destruction.</p>	
<p>Recommendation 12.2</p>			
<p>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.</p>	<p>Compliant</p>	<p>CG Manual, Sec. 2.6.1(a) link Annual Report 2018, p. 35 link</p> <p>The mission of the Internal Audit organization is to provide independent, objective assurance and consulting services designed to add value and improve the operations of PLDT and its subsidiaries by offering new insights and considering future impact, and to help accomplish its objectives by bringing a systematic and disciplined, and risk-based approach to evaluate and improve the effectiveness or risk</p>	

		management, control, and governance processes. The Internal Audit function in PLDT is fully in-house.	
Recommendation 12.3			
1. Company has a qualified Chief Audit Executive (CAE) appointed by the Board.	Compliant	PLDT's Chief Audit Executive is Mr. Luis S. Reñon. CG Manual, Sec. 2.6.2 link Annual Report 2018, p. 55 link	
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	CG Manual, Sec. 2.6.2 link Annual Report 17-A, Item 13, pp. 98-99 link PLDT's CAE oversees and is responsible for the internal audit activities of the Company, including any portion thereof that may be outsourced to a third party service provider.	
3. In case of a fully outsourced internal audit activity, a qualified independent executive or senior management personnel is assigned the responsibility for managing the fully outsourced internal audit activity.	N.A.	PLDT's Internal Audit function is fully in-house. CG Manual, Sec. 2.6.2 link Annual Report 17-A, Item 13, p. 106 link	
Recommendation 12.4			
1. Company has a separate risk management function to identify, assess and monitor key risk exposures.	Compliant	CG Manual, Sec. 2.8.2 link Annual Report 17-A, Item 13, p. 107 link Annual Report 2018, pp. 35-36 link	
Supplement to Recommendation 12.4			

1. Company seeks external technical support in risk management when such competence is not available internally.	Compliant	Parima Conference and British Telecom, among others	
Recommendation 12.5			
1. In managing the company's Risk Management System, the company has a Chief Risk Officer (CRO), who is the ultimate champion of Enterprise Risk Management (ERM).	Compliant	<p>Ms. Anabelle Chua is the Chief Risk Management Officer of the Company. Assisting the Chief Risk Management Officer is the Group Risk Management Department Head, Ms. Deborah Anne Tan.</p> <p>The Risk Committee reviews Management's reports on the Company's major risk exposures and management's plans and actions to minimize, control or manage the impact of such risks.</p> <p>Annual Report 17-A, Item 9, p. 91 link Annual Report 2018, p. 52 link CG Manual, Sec. 2.8.2 link</p>	
2. CRO has adequate authority, stature, resources and support to fulfill his/her responsibilities.	Compliant	<p>Annual Report 17-A, Item 9, pp. 91, 107 link link Annual Report 2018, p. 52 link CG Manual, Sec. 2.8.2 link</p>	
Additional Recommendation to Principle 12			
1. Company's Chief Executive Officer and Chief Audit Executive attest in writing, at least annually, that a sound internal audit, control and compliance system is in place and working effectively.	Compliant	<p>Annual Report 20-F, Exhibits 12.1 and 12.2, Item 15, p. 115 link link link Annual Report 2018, p. 31 link</p> <p>The CEO and CFO annually attest in writing regarding effectiveness of disclosure controls and procedures, and internal controls over financial reporting based on the COSO criteria.</p> <p>The Internal Audit organization reports to the Audit Committee on the PLDT</p>	

		<p>Group's Sarbanes Oxley Act of 2002 (SOX 404) Compliance- Management's Overall Assessment and Conclusions regarding the effectiveness of internal control over financial reporting as of year end.</p> <p>In accordance with the Audit Committee Charter and Internal Audit Charter, the Chief Audit Executive submits to the Audit Committee, on an annual basis, a statement of compliance with the International Standards of Internal Auditing, and a confirmation statement about the independence of the Internal Audit Organization.</p> <p>There is no joint attestation being issued by the Chief Executive Officer and Chief Audit Executive regarding the effectiveness of the Company's internal audit, control and compliance system.</p>	
--	--	--	--

Cultivating a Synergic Relationship with Shareholders

Principle 13: The company should treat all shareholders fairly and equitably, and also recognize, protect and facilitate the exercise of their rights.

Recommendation 13.1

1. Board ensures that basic shareholder rights are disclosed in the Manual on Corporate Governance.	Compliant	CG Manual, Sec. 3.1.1 link	
2. Board ensures that basic shareholder rights are disclosed on the company's website.	Compliant	Our Stakeholders>Shareholders link	

Supplement to Recommendation 13.1

1. Company's common share has one vote for one share.	Compliant	By-Laws, Art. III, Sec. 3 link	
2. Board ensures that all shareholders of the same class are treated equally	Compliant	<p>Shares of Common Stock carry one vote per share.</p> <p>Shares of Voting Preferred Stock have voting rights at any meeting of the</p>	

<p>with respect to voting rights, subscription rights and transfer rights.</p>		<p>stockholders for the election of directors and for all other purposes, with one vote in respect of each share of Voting Preferred Stock.</p> <p>Shares of Non-Voting Serial Preferred Stock have no voting rights except as otherwise provided by law. With respect to the corporate actions enumerated in Section 6 of the Corporation Code, each share of Non-Voting Serial Preferred Stock entitled to vote carries one vote.</p> <p>Relevant information on the equal treatment of shareholders of the same class is disclosed in the reports below.</p> <p>Articles of Incorporation, Arts. 7.A and 7.B link By-Laws, Art. III and IV link link CG Manual, Sec. 3.1.1 link Information Statement, pp. 6, 35-36 link link</p>	
<p>3. Board has an effective, secure, and efficient voting system.</p>	<p>Compliant</p>	<p>Relevant information on the Company's voting system is disclosed in the reports below.</p> <p>Information Statement, pp. 6, 35-36 link link CG Manual, Sec. 3.1.1 link Our Stakeholders>Shareholders link</p>	
<p>4. Board has an effective shareholder voting mechanism such as supermajority or "majority of minority" requirements to protect minority shareholders against actions of controlling shareholders.</p>	<p>Compliant</p>	<p>The Company complies with the Corporation Code which requires cumulative voting which enables minority shareholder representation on the Board, and supermajority or at least two thirds votes for fundamental corporate actions (see Sections 28, 37, 38, 39, 40, 42 and 43; now Sections 27, 36, 37, 38, 39, 41 and 42 of the Revised Corporation Code)). No single stockholder or stockholders acting as a group own two thirds of the Company's outstanding voting shares;</p>	

		thus, the minority stockholders' votes would be indispensable to achieve the supermajority voting requirement.	
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	By-Laws, Art. II, Sec. 2 link In 2018, no special meeting of stockholders was called and convened.	
6. Board clearly articulates and enforces policies with respect to treatment of minority shareholders.	Compliant	Our Stakeholders>Minority Shareholders link	
7. Company has a transparent and specific dividend policy.	Compliant	Annual Report 2018, pp. 43, 282 link link Investor Relations>Dividend Info link Relevant information on dividends are disclosed in the Annual Report. Annual Report 2018, pp. 219-221 link	
Optional: Recommendation 13.1			
1. Company appoints an independent party to count and/or validate the votes at the Annual Shareholders' Meeting.	Compliant	The Company's tabulation, registration and reporting system has been reviewed and tested by SGV & Co. in accordance with the Philippine Standards on Related Services 4400 Agreed-upon Procedures issued by the Auditing Standards and Practices Council. Representatives from SGV & Co. were present in the Annual Meeting and checked the completeness and accuracy of the encoded proxies and voting instructions received as well as the completeness and accuracy of the attendance and voting reports generated by the system at the June 13, 2018 Annual Meeting of Stockholders.	

Recommendation 13.2			
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.	Compliant	<p>Notice, Agenda and Information Statement Posted: May 8, 2018 (36 days before the ASM on June 13, 2018)</p> <p>link link http://pldt.com/investor-relations/shareholder-information/latest-shareholders'-news</p> <p>There was no proposal for remuneration of directors or officers or changes therein that was submitted for stockholders' approval in the Annual Meeting.</p> <p>A copy of the Notice, Agenda and Information Statement is posted on the Company website. link link http://www.pldt.com/docs/default-source/annual-meeting-of-stockholders/2018/definitive-is-2018-and-proxy-form_04-27-18-8pm_signed_final.pdf?sfvrsn=0</p>	
Supplemental to Recommendation 13.2			
1. Company's Notice of Annual Stockholders' Meeting contains the following information:	Compliant	Notice, Agenda and Information Statement (with Proxy documents) link	
a. The profiles of directors (i.e., age, academic qualifications, date of first appointment, experience, and directorships in other listed companies)	Compliant	Notice, Agenda and Information Statement, pp. 10-17 link	
b. Auditors seeking appointment/re-appointment	Compliant	Notice, Agenda and Information Statement, pp. 34-35 link	
c. Proxy documents	Compliant	Notice, Agenda and Information Statement	

		(with Proxy documents) link link	
Optional: Recommendation 13.2			
1. Company provides rationale for the agenda items for the annual stockholders meeting	Compliant	Notice, Agenda and Information Statement, p. 3 link	
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	Results of 2018 Annual Stockholders Meeting (Posted: June 13, 2018) link http://www.pldt.com/docs/default-source/annual-meeting-of-stockholders/2018/june-13-2018-disclosures_agm-results.pdf?sfvrsn=0 Minutes of 2018 Annual Stockholders Meeting (Posted: June 18, 2018) link http://www.pldt.com/docs/default-source/annual-meeting-of-stockholders/2018/2018_june13_annual-meeting-(as-of-06-18-18)_final.pdf?sfvrsn=0 The documents above are posted at the Investor Relations webpage. link Date of ASM: June 13, 2018	
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	Minutes of 2018 Annual Stockholders Meeting (Posted: June 18, 2019) link link Results of 2018 Annual Stockholders Meeting (Posted: June 13, 2018) link link Date of ASM: June 13, 2018 Voting on resolutions was by poll. Shareholders were given the opportunity to ask questions relating to each item of the Agenda. Responses and clarifications were provided by the Chairman and other members of management. Minutes of 2018 Annual Stockholders Meeting, pp. 8-11, 15-16 link link	

Supplement to Recommendation 13.3			
<p>1. Board ensures the attendance of the external auditor and other relevant individuals to answer shareholders questions during the ASM and SSM.</p>	<p>Compliant</p>	<p>SGV & Co., PLDT's external auditor, and other relevant individuals were present to answer shareholders' questions during PLDT's 2018 Annual Stockholders' Meeting held on June 13, 2018.</p> <p>Minutes of 2018 Annual Stockholders Meeting link</p>	
Recommendation 13.4			
<p>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.</p>	<p>Compliant</p>	<p>The Company complies with, abides and is guided by the policy set forth in Republic Act No. 9285, otherwise known as the "Alternative Dispute Resolution Act of 2004", in handling conflicts or differences between the Company and its stockholders as well as third parties in that:</p> <ol style="list-style-type: none"> 1. The Company promotes party autonomy in the resolution of disputes or the freedom of the parties to make its own arrangements, together with the counter-party, to resolve their disputes. 2. The Company resorts to Alternative Dispute Resolution (ADR) as an important means to achieve speedy and impartial justice and declog court dockets. 3. The Company considers ADR as an efficient tool and an alternative procedure for the resolution of appropriate cases. 4. The Company considers and explores with the other party or parties involved mutually acceptable alternative means or procedures for resolving such dispute that are provided by law prior to resorting to court action, to the extent that such is 	

		feasible and will not prejudice the rights and interests of the Company.	
2. The alternative dispute mechanism is included in the company's Manual on Corporate Governance.	Compliant	CG Manual, sec. 3.1.1(b) link The Company adopted the guidelines on alternative dispute mechanism as described above.	
Recommendation 13.5			
1. Board establishes an Investor Relations Office (IRO) to ensure constant engagement with its shareholders.	Compliant	IRO: Ms. Melissa V. Vergel de Dios 816-8024 892-1772 pldt_lr_center@pldt.com.ph The contact information of the IRO are indicated in the Annual Report 2018, p. 292 link .	
2. IRO is present at every shareholder's meeting.	Compliant	The IRO was present during the ASM.	
Supplemental Recommendations to Principle 13			
1. Board avoids anti-takeover measures or similar devices that may entrench ineffective management or the existing controlling shareholder group	Compliant	The Company's Articles of Incorporation and By-Laws do not contain any provision on anti-takeover measures. Neither the stockholders nor the Board approved or adopted an anti-takeover measure in 2018. Articles of Incorporation link By-Laws link	
2. Company has at least thirty percent (30%) public float to increase liquidity in the market.	Compliant	Annual Report 17-A, p. 33 link Public Ownership Report Dec. 2018 link Investor Relations>Public Ownership Reports link	
Optional: Principle 13			
1. Company has policies and practices to encourage shareholders to	Compliant	PLDT regularly meets with investors and fund managers via participation in investor conferences (refer to IR	

engage with the company beyond the Annual Stockholders' Meeting		<p>calendar available on the website), one-on-one meetings, and teleconferences.</p> <p>PLDT IR also replies to email queries sent via the IR mailbox.</p> <p>The contact information for Investor Relations for any follow-up questions or clarifications are indicated in the PLDT website, the Annual Report, and in the quarterly presentation materials.</p> <p>PLDT Investor Relations maintains a mailing list of investors and parties who have requested to be included in the said mailing list.</p> <p>Regular updates (Press Releases, invitations to results conference calls, among others) are disseminated to the said mailing list.</p>	
2. Company practices secure electronic voting in absentia at the Annual Shareholders' Meeting.	Compliant	<p>PLDT practices secure electronic voting or internet voting at general meetings of shareholders as disclosed in its website.</p> <p>Our Stakeholders>Shareholders re electronic voting link Voting Instruction Form 2018 (with internet voting) link</p>	

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	Compliant	<p>Our Stakeholders link PLDT Group CSR Statement link General Practice on Stakeholder Engagement link Annual Report 2018, pp. 42-45, 11-15, 17-19, 20-21 link link link link</p>	
--	------------------	---	--

company in creating wealth, growth and sustainability.		Sustainability Report link	
Recommendation 14.2			
1. Board establishes clear policies and programs to provide a mechanism on the fair treatment and protection of stakeholders.	Compliant	CG Manual, Sec. 3.1 link Code of Business Conduct and Ethics, Sec. G link Our Stakeholders link PLDT Group CSR Statement link General Practice on Stakeholder Engagement link Sustainability Report link	
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	Stockholders who have matters for discussion or concerns directly relating to the business of the Company may initially elevate such matters or concerns to: (a) the Corporate Secretary; (b) the Investor Relations Officer; (c) Management; or (d) the Board. For queries on the company's financial and operating results: Investor Relations pldt_ir_center@pldt.com.ph 816-8024 For queries on dividends, stock certificates and related matters: Shareholder Services pldtshareholderservices@pldt.com.ph 843-1285 For corporate accounts concerns: Enterprise Group pldtenterprise@pldt.com.ph 840-5433 For small and medium enterprise concerns:	

		<p>SME Group smenationinquiry@pldt.com.ph 101888</p> <p>For inquiries on vendor accreditation:</p> <p>Supply Chain Procurement Operations and Support SRM@pldt.com.ph 844-2361</p> <p>CG Manual, Sec. 3.1.1(e) link Annual Report 2018, p, 292 link PLDT>Contact us link</p> <p>The Company has an Expanded Whistleblowing Policy that encourages the disclosure by Company personnel of any violation of corporate governance rules or policies, questionable accounting or auditing matters, and offenses covered by the Table of Penalties in the PLDT Personnel Manual. At the heart of this policy is the ability and opportunity of anyone in the Company, acting in good faith, to freely communicate and expect official action on such violations, including the option to file anonymous complaints. In addition, it establishes mechanisms and procedures designed to ensure confidentiality and fairness in the handling of a disclosure or complaint and to protect whistleblowers and witnesses from any retaliation.</p> <p>Annual Report 2018, p. 38 link Expanded Whistleblowing Policy link link link</p>	
--	--	---	--

Supplement to Recommendation 14.3

<p>1. Company establishes an alternative dispute resolution system so that conflicts and differences with key stakeholders is settled in a fair and expeditious manner.</p>	<p>Compliant</p>	<p>The Company complies with, abides and is guided by the policy set forth in Republic Act No. 9285, otherwise known as the "Alternative Dispute Resolution Act of 2004", in handling conflicts or differences between the Company and its stockholders as well as third parties in that:</p> <ol style="list-style-type: none"> 1. The Company promotes party autonomy in the resolution of disputes or the freedom of the parties to make its own arrangements, together with the counter-party, to resolve their disputes. 2. The Company resorts to Alternative Dispute Resolution (ADR) as an important means to achieve speedy and impartial justice and declog court dockets. 3. The Company considers ADR as an efficient tool and an alternative procedure for the resolution of appropriate cases. 4. The Company considers and explores with the other party or parties involved mutually acceptable alternative means or procedures for resolving such dispute that are provided by law prior to resorting to court action, to the extent that such is feasible and will not prejudice the rights and interests of the Company. 	
Additional Recommendations to Principle 14			
<p>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</p>	<p>Compliant</p>	<p>No such request for exemption was made by the Company.</p>	

the reason for such action, as well as presents the specific steps being taken to finally comply with the applicable law, rule or regulation.			
2. Company respects intellectual property rights.	Compliant	<p>Relevant information on Company policies and procedures on intellectual property rights is provided in Company policies and reports, including:</p> <p>Code of Business Conduct and Ethics, Standards of Business Conduct and Ethics-Compliance, Sec. A link Our Stakeholders>Suppliers link General Practice on Stakeholder Engagement link Annual Report 2018, p. 45 link</p>	
Optional: Principle 14			
1. Company discloses its policies and practices that address customers' welfare	Compliant	<p>Our Stakeholders>Customers link PLDT Group CSR Statement link General Practice on Stakeholder Engagement link Annual Report 2018, pp. 43-44, 11-15 link link link</p>	
2. Company discloses its policies and practices that address supplier/contractor selection procedures	Compliant	<p>Our Stakeholders>Suppliers link PLDT Group CSR Statement link General Practice on Stakeholder Engagement link link Annual Report 2018, pp. 44-45 link</p>	
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 actively participate in	Compliant	<p>Annual Report 2018, pp. 20-21, 44 link link PLDT Group CSR Statement link General Practice on Stakeholder Engagement link link Our Stakeholders>Employees link</p>	

the realization of the company's goals and in its governance.			
Supplement to Recommendation 15.1			
1. Company has a reward/compensation policy that accounts for the performance of the company beyond short-term financial measures.	Compliant	CG Manual, Sec. 2.4.3 link Executive Compensation Committee Charter, Schedule-Functions and Duties, Item II link Annual Report 2018, pp. 20-21, 44 link Disclosure on Transformation Incentive Plan link Information Statement, pp. 32-34 link	
2. Company has policies and practices on health, safety and welfare of its employees.	Compliant	Our Stakeholders>Employees link Employees>Health, safety and welfare link PLDT Group CSR Statement link General Practice on Stakeholder Engagement link Annual Report 2018, pp. 20-21, 44 link link	
3. Company has policies and practices on training and development of its employees.	Compliant	Our Stakeholders>Employees link Employees>Training and Development link PLDT Group CSR Statement link General Practice on Stakeholder Engagement link Annual Report 2018, pp. 20-21, 44 link link Trainings in 2018 link Other training modules link	
Recommendation 15.2			
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	Code of Business Conduct and Ethics, Sec. A link CG Manual, Sec. 3.3 link Anti-corruption policy link Anti-corruption program link Annual Report 2018, p. 45 link Sustainability Report link	
2. Board disseminates the policy and program to employees across the	Compliant	The policies and program are posted on the Company's intranet and disseminated to employees via email.	

<p>organization through trainings to embed them in the company's culture.</p>		<p>They are also discussed in employee orientation and other training programs.</p> <p>Anti-corruption policy link Anti-corruption program link Annual Report 2018, pp. 45, 37-38 link link Sustainability Report link</p>	
Supplement to Recommendation 15.2			
<p>1. Company has clear and stringent policies and procedures on curbing and penalizing employee involvement in offering, paying and receiving bribes.</p>	Compliant	<p>Anti-corruption policy link Anti-corruption program link Annual Report 2018, p. 45, 37-38 link link Sustainability Report link</p> <p>There was no reported violation of the Company's anti-corruption policy in 2018.</p>	
Recommendation 15.3			
<p>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</p>	Compliant	<p>The Expanded Whistleblowing Policy includes procedures which protect the employees from retaliation.</p> <p>Expanded Whistleblowing Policy link link Annual Report 2018, p. 38 link Sustainability Report link</p>	
<p>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.</p>	Compliant	<p>Annual Report 2018, p. 38 link Expanded Whistleblowing Policy link link CG Manual, Sec. 3.3 link Audit Committee Charter, Schedule-Item 6.1 link Governance and Nomination Committee Charter, Schedule-Item A.4 link</p>	
<p>3. Board supervises and ensures the enforcement of the whistleblowing framework.</p>	Compliant	<p>The Audit Committee and the Governance and Nomination Committee: (a) receives quarterly reports from the Corporate</p>	

		<p>Governance Office on the implementation of the Expanded Whistleblowing Policy, complaints received through the whistleblowing facilities and status of investigation and resolution of such complaints; and (b) gives guidance on the handling of such complaints.</p> <p>CG Manual, Secs. 2.1.4(a), 3.3 link link Annual Report 2018, pp. 31, 32, 38 link link link Governance and Nomination Committee Charter, Schedule-Item A.4 link Audit Committee Charter, Schedule-Item 6.1 link Expanded Whistleblowing Policy link</p>	
--	--	---	--

Principle 16: The company should be socially responsible in all its dealings with the communities where it operates. It should ensure that its interactions serve its environment and stakeholders in a positive and progressive manner that is fully supportive of its comprehensive and balanced development.

Recommendation 16.1

1. Company recognizes and places importance on the interdependence between business and society, and promotes a mutually beneficial relationship that allows the company to grow its business, while contributing to the advancement of the society where it operates.	Compliant	<p>CG Manual, Sec. 3.5 link Our Stakeholders>Communities link PLDT Group CSR Statement link General Practice on Stakeholder Engagement link Annual Report 2018, pp. 17-19, 42, 45 link link link Sustainability Report link</p>	
--	------------------	--	--

Optional: Principle 16

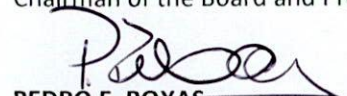
1. Company ensures that its value chain is environmentally friendly or is consistent with promoting sustainable development	Compliant	<p>CG Manual, Sec. 3.5 link Our Stakeholders>Environment link Annual Report 2018, pp. 23-27, 45 link link Annual Report 17-A, p. 28 link PLDT Group CSR Statement link</p>	
---	------------------	---	--

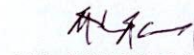
		<p>General Practice on Stakeholder Engagement link</p> <p>Sustainability Report link</p>	
<p>2. Company exerts effort to interact positively with the communities in which it operates</p>	<p>Compliant</p>	<p>CG Manual, Sec. 3.5 link</p> <p>Our Stakeholders>Communities link</p> <p>PLDT Group CSR Statement link</p> <p>General Practice on Stakeholder Engagement link</p> <p>Annual Report 2018, pp. 17-19, 42, 45 link link link</p> <p>Sustainability Report link</p>	


Pursuant to the requirement of SEC Memorandum Circular No. 19, Series of 2016, and No. 15, Series of 2017, this Integrated Annual Corporate Governance Report is signed on behalf of the registrant by the undersigned, thereunto duly authorized, in the City of Makati ~~MAY 09 2019~~ of May 2019.

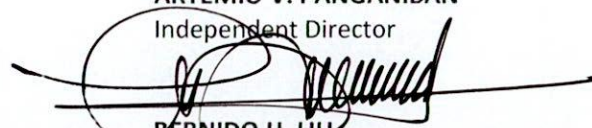
By: 

MANUEL V. PANGILINAN
Chairman of the Board and President & CEO


PEDRO E. ROXAS
Independent Director


MA. LOURDES C. RAUSA-CHAN
Chief Governance Officer and Corporate Secretary



ARTEMIO V. PANGANIBAN
Independent Director


BERNIDO H. LIU
Independent Director

SUBSCRIBED AND SWORN to before me this MAY 09 2019 day of May 2019, affiants exhibiting to me their Philippine Passports with details as follows:

Name	Passport No.	Date of Issue/ Expiry	Place of Issue
Manuel V. Pangilinan	P9969361A	December 18, 2018/ December 17, 2028	Manila
Artemio V. Panganiban	PO388884B	January 24, 2019/ January 23, 2029	Manila
Pedro E. Roxas	PO388893B	January 24, 2019/ January 23, 2029	Manila
Bernido H. Liu	EC8085782	June 20, 2016/ June 19, 2021	Manila
Ma. Lourdes C. Rausa-Chan	EC8378140	July 23, 2016/ July 22, 2021	Manila

Doc. No. 136
Page No. 29
Book No. II
Series of 2019


MA. THERESA U. BALLELOS
Notary Public for the City of Makati
Until December 31, 2019
Appointment No. M-72
Roll of Attorneys No. 47541
PTR O.R. NO. 7333796 - 01/03/19 Makati City
IBP Lifetime No. 05594 - 01/09/06
9/F MGO Bldg. Legazpi St. Legaspi Vill., Makati City, MM

CERTIFICATION

I, **MA. LOURDES C. RAUSA-CHAN**, the duly elected and incumbent Corporate Secretary of PLDT Inc. (the "Company"), a corporation duly organized and existing under the laws of the Republic of the Philippines, with principal office address at Ramon Cojuangco Building, Makati Avenue, Makati City, hereby certify the following information in connection with the responses provided in the Company's Integrated Annual Corporate Governance Report (SEC Form-I-ACR) for the covered year 2018:

1. As Corporate Secretary, I distributed materials for the meetings of the Board of Directors or the Company ("**Board**") held in 2018 at least five business days before each of the scheduled meetings (Principle 1, Recommendation 1.5).
2. As Corporate Secretary, I prepared the minutes of the meetings of the Board held in 2018 ("**Board Minutes**") and have custody of the approved and signed Board Minutes. I was also furnished with approved and signed minutes of the meetings of the Audit, Risk, Governance and Nomination, Executive Compensation and Technology Strategy Committees of the Board held in 2018 (respectively, the "**Board Committees**" and "**Committee Minutes**").
 - 2.1 The Board Minutes and Committee Minutes reflect that the members of the Board and Board Committees acted on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the Company. (Principle 2, Recommendation 2.1)
 - 2.2 The Board Minutes and Committee Minutes reflect that the members of the Board and Board Committees attended and actively participated in the meetings of the Board, Committees and shareholders in person or through tele-/videoconferencing conducted in accordance with the rules and regulations of the Securities and Exchange Commission, were furnished with presentation materials for the Board and Committee meetings, and asked the necessary questions and sought clarifications and explanations during the respective meetings of the Board and the Board Committees (Principle 4, Recommendations 4.1.1, 4.1.2 and 4.1.3).
 - 2.3 The relevant Board Minutes reflect that Director(s) who have a material interest in transactions affecting the Company abstained from taking part in the deliberations by the Board regarding such transactions (Principle 5, Recommendation 5.6).
 - 2.4 The relevant Board Minutes reflect that with respect to related party transactions, Director(s) with conflict of interest disclosed his/her/their interest prior to Board discussion, and abstained from the Board discussion, on such transactions (Principle 8, Supplement to Recommendation 8.5).
3. In accordance with Section 2.1.8(b) of the Company's Manual on Corporate Governance, Director(s) who were invited or nominated for directorship in other corporations disclosed or notified the Board (through the Chairman and/or Corporate Secretary) and the Governance and Nomination Committee, of such invitation/nomination before accepting the directorship in other corporations (Principle 4, Recommendation 4.3).

MAY 16 2019


WITNESS my hand and the seal of the Company this _____ day of May, 2019 in Makati City.



MA. LOURDES C. RAUSA-CHAN
Corporate Secretary

SUBSCRIBED AND SWORN to before me this MAY 16 2019 day of May, 2019, Affiant exhibiting to me her Passport No. EC8378140 issued in Manila by the Department of Foreign Affairs on July 23, 2016 and valid until July 22, 2021.

Doc. No. 240
Page No. 49
Book No. 4
Series of 2019.


WENY U. YAU
Notary Public for the City of Makati
Until December 31, 2019
Appointment No. M-71
Roll of Attorneys No. 62564
PTR O.R. NO. 7333805 - 01/03/2019 Makati City
9/F, MGO Bldg. Legazpi St. Legaspi Vill., Makati City, MM