



June 25, 2021

PHILIPPINE STOCK EXCHANGE  
6/F PSE Tower  
5<sup>th</sup> Avenue corner 28<sup>th</sup> 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 2020 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

## COVER SHEET

SEC Registration Number

P	W	-	5	5					
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Company Name

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Principal Office (No./Street/Barangay/City/Town/Province)

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Form Type

I	-	A	C	G	R
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Department requiring the report

C	G	F	D
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Secondary License Type, If Applicable

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### COMPANY INFORMATION

Company's Email Address

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Company's Telephone Number/s

8-816-8553
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Mobile Number

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No. of Stockholders

11,544 As of May 31, 2021
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Annual Meeting Month/Day

Every 2 <sup>nd</sup> Tuesday of June
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Fiscal Year Month/Day

December 31
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### CONTACT PERSON INFORMATION

The designated contact person **MUST** be an Officer of the Corporation

Name of Contact Person

Ma. Lourdes C. Rausa-Chan
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Email Address

lrchan@pldt.com.ph
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Telephone Number/s

8-816-8553
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Mobile Number

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Contact Person's Address

9/F MGO Building, Legaspi cor. Dela Rosa Streets, Makati City
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**Note:** In case of death, resignation or cessation of office of the officer designated as contact person, such incident shall be reported to the Commission within thirty (30) calendar days from the occurrence thereof with information and complete contact details of the new contact person designated.



June 25, 2021

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

Attention: Atty. Rachel Esther J. Gumtang-Remalante  
Director – 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 2020.

Very truly yours,

  
**MA. LOURDES C. RAUSA-CHAN**  
Corporate Secretary



## SEC FORM – I-ACGR

### INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT

1. For the fiscal year ended **31 December 2020**
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) 88168553**  
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			
<b>Principle 1:</b> The company should be headed by a competent, working board to foster the long- term success of the corporation, and to sustain its competitiveness and profitability in a manner consistent with its corporate objectives and the long- term best interests of its shareholders and other stakeholders.			
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 2020, pp. 6-9, 37-38, 41, 45, 53, 62-65 <a href="#">link</a> <a href="#">link</a> <a href="#">link</a> <a href="#">link</a> <a href="#">link</a> <a href="#">link</a> <a href="#">link</a> Annual Report 2020 on Phil SEC Form 17-A (*Annual Report 17-A*), pp. 95-100 <a href="#">link</a>  PLDT website: Governance Structures> Our Board of Directors and Board of Directors Charter <a href="#">link</a> Board Diversity <a href="#">link</a> Education and Communication> Directors' CG Enhancement Session and Trainings <a href="#">link</a> Director Orientation <a href="#">link</a> Manual on Corporate Governance ("CG Manual"), Sec. 2.1.3, Annexes A, B, C and D <a href="#">link</a> <a href="#">link</a> <a href="#">link</a> <a href="#">link</a> <a href="#">link</a> <a href="#">link</a> ( <a href="http://pldt.com/docs/default-source/corporate-governance-files/CG-Manual-/pldt-manual-on-corporate-governance.pdf?sfvrsn=0#page=4">http://pldt.com/docs/default-source/corporate-governance-files/CG-Manual-/pldt-manual-on-corporate-governance.pdf?sfvrsn=0#page=4</a> )	
2. Board has an appropriate mix of competence and expertise.	Compliant		
3. Directors remain qualified for their positions individually and collectively to enable them to fulfill their roles and responsibilities and respond to the needs of the organization.	Compliant	CG Manual, Sec. 2.1.3, Annexes A, B, C and D <a href="#">link</a> <a href="#">link</a> <a href="#">link</a> <a href="#">link</a> <a href="#">link</a> Board of Directors Charter ("Board Charter"), Sec. 2.2, Annexes A, B, C and D <a href="#">link</a> <a href="#">link</a> ( <a href="http://pldt.com/docs/default-source/corporate-governance-files/committee-charter/board-of-directors-charter.pdf?sfvrsn=4">http://pldt.com/docs/default-source/corporate-governance-files/committee-charter/board-of-directors-charter.pdf?sfvrsn=4</a> )	

		Annual Report 2020, pp. 37-38, 62-65 <a href="#">link</a> <a href="#">link</a> <a href="#">link</a> Board Diversity Policy, Secs. 2-4 <a href="#">link</a> ( <a href="http://pldt.com/docs/default-source/corporate-governance-files/board-diversity-policy.pdf?sfvrsn=2">http://pldt.com/docs/default-source/corporate-governance-files/board-diversity-policy.pdf?sfvrsn=2</a> )	
<b>Recommendation 1.2</b>			
1. Board is composed of a majority of non-executive directors.	<b>Compliant</b>	CG Manual, Sec. 2.1.1(b) <a href="#">link</a> Annual Report 2020, pp. 37-39 <a href="#">link</a> <a href="#">link</a> <a href="#">link</a>	
<b>Recommendation 1.3</b>			
1. Company provides in its Board Charter and Manual on Corporate Governance a policy on training of directors.	<b>Compliant</b>	Board Charter, Sec. 5.2 <a href="#">link</a> CG Manual, Sec. 2.1.9 <a href="#">link</a>	
2. Company has an orientation program for first time directors.	<b>Compliant</b>	Board Charter, Sec. 5.2 <a href="#">link</a> CG Manual, Sec. 2.1.9(a) and (b) <a href="#">link</a> Director Orientation <a href="#">link</a>	
3. Company has relevant annual continuing training for all directors.	<b>Compliant</b>	Directors' CG Enhancement Session and Trainings <a href="#">link</a> Annual Report 2020, pp. 41, 45, 53 <a href="#">link</a> <a href="#">link</a> <a href="#">link</a>	
<b>Recommendation 1.4</b>			
1. Board has a policy on board diversity.	<b>Compliant</b>	Board Diversity Policy <a href="#">link</a> <a href="#">link</a>  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 2020, pp. 38-39, 62-65 <a href="#">link</a> <a href="#">link</a> <a href="#">link</a>	
<b>Optional: Recommendation 1.4</b>			
1. Company has a policy on and discloses measurable objectives for implementing its board diversity and	<b>Compliant</b>	Board Diversity Policy <a href="#">link</a> Annual Report 2020, pp. 38 <a href="#">link</a>	

reports on progress in achieving its objectives.		<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 Board Assessment, the directors evaluate on a scale of 0 to 5, 5 being the highest, the 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. In the Board Assessment conducted in 2020 for the 2019 performance, the rating for this criteria was 4.87 out of 5 (or Very Well).</p>	
<b>Recommendation 1.5</b>			
1. Board is assisted by a Corporate Secretary.	<b>Compliant</b>	By-Laws, Article II-Sec. 5, Article VI-Sec. 1, Article VIII <a href="#">link</a> <a href="#">link</a> CG Manual, Sec. 2.5 <a href="#">link</a> Annual Report 17-A, p. 93 <a href="#">link</a>	
2. Corporate Secretary is a separate individual from the Compliance Officer.	<b>Non-compliant</b>	Information Statement, pp. 17, 19 <a href="#">link</a> ( <a href="http://pldt.com/docs/default-source/annual-meeting-of-stockholders/2020/definitive-information-statement-with-the-notice-and-agenda-(posted-may-13-2020).pdf?sfvrsn=0">http://pldt.com/docs/default-source/annual-meeting-of-stockholders/2020/definitive-information-statement-with-the-notice-and-agenda-(posted-may-13-2020).pdf?sfvrsn=0</a> )	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
3. Corporate Secretary is not a member of the Board of Directors.	<b>Non-compliant</b>		

			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. 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.	<b>Compliant</b>	Annual Report 2020, pp. 45, 53 <a href="#">link</a> Directors' CG Enhancement Session and Trainings <a href="#">link</a> Trainings in 2020 <a href="#">link</a> <a href="#">link</a>	
<b>Optional: Recommendation 1.5</b>			
1. Corporate Secretary distributes materials for board meetings at least five business days before scheduled meeting.	<b>Compliant</b>	CG Manual, Sec. 2.1.6(a) <a href="#">link</a> Secretary's Certificate, Item 1 - attached hereto as Annex A	
<b>Recommendation 1.6</b>			
1. Board is assisted by a Compliance Officer.	<b>Compliant</b>	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.  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 <a href="#">link</a> Annual Report 17-A, p. 100 <a href="#">link</a> Annual Report 2020, p. 46 <a href="#">link</a> Information Statement, pp. 17, 19 <a href="#">link</a>	
2. Compliance Officer has a rank of Senior Vice President or an equivalent position with adequate stature and authority in the corporation.	<b>Compliant</b>		
3. Compliance Officer is not a member of the board.	<b>Non-compliant</b>		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 consists of at least 1 officer and 4 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 2020, p. 45 <a href="#">link</a> Directors' CG Enhancement Session and Trainings <a href="#">link</a> Trainings in 2020 <a href="#">link</a> <a href="#">link</a>	
<b>Principle 2:</b> 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.			
<b>Recommendation 2.1</b>			
1. Directors act on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the company.	Compliant	CG Manual, Secs. 2.1.5 and 2.1.4 <a href="#">link</a> <a href="#">link</a> Secretary's Certificate, Item 2.1 - attached hereto as Annex A Board Charter, Sec. 3.1.2, Annex G <a href="#">link</a> <a href="#">link</a> Annual Report 2020, pp. 36-37, 38-40 and 6-9 <a href="#">link</a> <a href="#">link</a> <a href="#">link</a> Minutes of AGM 2020 <a href="#">link</a> ( <a href="http://pldt.com/docs/default-source/annual-meeting-of-stockholders/2020/2020-pldt-asm-minutes.pdf?sfvrsn=0">http://pldt.com/docs/default-source/annual-meeting-of-stockholders/2020/2020-pldt-asm-minutes.pdf?sfvrsn=0</a> )	
<b>Recommendation 2.2</b>			
1. Board oversees the development, review and approval of the company's business objectives and strategy.	Compliant	CG Manual, Sec. 2.1.4(e) <a href="#">link</a> Annual Report 2020, Determination and review of strategic objectives, pp. 36-37, 38-40 and 6-9 <a href="#">link</a> <a href="#">link</a> <a href="#">link</a> Board Charter, Annex F, Item e <a href="#">link</a> Board Activities>Annual Strategic Planning Session <a href="#">link</a>	
2. Board oversees and monitors the implementation of the company's business objectives and strategy.	Compliant	CG Manual, Sec. 2.1.4(h) <a href="#">link</a> Annual Report 2020, Management oversight, pp. 36-37 <a href="#">link</a> <a href="#">link</a>  The Board reviews the Company's business objectives and strategy at least once each year. <a href="#">link</a>	

Supplement to Recommendation 2.2			
1. Board has a clearly defined and updated vision, mission and core values.	Compliant	<p>Vision-Mission <a href="#">link</a>  Our Corporate Governance Principles/Values <a href="#">link</a>  Annual Report 2020, pp. 2, 48 <a href="#">link</a> <a href="#">link</a>  Code of Business Conduct and Ethics, Principles and Values <a href="#">link</a>  (<a href="http://pldt.com/docs/default-source/policies/pldt-code-of-business-conduct-and-ethics.pdf?sfvrsn=4">http://pldt.com/docs/default-source/policies/pldt-code-of-business-conduct-and-ethics.pdf?sfvrsn=4</a>)  CG Manual, Sec. 2.1.4(a) and (e) <a href="#">link</a></p> <p>The Company's Vision and Mission is reviewed every year and its core values, every 2 years.</p> <p>Annual Report 2020, pp. 36, 47 <a href="#">link</a> <a href="#">link</a></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 <a href="#">link</a> <a href="#">link</a>  (<a href="http://pldt.com/docs/default-source/Articles-of-Incorporation-and-By-laws/pldt-by-laws-(latest-amended-version)-_nov-14-2016-.pdf?sfvrsn=0">http://pldt.com/docs/default-source/Articles-of-Incorporation-and-By-laws/pldt-by-laws-(latest-amended-version)-_nov-14-2016-.pdf?sfvrsn=0</a>)  CG Manual, Secs. 2-4 <a href="#">link</a> <a href="#">link</a> <a href="#">link</a>  Board Charter <a href="#">link</a>  Annual Report 2020, pp. 45-52, 53-60 <a href="#">link</a> <a href="#">link</a></p>	
Recommendation 2.3			
1. Board is headed by a competent and qualified Chairperson.	Compliant	<p>CG Manual, Sec. 2.3 <a href="#">link</a>  Annual Report 2020, pp. 62, 6-9 <a href="#">link</a> <a href="#">link</a></p>	

## Recommendation 2.4

<p>1. Board ensures and adopts an effective succession planning program for directors, key officers and management.</p>	<p><b>Compliant</b></p>	<p>CG Manual, Secs. 2.1.2 and 2.1.4(i) <a href="#">link</a> <a href="#">link</a>  Annual Report 2020, pp. 37, 43 <a href="#">link</a> <a href="#">link</a>  Governance, Nomination and Sustainability Committee Charter*, Schedule-Functions and Duties, Item B. 6 <a href="#">link</a>  (<a href="http://pldt.com/docs/default-source/corporate-governance-files/committee-charter/gnsc-charter-nov5-2020.pdf?sfvrsn=4">http://pldt.com/docs/default-source/corporate-governance-files/committee-charter/gnsc-charter-nov5-2020.pdf?sfvrsn=4</a>)  Executive Compensation Committee Charter, Schedule-Functions and Duties, Item III.v <a href="#">link</a>  (<a href="http://pldt.com/docs/default-source/corporate-governance-files/committee-charter/amended-ecc-charter-mar8-2018.pdf">http://pldt.com/docs/default-source/corporate-governance-files/committee-charter/amended-ecc-charter-mar8-2018.pdf</a>)</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</p>	
<p>2. Board adopts a policy on the retirement for directors and key officers.</p>	<p><b>Compliant</b></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</p>	

		<p>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 on Form 20-F ("Annual Report 20-F"), p. 126 <a href="#">link</a>  CG Manual, Sec. 2,1,2, Annexes A to C <a href="#">link</a> <a href="#">link</a>  Annual Report 2020, pp. 254-255 <a href="#">link</a>  Annual Report 17-A, pp. F-142 <a href="#">link</a></p> <p>*Note: The Governance and Nomination Committee (GNC) was renamed Governance, Nomination and Sustainability Committee (GNSC) in accordance with the Governance, Nomination and Sustainability Charter which was approved and adopted by the Board on November 5, 2020.</p>	
<b>Recommendation 2.5</b>			
1. Board aligns the remuneration of key officers and board members with long-term interests of the company.	<b>Compliant</b>	<p>The Company's Compensation Philosophy (for key officers):</p> <ul style="list-style-type: none"> <li>• Pay for Position – Incorporates pay for the importance of the position with respect to the internal organization</li> </ul>	

<p>2. Board adopts a policy specifying the relationship between remuneration and performance.</p>	<p><b>Compliant</b></p>	<p>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.</p> <ul style="list-style-type: none"> <li>• Pay for Performance – Incorporates pay for performance focusing on Company, team and individual performance to help achieve business objectives. Pay for performance is compensated through the Performance Bonus/ Incentive Program and merit increase for applicable positions.</li> <li>• 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.</li> </ul> <p>The Board approved the Short-Term Incentive Plan (STIP) and the Long-Term Incentive Plan (the Transformation Incentive Plan or TIP). The STIP is contingent on the achievement of Annual Corporate Objectives while the TIP is contingent on the achievement of long-term Corporate Objectives based on cumulative consolidated 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</p>	
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3. Directors do not participate in discussions or deliberations involving his/her own remuneration.	<b>Compliant</b>	<p>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>CG Manual, Secs. 2.1.4(i), 2.1.7, 2.4.3 <a href="#">link</a> <a href="#">link</a> <a href="#">link</a>  Executive Compensation Committee Charter, Schedule-Functions and Duties, Secs. I(ii), II.C(ii) <a href="#">link</a>  Annual Report 17-A, pp. 110-111, F-40 to F-41, F-150 re Transformation Incentive Plan <a href="#">link</a> <a href="#">link</a> <a href="#">link</a>  Disclosure on Transformation Incentive Plan <a href="#">link</a>  Annual Report 2020, pp. 37, 40-41, 41, 43 <a href="#">link</a> <a href="#">link</a> <a href="#">link</a> <a href="#">link</a></p> <p>CG Manual, Sec. 2.1.7 <a href="#">link</a>  Board Charter, Sec. 5.1.a <a href="#">link</a></p>	
<b>Optional: Recommendation 2.5</b>			
1. Board approves the remuneration of senior executives.	<b>Compliant</b>	<p>Annual Report 17-A, pp. 110-111, F-150 <a href="#">link</a> <a href="#">link</a>  Disclosure on Transformation Incentive Plan <a href="#">link</a>  CG Manual, Sec. 2.4.3 <a href="#">link</a>  Executive Compensation Committee Charter, Schedule-Functions and Duties, Secs. II.A, II.B <a href="#">link</a>  Annual Report 2020, p. 43 <a href="#">link</a></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</p>	

		<p>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>In 2020, the Executive Compensation Committee approved the awards/payments under the Short-term Incentive Plan (STIP) which is an annual incentive system that encourages and rewards performance and is tied to the achievement of Annual Corporate Objectives.</p>	
2. Company has measurable standards to align the performance-based remuneration of the executive directors and senior executives with long-term interest, such as claw back provision and deferred bonuses.	<b>Compliant</b>	<p>Annual Report 17-A, pp. 110-111, F-150 <a href="#">link</a> <a href="#">link</a>  Annual Report 2020, pp. 30, 43, 56 <a href="#">link</a> <a href="#">link</a> <a href="#">link</a>  Information Statement, pp. 40-41 <a href="#">link</a>  Disclosure on Transformation Incentive Plan <a href="#">link</a></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>	
<b>Recommendation 2.6</b>			
1. Board has a formal and transparent board nomination and election policy.	<b>Compliant</b>	<p>CG Manual, Annex D-Guidelines on the Search, Screening and Selection of Directors <a href="#">link</a> and  Secs. 2.1.3, 2.1.4(b), Annexes A to C <a href="#">link</a> <a href="#">link</a>  Guidelines on the Search, Screening and Selection of Directors <a href="#">link</a>  Board Charter, Sec. 2.3 <a href="#">link</a></p>	

2. Board nomination and election policy is disclosed in the company's Manual on Corporate Governance.	Compliant	Annual Report 2020, pp. 37, 38, 42-43 <a href="#">link</a> <a href="#">link</a> <a href="#">link</a>  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 <a href="#">link</a> <a href="#">link</a> <a href="#">link</a>	
3. Board nomination and election policy includes how the company accepted nominations from minority shareholders.	Compliant	CG Manual, Annex D-Guidelines on the Search, Screening and Selection of Directors, Item 1 <a href="#">link</a>	
4. Board nomination and election policy includes how the board shortlists candidates.	Compliant	CG Manual, Annex D-Guidelines on the Search, Screening and Selection of Directors, Items 2-8 <a href="#">link</a>	
5. Board nomination and election policy includes an assessment of the effectiveness of the Board's processes in the nomination, election or replacement of a director.	Compliant	CG Manual, Annex D-Guidelines on the Search, Screening and Selection of Directors, last paragraph <a href="#">link</a>  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, Nomination and Sustainability Committee. In the Board Assessment conducted in 2020 for the 2019 performance, the rating for this criteria was 4.87 out of 5 (or Very Well).	
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) <a href="#">link</a> <a href="#">link</a> Governance, Nomination and Sustainability Committee Charter, Schedule-Functions and Duties, Item B.5 <a href="#">link</a>	



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.	-----	<p>CG Manual, Annex D, last paragraph <a href="#">link</a></p> <p>The Governance, Nomination and Sustainability 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.</p>	
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	<p>CG Manual, Sec. 2.1.4(n) <a href="#">link</a></p> <p>Board Activities&gt;Conflict of Interest &amp; Guidelines on the Proper Handling of Related Party Transactions <a href="#">link</a></p> <p>Audit Committee Charter, Schedule-Items 3.6, 3.7 <a href="#">link</a></p> <p>(<a href="http://pldt.com/docs/default-source/corporate-governance-files/committee-charter/amended-ac-charter-jan22-2018.pdf">http://pldt.com/docs/default-source/corporate-governance-files/committee-charter/amended-ac-charter-jan22-2018.pdf</a>)</p>	
2. RPT policy includes appropriate review and approval of material RPTs, which guarantee fairness and transparency of the transactions.	Compliant	<p>Material Related Party Transactions Policy <a href="#">link</a> <a href="#">link</a></p> <p>Annual Report 2020, pp. 42, 48, 242-252 <a href="#">link</a> <a href="#">link</a> <a href="#">link</a></p> <p>Annual Report 17-A, pp. 115, F-130 to F-140 <a href="#">link</a> <a href="#">link</a></p>	
3. RPT policy encompasses all entities within the group, taking into account their size, structure, risk profile and complexity of operations.	Compliant		

## Supplement to Recommendations 2.7

<p>1. Board clearly defines the threshold for disclosure and approval of RPTs and categorizes such transactions according to those that are considered <i>de minimis</i> or transactions that need not be reported or announced, those that need to be disclosed, and those that need prior shareholder approval. The aggregate amount of RPTs within any twelve (12) month period should be considered for purposes of applying the thresholds for disclosure and approval.</p>	<p><b>Compliant</b></p>	<p>CG Manual, Sec. 3.4 <a href="#">link</a>  Material Related Party Transactions Policy <a href="#">link</a> <a href="#">link</a> <a href="#">link</a>  Annual Report 2020, p. 48 <a href="#">link</a>  Annual Report 17-A, pp. 115, F-130 to F-140 <a href="#">link</a> <a href="#">link</a></p>	
<p>2. Board establishes a voting system whereby a majority of non-related party shareholders approve specific types of related party transactions during shareholders' meetings.</p>	<p><b>Compliant</b></p>	<p>The Company complies with the voting requirement provided in the Revised Corporation Code of the Philippines, which took effect on February 23, 2019, for those types of related party transactions that require stockholders' approval (i.e., Sec. 31 on dealings of directors or officers with the corporation, Sec. 32 on contracts between corporations with interlocking directors, and Sec. 43 on management contracts; previously, Secs. 32, 33 and 44, respectively, under the Corporation Code). In compliance with SEC Memorandum Circular No. 10, Series of 2019, the Company has adopted a Material Related Party Transactions Policy, wherein material related party transactions that meet the materiality threshold of ten percent (10%) of the Company's total consolidated assets are subject to the prior review by the Audit Committee, which is entirely composed of independent directors, and final review and approval by at least two-</p>	

		<p>thirds (2/3) vote of the Board, including the vote of at least a majority of the independent directors. In case a majority of the independent directors' vote is not secured, such material RPT may be ratified by the vote of the stockholders representing at least two-thirds (2/3) of the outstanding capital stock.</p>	
<b>Recommendation 2.8</b>			
<p>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).</p>	<b>Compliant</b>	<p>Governance, Nomination and Sustainability Committee Charter, Schedule-Functions and Duties, Sec. B.9 <a href="#">link</a> CG Manual, Secs. 2.1.4(g) <a href="#">link</a></p> <p>The Management team is disclosed in the Annual Report.</p> <p>Annual Report 17-A, pp. 96-97, 100-103 <a href="#">link</a> Annual Report 2020, pp. 66-70 <a href="#">link</a></p>	
<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).</p>	<b>Compliant</b>	<p>CG Manual, Secs. 2.1.4(g), 2.4.2 <a href="#">link</a> Executive Compensation Committee Charter, Schedule-Purposes, Item 3 and Functions and Duties, Secs. III(iv) <a href="#">link</a> <a href="#">link</a> Annual Report 2020, pp. 53, 56 <a href="#">link</a> <a href="#">link</a></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</p>	

		<p>employees, including the heads of control functions.</p> <p>The Company's annual performance appraisal system implemented over a digital platform, the Digital Performance Excellence Program (DigiPEP), aligns individual goals/key results areas to the Company's shared goals.</p>	
<b>Recommendation 2.9</b>			
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.	<b>Compliant</b>	<p>The Company's annual performance appraisal for Management and personnel, the Digital Performance Excellence Program (DigiPEP), aligns individual goals/key results areas to the Company's shared goals.</p> <p>CG Manual, Secs. 2.1.4(g), 2.4.2 <a href="#">link</a>  <a href="#">link</a>  Annual Report 2020, pp. 30, 53, 56 <a href="#">link</a>  <a href="#">link</a> <a href="#">link</a></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.	<b>Compliant</b>	<p>Executive Compensation Committee Charter, Schedule-Purposes, Item 3 and Functions and Duties, Item III.iv  <a href="#">link</a> <a href="#">link</a></p>	
<b>Recommendation 2.10</b>			
1. Board oversees that an appropriate internal control system is in place.	<b>Compliant</b>	<p>CG Manual, Secs. 2.1.4(j), 2.1.4(n) <a href="#">link</a>  Board Charter, Annex F, pp. 27-28 <a href="#">link</a>  Audit Committee Charter, Schedule-Item 3 <a href="#">link</a>  Annual Report 2020, pp. 42, 46-47, 47-52 <a href="#">link</a> <a href="#">link</a> <a href="#">link</a></p>	
2. The internal control system includes a mechanism for monitoring and managing potential conflict of interest of the Management, members and shareholders.	<b>Compliant</b>	<p>Board Activities&gt;  Financial reporting, internal control, internal audit and independent audit <a href="#">link</a>  Conflict of Interest Policy and Material Related Party Transactions Policy <a href="#">link</a></p>	

3. Board approves the Internal Audit Charter.	Compliant	<p>Audit Committee Charter, Schedule-Item 2.6 <a href="#">link</a>  Annual Report 2020, pp. 42 <a href="#">link</a>  Annual Report 2017, p. 41 <a href="#">link</a></p> <p>The Audit Committee reviews the Internal Audit Charter annually. The PLDT Board approved the latest update of the Internal Audit Charter on March 23, 2017.</p>	
<b>Recommendation 2.11</b>			
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	<p>CG Manual, Secs. 2.1.4(o) <a href="#">link</a>  Risk Committee Charter, Schedule-Purposes, Functions and Duties <a href="#">link</a>  (<a href="http://pldt.com/docs/default-source/corporate-governance-files/committee-charter/amended-rc-charter-jan-22-2018.pdf">http://pldt.com/docs/default-source/corporate-governance-files/committee-charter/amended-rc-charter-jan-22-2018.pdf</a>)</p>	
2. The risk management framework guides the board in identifying units/business lines and enterprise-level risk exposures, as well as the effectiveness of risk management strategies.	Compliant	<p>Audit Committee Charter, Schedule-Items 4 and 6 <a href="#">link</a>  Annual Report 2020, pp. 36-37, 42, 44, 60 <a href="#">link</a> <a href="#">link</a> <a href="#">link</a> <a href="#">link</a>  Board Activities&gt;  Enterprise Risk Management <a href="#">link</a>  ERM Framework <a href="#">link</a>  Annual Report 17-A, Item 9, pp. 79-93 <a href="#">link</a></p>	
<b>Recommendation 2.12</b>			
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 <a href="#">link</a> <a href="#">link</a>	
2. Board Charter serves as a guide to the directors in the performance of their functions.	Compliant	Board Charter <a href="#">link</a> <a href="#">link</a> <a href="#">link</a>	
3. Board Charter is publicly available and posted on the company's website.	Compliant	Board Charter <a href="#">link</a> - posted on the Company website <a href="#">link</a>	

### Additional Recommendation to Principle 2

1. Board has a clear insider trading policy.	Compliant	CG Manual, Sec. 3.2.1 <a href="#">link</a> Code of Business Conduct and Ethics, Sec. A-Compliance, Item 1 <a href="#">link</a> Board Activities>Restriction on Trading of Shares and Policy on Blackout Period <a href="#">link</a> <a href="#">link</a> Annual Report 2020, pp. 49-52 <a href="#">link</a>  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.	
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### Optional: Principle 2

1. Company has a policy on granting loans to directors, either forbidding the practice or ensuring that the transaction is conducted at arm's length basis and at market rates.	Compliant	Code of Business Conduct and Ethics, Sec. D.5 <a href="#">link</a> Conflict of Interest Policy <a href="#">link</a> ( <a href="http://pldt.com/corporate-governance-in-pldt/policies-processes-and-practices">http://pldt.com/corporate-governance-in-pldt/policies-processes-and-practices</a> )	
2. Company discloses the types of decision requiring board of directors' approval.	Compliant	By-Laws, Sec. Art. V, Sec. 9 <a href="#">link</a> CG Manual, Sec. 2.1.4 <a href="#">link</a> Board Charter, Sec. 3 <a href="#">link</a>	

**Principle 3:** Board committees should be set up to the extent possible to support the effective performance of the Board's functions, particularly with respect to audit, risk management, related party transactions, and other key corporate governance concerns, such as nomination and remuneration. The composition, functions and responsibilities of all committees established should be contained in a publicly available Committee Charter.

### Recommendation 3.1

1. Board establishes board committees that focus on specific board functions to aid in the optimal performance of its roles and responsibilities.	Compliant	CG Manual, Sec. 2.2 <a href="#">link</a> Annual Report 2020, pp. 41-44, 40 <a href="#">link</a> <a href="#">link</a> Board Committees <a href="#">link</a>	
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### Recommendation 3.2

<p>1. Board establishes an Audit Committee to enhance its oversight capability over the company's financial reporting, internal control system, internal and external audit processes, and compliance with applicable laws and regulations.</p>	<p><b>Compliant</b></p>	<p>CG Manual, Secs. 2.1.4(c) and 2.2, Annex E <a href="#">link</a> <a href="#">link</a> <a href="#">link</a>  Audit Committee Charter, Schedule-Purposes, Duties and Powers <a href="#">link</a></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 <a href="#">link</a></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><b>Compliant</b></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 <a href="#">link</a>  Audit Committee <a href="#">link</a></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><b>Compliant</b></p>	<p>Audit Committee Charter, Sec. 3.2 <a href="#">link</a>  PLDT FPI Annual Written Affirmation, Exhibit C, pp. 2-4 <a href="#">link</a>  Annual Report 2020, p. 42, 62-65 <a href="#">link</a> <a href="#">link</a></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</p>	

		Advisors of the Audit Committee, Ms. Corazon S. de la Paz-Bernardo, is a certified public accountant who has 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.	<b>Compliant</b>	Audit Committee Charter, Sec. 3.1 <a href="#">link</a> Results of 2020 AGM, pp. 8-9 <a href="#">link</a> Annual Report 2020, pp. 42-44, 62-65 <a href="#">link</a> <a href="#">link</a> Board and Board Committees>Audit Committee <a href="#">link</a>	
<b>Supplement to Recommendation 3.2</b>			
1. Audit Committee approves all non-audit services conducted by the external auditor.	<b>Compliant</b>	Audit Committee Charter, Schedule-Items 1.3, 1.4 <a href="#">link</a> Annual Report 2020 pp. 42, 105, 106 <a href="#">link</a> <a href="#">link</a> <a href="#">link</a> Annual Report 17-A, pp. 106-107 <a href="#">link</a>	
2. Audit Committee conducts regular meetings and dialogues with the external audit team without anyone from management present.	<b>Compliant</b>	Audit Committee Charter, Schedule-Items 1, 3.10 <a href="#">link</a> <a href="#">link</a> Annual Report 2020, pp. 42 <a href="#">link</a> Annual Report 17-A, pp. 106-107 <a href="#">link</a>	
<b>Optional: Recommendation 3.2</b>			
1. Audit Committee meet at least four times during the year.	<b>Compliant</b>	The Audit Committee had a total of 9 meetings in 2020.  Audit Committee Charter, Sec. 4.1(a) <a href="#">link</a> Annual Report 17-A, p. 107 <a href="#">link</a> Annual Report 2020, pp. 40, 42 <a href="#">link</a> <a href="#">link</a> Audit Committee>Meetings <a href="#">link</a>	
2. Audit Committee approves the appointment and removal of the internal auditor.	<b>Compliant</b>	Audit Committee Charter, Schedule-Item 2.1 <a href="#">link</a> Internal Audit <a href="#">link</a> Annual Report 2020, p. 70 <a href="#">link</a>  The Audit Committee conducted on May 6, 2020 an evaluation of the qualifications and performance of the	



		incumbent Head of the Internal Audit organization, and resolved to reappoint the latter as the Head of Internal Audit.	
<b>Recommendation 3.3</b>			
1. Board establishes a Corporate Governance Committee tasked to assist the Board in the performance of its corporate governance responsibilities, including the functions that were formerly assigned to a Nomination and Remuneration Committee.	<b>Compliant</b>	<p>The Board has established a Governance, Nomination and Sustainability Committee and an Executive Compensation Committee.</p> <p>CG Manual, Sec. 2.2 <a href="#">link</a>  Governance, Nomination and Sustainability Committee Charter <a href="#">link</a>  Executive Compensation Committee Charter <a href="#">link</a></p> <p>On March 19, 2020, the Governance, Nomination and Sustainability 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, Nomination and Sustainability Committee Charter, Schedule-Item B.2, B.5 and Annex D <a href="#">link</a> <a href="#">link</a> <a href="#">link</a>  Annual Report 2020, pp. 42-43 <a href="#">link</a></p>	
2. Corporate Governance Committee is composed of at least three members, all of whom should be independent directors.	<b>Non-compliant</b>	<p>CG Manual, Sec. 2.2.1(b) <a href="#">link</a>  Governance, Nomination and Sustainability Committee Charter, Sec. 3 <a href="#">link</a>  Annual Report 2020, pp. 42-43, 62-65 <a href="#">link</a> <a href="#">link</a> <a href="#">link</a>  Board Committees&gt;Governance, Nomination and Sustainability Committee <a href="#">link</a></p>	<p>Independent Directors constitute a majority of the voting members of the Governance, Nomination and Sustainability Committee (GNSC) to ensure its independence.</p> <p>The composition of GNSC was established by the Board as the optimum balance of independence and knowledge and familiarity with the business that will ensure that the GNSC will be able to support the effective performance of the Board's governance, nomination and sustainability functions in accordance with Principle 3.</p>

3. Chairman of the Corporate Governance Committee is an independent director.	Non-compliant	Annual Report 17-A, p. 108 <a href="#">link</a> Annual Report 2020, pp. 42-43 <a href="#">link</a> <a href="#">link</a>	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 GNSC Chairman. The independence of the GNSC is ensured by the independent directors who constitute a majority of its voting members. Aside from establishing the composition of the GNSC, the Board appointed as its Chairman and members those who the Board has determined will be able to collectively perform the responsibility of the GNSC to support the effective performance of the Board's governance and nomination functions in accordance with Principle 3.
<b>Optional: Recommendation 3.3.</b>			
1. Corporate Governance Committee meet at least twice during the year.	Compliant	The Governance, Nomination and Sustainability Committee had a total of 2 meetings in 2020.  Annual Report 2020, pp. 40, 43 <a href="#">link</a> <a href="#">link</a> Governance, Nomination and Sustainability Committee>Meetings <a href="#">link</a>	
<b>Recommendation 3.4</b>			
1. Board establishes a separate Board Risk Oversight Committee (BROC) that should be responsible for the oversight of a company's Enterprise Risk Management system to ensure its functionality and effectiveness.	Compliant	CG Manual, Sec. 2.2 <a href="#">link</a> Risk Committee Charter <a href="#">link</a> <a href="#">link</a> ( <a href="http://pldt.com/docs/default-source/corporate-governance-files/committee-charter/amended-rc-charter-jan-22-2018.pdf">http://pldt.com/docs/default-source/corporate-governance-files/committee-charter/amended-rc-charter-jan-22-2018.pdf</a> ) Annual Report 2020, p. 44 <a href="#">link</a>	
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 <a href="#">link</a> Risk Committee Charter, Sec. 3.1(a) <a href="#">link</a> Annual Report 2020, pp. 44, 62-65 <a href="#">link</a> <a href="#">link</a> Board Committees>Risk Committee <a href="#">link</a>	
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) <a href="#">link</a> Results of 2020 AGM, pp. 8-9 <a href="#">link</a> Annual Report 2020, pp. 44, 62-65 <a href="#">link</a> <a href="#">link</a> Board and Board Committees>Risk Committee <a href="#">link</a>	

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 <a href="#">link</a> Annual Report 2020, pp. 44, 42-44, 62-65 <a href="#">link</a> <a href="#">link</a> <a href="#">link</a>	
<b>Recommendation 3.5</b>			
1. Board establishes a Related Party Transactions (RPT) Committee, which is tasked with reviewing all material related party transactions of the company.	Compliant	The 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) <a href="#">link</a> Audit Committee Charter, Schedule-Items 3.6, 3.7 <a href="#">link</a>	
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 <a href="#">link</a> Audit Committee Charter, Secs. 3.1, 3.2 <a href="#">link</a> PLDT FPI Annual Written Affirmation, Exhibit C, pp. 2-4 <a href="#">link</a> Annual Report 2020, pp. 42, 62-65 <a href="#">link</a> <a href="#">link</a>	
<b>Recommendation 3.6</b>			
1. All established committees have a Committee Charter stating in plain terms their respective purposes, memberships, structures, operations, reporting process, resources and other relevant information.	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 <a href="#">link</a> <a href="#">link</a> Governance, Nomination and Sustainability Committee Charter <a href="#">link</a> <a href="#">link</a> Risk Committee Charter <a href="#">link</a> <a href="#">link</a> Executive Compensation Committee Charter <a href="#">link</a> <a href="#">link</a>	
2. Committee Charters provide standards for evaluating the performance of the Committees.	Compliant		

		<p>Technology Strategy Committee Charter <a href="#">link</a> <a href="#">link</a></p> <p>Data Privacy and Information Security Committee Charter* <a href="#">link</a> <a href="#">link</a></p> <p>Annual Report 2020, pp. 42-44 <a href="#">link</a></p> <p>*Note: The creation of the Data Privacy and Information Security Committee ("DPISC") and the adoption of the Data Privacy and Information Security Charter were approved by the Board on November 5, 2020.</p>	
3. Committee Charters were fully disclosed on the company's website.	<b>Compliant</b>	<p>Copies of the Board Committee Charters are posted on the PLDT website. <a href="#">link</a> <a href="#">link</a></p> <p>(<a href="http://pldt.com/about-us/company-leadership">http://pldt.com/about-us/company-leadership</a>)</p> <p>See Recommendation 3.6.2 above for the links to the Charters.</p>	
<b>Principle 4:</b> 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.			
<b>Recommendation 4.1</b>			
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.	<b>Compliant</b>	<p>Board Charter, Sec. 4.3 <a href="#">link</a></p> <p>Secretary's Certificate, Item 2.2 - attached hereto as Annex A</p> <p>Audit Committee Charter, Sec. 4.1[k] <a href="#">link</a></p> <p>Governance, Nomination and Sustainability Committee Charter, Sec. 4.1[k] <a href="#">link</a></p> <p>Risk Committee Charter Sec. 4.1[k] <a href="#">link</a></p> <p>Executive Compensation Committee Charter, Sec. 4.1[k] <a href="#">link</a></p> <p>Technology Strategy Committee Charter Sec. 4.1[k] <a href="#">link</a></p> <p>Data Privacy and Information Security Committee Charter, Sec. 4.1[k] <a href="#">link</a></p> <p>Annual Report 2020 pp. 38, 39, 40 <a href="#">link</a> <a href="#">link</a></p> <p>Board Meetings <a href="#">link</a></p>	

		Board Committee Meetings <a href="#">link</a>	
2. The directors review meeting materials for all Board and Committee meetings.	<b>Compliant</b>	CG Manual, Secs. 2.1.5, 2.1.6(a) <a href="#">link</a> Secretary's Certificate, Item 2.2 - attached hereto as Annex A Board Charter, Sec. 4.3(a) and (d) <a href="#">link</a>  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.	<b>Compliant</b>	CG Manual, Sec. 2.1.5, 2.1.6(a) <a href="#">link</a> Secretary's Certificate, Item 2.2 - attached hereto as Annex A Board Charter, Sec. 4.3(a) and (d) <a href="#">link</a>	
<b>Recommendation 4.2</b>			
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.	<b>Non-compliant</b>	CG Manual, Sec. 2.1.8 <a href="#">link</a> Board Charter, Sec. 3.1.2 <a href="#">link</a> Annual Report 2020, pp. 38, 62-65 <a href="#">link</a>	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, Nomination and Sustainability Committee (GNSC) using the performance-based standard, the GNSC 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 GNSC 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.
<b>Recommendation 4.3</b>			
1. The directors notify the company's board before accepting a directorship in another company.	<b>Compliant</b>	CG Manual, Sec. 2.1.8(b) <a href="#">link</a> Board Charter, Sec. 3.1.c.v <a href="#">link</a> Secretary's Certificate, Item 3 - attached hereto as Annex A	
<b>Optional: Principle 4</b>			
1. Company does not have any executive directors who serve in more than two boards of listed companies outside of the group.	-----	CG Manual, Sec. 2.1.8 <a href="#">link</a> Annual Report 2020, pp. 62-65 <a href="#">link</a>	Same explanation as in Recommendation 4.2 above.
2. Company schedules board of directors' meetings before the start of the financial year.	<b>Compliant</b>	Board Charter, Sec. 4.2(a) <a href="#">link</a> Annual Report 2020, pp. 38-39 <a href="#">link</a>	
3. Board of directors meet at least six times during the year.	<b>Compliant</b>	The Board had twelve (12) meetings in 2020.  Board Charter, Sec. 4.2(a) <a href="#">link</a> Annual Report 2020, p. 39 <a href="#">link</a> CG Manual, Sec. 2.1.6 <a href="#">link</a> Board Meetings <a href="#">link</a>	
4. Company requires as minimum quorum of at least 2/3 for board decisions.	-----		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 52 of the Revised Corporation Code which provides that unless the articles of

			<p>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.</p> <p>At least 2/3 of the Board members was present and all matters for approval in each meeting in 2020 were acted upon based on the votes of at least 2/3 of the Board membership.</p>
<b>Principle 5:</b> The board should endeavor to exercise an objective and independent judgment on all corporate affairs			
<b>Recommendation 5.1</b>			
1. The Board has at least 3 independent directors or such number as to constitute one-third of the board, whichever is higher.	<b>Non-compliant</b>	<p>CG Manual, Sec. 2.1.1(b) <a href="#">link</a>  Annual Report 2020, pp. 37-38, 62-65  <a href="#">link</a> <a href="#">link</a>  Our Board of Directors <a href="#">link</a></p>	<p>The Company has 3 Independent Directors representing twenty percent (20%) of the total membership of the Board.</p> <p>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:</p> <ul style="list-style-type: none"> <li>- 3 independent directors (IDs) and 8 other non-executive directors out of a total of 13 directors,</li> <li>- Audit Committee composed entirely of IDs,</li> <li>- Governance, Nomination and Sustainability Committee, Executive Compensation Committee and Risk Committee with IDs constituting a majority of their respective voting members, and</li> <li>- Company policies and procedures established to manage conflicts of interests.</li> </ul>
<b>Recommendation 5.2</b>			
1. The independent directors possess all the qualifications and none of the disqualifications to hold the positions.	<b>Compliant</b>	<p>CG Manual, Sec. 2.1.3(c) and Annex C <a href="#">link</a> <a href="#">link</a>  Results of 2020 AGM <a href="#">link</a> <a href="#">link</a></p>	
<b>Supplement to Recommendation 5.2</b>			
1. Company has no shareholder agreements, by-laws provisions, or other arrangements that constrain	<b>Compliant</b>	<p>CG Manual, Sec. 2.1.5 <a href="#">link</a>  Our Board of Directors <a href="#">link</a></p>	

the directors' ability to vote independently.			
<b>Recommendation 5.3</b>			
1. The independent directors serve for a cumulative term of nine years (reckoned from 2012).	<b>Compliant</b>	CG Manual, Sec. 2.1.2 <a href="#">link</a> Annual Report 17-A, pp. 98-100 <a href="#">link</a>	
2. The company bars an independent director from serving in such capacity after the term limit of nine years.	<b>Compliant</b>	CG Manual, Sec. 2.1.2 <a href="#">link</a>	
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.	<b>Compliant</b>	CG Manual, Sec. 2.1.2 <a href="#">link</a>  No independent director has served for a cumulative term of nine years (reckoned from 2012).	
<b>Recommendation 5.4</b>			
1. The positions of Chairman of the Board and Chief Executive Officer are held by separate individuals.	<b>Non-compliant</b>	Mr. Manuel V. Pangilinan Chairman of the Board and Chief Executive Officer  Annual Report 17-A, pp. 96-97 <a href="#">link</a> Annual Report 2020, pp. 6-9, 37, 45, 62 <a href="#">link</a> <a href="#">link</a> <a href="#">link</a> <a href="#">link</a>	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, 8 other non-executive Directors, the Audit Committee composed entirely of Independent Directors, and the Executive Compensation Committee, Risk Committee and Governance, Nomination and Sustainability Committee with Independent Directors constituting the majority of their respective voting members; and (c) Company policies and procedures established to manage conflicts of interests.
2. The Chairman of the Board and Chief Executive Officer have clearly defined responsibilities.	<b>Compliant</b>	CG Manual, Secs. 2.3 and 2.4 <a href="#">link</a> <a href="#">link</a> By-Laws, Art. VII, Secs. 1 and 2 <a href="#">link</a> Board Charter, Sec. 3.3 <a href="#">link</a> Annual Report 17-A, pp. 96-97 <a href="#">link</a>	



		Annual Report 2020, pp. 37, 45 <a href="#">link</a> <a href="#">link</a>	
<b>Recommendation 5.5</b>			
1. If the Chairman of the Board is not an independent director, the board designates a lead director among the independent directors.	<b>Compliant</b>	The Chairman is not an Independent Director. In accordance with this Recommendation, the Board reappointed Retired Chief Justice Artemio Panganiban as lead independent director on June 9, 2020.  Annual Report 2020, pp. 35, 37 <a href="#">link</a> <a href="#">link</a> Annual Report 17-A, p. 115 <a href="#">link</a> Results of the 2020 ASM <a href="#">link</a>	
<b>Recommendation 5.6</b>			
1. Directors with material interest in a transaction affecting the corporation abstain from taking part in the deliberations on the transaction.	<b>Compliant</b>	Board Charter, Sec. 3.1.2(c)(ii) <a href="#">link</a> Secretary's Certificate, Item 2.3 - attached hereto as Annex A CG Manual, Sec. 2.1.5 <a href="#">link</a> Conflict of Interest Policy <a href="#">link</a>	
<b>Recommendation 5.7</b>			
1. The non-executive directors (NEDs) have separate periodic meetings with the external auditor and heads of the internal audit, compliance and risk functions, without any executive present.	<b>Compliant</b>	The independent directors and non-executive directors, through the Audit Committee and Risk Committee, in both of which no executive director is serving as member, have separate periodic meetings with the external auditor and heads of internal audit, compliance and risk functions, without other executives present. The lead independent director is the Chairman of the Risk Committee and a member of the Audit Committee.	
2. The meetings are chaired by the lead independent director.	<b>Compliant</b>	Audit Committee Charter, Sec. 2.3, Schedule-Items 3.10, 5.3 <a href="#">link</a> <a href="#">link</a> <a href="#">link</a> Risk Committee Charter, Sec. 2.3, Schedule-Functions and Duties, Sec. 2.3, pp. 4,11-12 <a href="#">link</a> <a href="#">link</a> CG Manual, Sec. 2.1.6(d) <a href="#">link</a>	

		Annual Report 2020, pp. 35-37, 41-44 <a href="#">link</a> <a href="#">link</a>	
<b>Optional: Principle 5</b>			
1. None of the directors is a former CEO of the company in the past 2 years.	-----	Mr. Manuel V. Pangilinan, President & CEO Annual Report 17-A, pp. 96-100 <a href="#">link</a> Annual Report 2020, pp. 37, 62-65 <a href="#">link</a> <a href="#">link</a>	See Explanation in Recommendation 5.4.1.
<b>Principle 6:</b> 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.			
<b>Recommendation 6.1</b>			
1. Board conducts an annual self-assessment of its performance as a whole.	<b>Compliant</b>	CG Manual, Sec. 2.1.10 <a href="#">link</a> Annual Report 2020, pp. 37, 41, 53 <a href="#">link</a> <a href="#">link</a> <a href="#">link</a>	
2. The Chairman conducts a self-assessment of his performance.	<b>Compliant</b>		
3. The individual members conduct a self-assessment of their performance.	<b>Compliant</b>		
4. Each committee conducts a self-assessment of its performance.	<b>Compliant</b>		
5. Every three years, the assessments are supported by an external facilitator.	<b>Non-compliant</b>	CG Manual, Sec. 2.1.10 <a href="#">link</a>  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.	The Company, through the Governance, Nomination and Sustainability Committee (GNSC), has evaluated and determined that: (a) it would not be feasible to engage an external facilitator considering the prevailing circumstances and the restrictions during the community quarantine; and (b) the internally administered Board Assessment process that is in place continues to be an effective mechanism in eliciting insights and suggestions from the members of the Board. The Company shall conduct the internally administered Board Assessment process and shall re-evaluate the feasibility of engaging an external facilitator at a later time.
<b>Recommendation 6.2</b>			

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	CG Manual, Secs. 2.1.10 <a href="#">link</a> Annual Report 2020, pp. 41 and 53 <a href="#">link</a> <a href="#">link</a>  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.	
2. The (Board Assessment) system allows for a feedback mechanism from the shareholders.	Compliant	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.	
<b>Principle 7:</b> Members of the Board are duty-bound to apply high ethical standards, taking into account the interests of all stakeholders.			
<b>Recommendation 7.1</b>			
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 practices in internal and external dealings of the company.	Compliant	Code of Business Conduct and Ethics <a href="#">link</a> <a href="#">link</a>	
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 <a href="#">link</a> <a href="#">link</a>	

3. The Code is disclosed and made available to the public through the company website.	<b>Compliant</b>	<p>The Code of Business Conduct and Ethics is posted on the Company website and is accessible by the public.</p> <p>Code of Business Conduct and Ethics  <a href="#">link</a> <a href="#">link</a></p>	
<b>Supplement to Recommendation 7.1</b>			
1. Company has clear and stringent policies and procedures on curbing and penalizing company involvement in offering, paying and receiving bribes.	<b>Compliant</b>	<p>Anti-corruption policy <a href="#">link</a>  Anti-corruption program <a href="#">link</a></p>	
<b>Recommendation 7.2</b>			
1. Board ensures the proper and efficient implementation and monitoring of compliance with the Code of Business Conduct and Ethics.	<b>Compliant</b>	<p>The Code of Business Conduct and Ethics applies to the Company, its directors, officers and employees.</p> <p>Code of Business Conduct and Ethics- Implementation and Monitoring of the Code, pp. 5-6 <a href="#">link</a>  CG Manual, Secs. 3.3, 4 <a href="#">link</a> <a href="#">link</a></p>	
2. Board ensures the proper and efficient implementation and monitoring of compliance with company internal policies.	<b>Compliant</b>	<p>The Board ensures the proper and efficient implementation and monitoring of compliance with the Code of Business Conduct and Ethics and internal policies through the:</p> <ul style="list-style-type: none"> <li>- issuance and implementation of appropriate supporting and enabling policies  Annual Report 2020, pp. 47-53 <a href="#">link</a>  Policies, Processes and Practices <a href="#">link</a></li> <li>- training and communication programs  Annual Report 2020, pp. 45, 53 <a href="#">link</a>  <a href="#">link</a>  Education and Communication <a href="#">link</a></li> <li>- monitoring, implementation/ enforcement mechanisms  Annual Report 2020, pp. 36, 53-60  <a href="#">link</a> <a href="#">link</a>  Monitoring and Evaluation <a href="#">link</a></li> </ul>	

		<a href="#">Human Resources Manual</a> <a href="#">link</a>	
<b>Disclosure and Transparency</b>			
<b>Principle 8:</b> The company should establish corporate disclosure policies and procedures that are practical and in accordance with best practices and regulatory expectations.			
<b>Recommendation 8.1</b>			
1. Board establishes corporate disclosure policies and procedures to ensure a comprehensive, accurate, reliable and timely report to shareholders and other stakeholders that gives a fair and complete picture of a company's financial condition, results and business operations.	<b>Compliant</b>	Code of Business Conduct and Ethics, Sec. E <a href="#">link</a> CG Manual, Sec. 3.2 <a href="#">link</a> Board Activities>Internal Disclosure Controls and Procedures <a href="#">link</a> Investor Relations>Annual Reports and Sustainability Report <a href="#">link</a> Investor Relations>Press Releases and Disclosures <a href="#">link</a> <a href="#">link</a> <a href="#">link</a>	
<b>Supplement to Recommendations 8.1</b>			
1. Company distributes or makes available annual and quarterly consolidated reports, cash flow statements, and special audit revisions. Consolidated financial statements are published within ninety (90) days from the end of the fiscal year, while interim reports are published within forty-five (45) days from the end of the reporting period.	<b>Compliant</b>	Release of 2020 Financial Results; 1 <sup>st</sup> Quarter : 36 days 2 <sup>nd</sup> Quarter : 37 days 3 <sup>rd</sup> Quarter : 37 days Annual : 63 days  Investor Relations>Financial Results <a href="#">link</a> <a href="#">link</a>	
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	<b>Compliant</b>	Annual Report 17-A, pp. 79-93 <a href="#">link</a> Annual Report 20-F, pp. 9-26 <a href="#">link</a>	

power and overall equity position in the company.			
<b>Recommendation 8.2</b>			
1. Company has a policy requiring all directors to disclose/report to the company any dealings in the company's shares within three business days.	<b>Compliant</b>	CG Manual, Sec. 3.2.2 <a href="#">link</a> Board Charter, Sec. 3.1.2,c(iii) <a href="#">link</a> Restriction on Trading of Shares <a href="#">link</a> Annual Report 2020, pp. 49-52 <a href="#">link</a> Investor Relations>Beneficial Ownership Disclosures <a href="#">link</a>	
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.	<b>Compliant</b>		
<b>Supplement to Recommendation 8.2</b>			
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)	<b>Compliant</b>	Investor Relations>Beneficial ownership <a href="#">link</a> Investor Relations>Top 100 Stockholders <a href="#">link</a> Annual Report 2020, pp. 49, 50-52, 223 <a href="#">link</a> <a href="#">link</a> <a href="#">link</a>  PLDT Group Corporate Structure <a href="#">link</a> <a href="#">link</a>	
<b>Recommendation 8.3</b>			
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.	<b>Compliant</b>	Annual Report 17-A, pp. 95-100 <a href="#">link</a> Annual Report 2020, pp. 45, 50, 62-65 <a href="#">link</a> <a href="#">link</a> <a href="#">link</a> Information Statement, pp. 12-18, 32, 35-36, 40-41 <a href="#">link</a> <a href="#">link</a> <a href="#">link</a> <a href="#">link</a> Directors' CG Enhancement Sessions and Trainings <a href="#">link</a> Director Orientation <a href="#">link</a>	
2. Board fully discloses all relevant and material information on key executives to evaluate their	<b>Compliant</b>	Annual Report 17-A, pp. 95-103 <a href="#">link</a> Annual Report 2020, pp. 50-52, 66-70 <a href="#">link</a> <a href="#">link</a> Information Statement, pp. 19-32, 35-36 <a href="#">link</a> <a href="#">link</a> <a href="#">link</a>	

experience and qualifications, and assess any potential conflicts of interest that might affect their judgment.		Officers' CG Enhancement Sessions and Trainings <a href="#">link</a> Trainings in 2020 <a href="#">link</a>	
<b>Recommendation 8.4</b>			
1. Company provides a clear disclosure of its policies and procedure for setting Board remuneration, including the level and mix of the same.	<b>Compliant</b>	CG Manual, Secs. 2.1.7 <a href="#">link</a> Board Charter, Sec. 5.1 <a href="#">link</a> Executive Compensation Committee Charter, Schedule-Functions and Duties, Secs. II.C <a href="#">link</a> Executive compensation <a href="#">link</a> - Remuneration in 2020 <a href="#">link</a>  <i>See Additional Information provided under Recommendation 2.5 above.</i>	
2. Company provides a clear disclosure of its policies and procedure for setting executive remuneration, including the level and mix of the same.	<b>Compliant</b>	CG Manual, Secs. 2.4.3 <a href="#">link</a> Executive Compensation Committee Charter, Schedule-Functions and Duties, Secs. I and II <a href="#">link</a> Executive compensation <a href="#">link</a> - Remuneration in 2020 <a href="#">link</a>  <i>See Additional Information provided under Recommendation 2.5 above.</i>	
3. Company discloses the remuneration on an individual basis, including termination and retirement provisions.	<b>Non-compliant</b>	Annual Report 17-A, pp. 110-111 <a href="#">link</a> Annual Report 2020, pp. 40-41 <a href="#">link</a>	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.
<b>Recommendation 8.5</b>			
1. Company discloses its policies governing Related Party Transactions (RPTs) and other unusual or infrequently occurring transactions in their Manual on Corporate Governance.	<b>Compliant</b>	CG Manual, Secs. 2.1.4(n), 3.2.1(a) and Sec. 3.4 <a href="#">link</a> <a href="#">link</a> <a href="#">link</a> Annual Report 2020, p. 48 <a href="#">link</a>  Conflict of Interest and Material Related Party Transactions Policy <a href="#">link</a> Audit Committee Charter, Schedule-Items 3.6, 3.7 <a href="#">link</a> Board Charter, Sec. 3.1.2 <a href="#">link</a> 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	<p>Relevant information on material RPTs are disclosed in the Annual Report.</p> <p>Annual Report 17-A, pp. 115, F-130 to F-140 <a href="#">link</a> <a href="#">link</a></p> <p>Annual Report 2020, pp. 42, 242-252 <a href="#">link</a> <a href="#">link</a></p> <p>In 2020, there was no material related party transaction amounting to ten percent (10%) or higher of the total consolidated assets.</p>	
<b>Supplement to Recommendation 8.5</b>			
1. Company requires directors to disclose their interests in transactions or any other conflict of interests.	Compliant	<p>Board Charter, Sec. 3.1.2(c)(ii) <a href="#">link</a></p> <p>Secretary's Certificate, Item 2.4 - attached hereto as Annex A</p> <p>Information Statement, pp. 32, 37 <a href="#">link</a></p> <p><a href="#">link</a></p> <p>Conflict of Interest Policy <a href="#">link</a></p>	
<b>Optional : Recommendation 8.5</b>			
1. Company discloses that RPTs are conducted in such a way to ensure that they are fair and at arms' length.	Compliant	<p>Annual Report 17-A, pp. 115, F-130 to F-140 <a href="#">link</a> <a href="#">link</a></p> <p>Annual Report 2020, pp. 42, 48, 242-252 <a href="#">link</a> <a href="#">link</a> <a href="#">link</a></p> <p>Material Related Party Transactions Policy <a href="#">link</a></p>	
<b>Recommendation 8.6</b>			
1. Company makes a full, fair, accurate and timely disclosure to the public of every material fact or event that occur, particularly on the acquisition or disposal of significant assets, which could adversely affect the viability or the interest of its shareholders and other stakeholders.	Compliant	<p>CG Manual, Sec. 3.2 <a href="#">link</a></p> <p>Internal Disclosure Controls and Procedures <a href="#">link</a></p> <p>Annual Report 17-A, pp. 35-94, F-84 to F-99, F-130 to F-140 <a href="#">link</a> <a href="#">link</a> <a href="#">link</a></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><b>Compliant</b></p>	<p>The Company complies with the documentary, substantive and procedural requirements under the Revised 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 acquisitions or sales/ disposals of substantial portions of corporate assets. Such requirements include, without limitation, approval 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 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</p>	
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		investment of KKR & Co. Inc. and Tencent Holdings Ltd. in Voyager.	
<b>Supplement to Recommendation 8.6</b>			
1. Company discloses the existence, justification and details on shareholder agreements, voting trust agreements, confidentiality agreements, and such other agreements that may impact on the control, ownership, and strategic direction of the company.	<b>Compliant</b>	<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. 111-115 <a href="#">link</a></p>	
<b>Recommendation 8.7</b>			
1. Company's corporate governance policies, programs and procedures are contained in its Manual on Corporate Governance (MCG).	<b>Compliant</b>	<p>CG Manual, Secs. 3 and 2 <a href="#">link</a> <a href="#">link</a></p> <p>The Company's CG Manual was approved and adopted by the Board of Directors on May 12, 2017.</p>	
2. Company's MCG is submitted to the SEC and PSE.	<b>Compliant</b>	The Company's CG Manual was submitted to the SEC and PSE on May 29, 2017. <a href="#">link</a>	
3. Company's MCG is posted on its company website.	<b>Compliant</b>	The Company's CG Manual was posted on May 29, 2017 at the Company website. <a href="#">link</a> <a href="#">link</a>	
<b>Supplement to Recommendation 8.7</b>			
1. Company submits to the SEC and PSE an updated MCG to disclose any changes in its corporate governance practices.	<b>Compliant</b>	<p>CG Manual <a href="#">link</a></p> <p>The Company's CG Manual was updated on May 12, 2017 and a copy thereof was submitted to the SEC and PSE on May 29, 2017.</p>	

<b>Optional: Principle 8</b>			
1. Does the company's Annual Report disclose the following information:		<a href="#">Annual Report 2020</a> <a href="#">link</a> <a href="#">link</a> <a href="#">Annual Report 17-A</a> <a href="#">link</a> <a href="#">Annual Report 20-F</a> <a href="#">link</a> Copies of Annual Reports are posted at <a href="http://pldt.com/investor-relations/annual-and-sustainability-reports">http://pldt.com/investor-relations/annual-and-sustainability-reports</a> <a href="#">link</a>	
a. Corporate Objectives	<b>Compliant</b>	<a href="#">Annual Report 17-A, pp. 9, 73-74</a> <a href="#">link</a> <a href="#">Annual Report 2020, pp. 2, 6-9</a> <a href="#">link</a> <a href="#">link</a>	
b. Financial performance indicators	<b>Compliant</b>	<a href="#">Annual Report 2020, pp. 4-5</a> <a href="#">link</a> <a href="#">Annual Report 17-A, pp. 44, F-1 to F-179</a> <a href="#">link</a> <a href="#">link</a>	
c. Non-financial performance indicators	<b>Compliant</b>	<a href="#">Annual Report 2020, pp. 6-9, 14-23, 24-27, 28-31, 32-61</a> <a href="#">link</a> <a href="#">link</a> <a href="#">link</a> <a href="#">link</a> <a href="#">link</a> <a href="#">Annual Report 17-A, Parts I-IV, pp. 1-122</a> <a href="#">link</a> <a href="#">link</a> <a href="#">link</a> <a href="#">link</a> <a href="#">link</a> - Sustainability Report, pp. 1-63 <a href="#">link</a> Sustainability Report <a href="#">link</a>	
d. Dividend Policy	<b>Compliant</b>	<a href="#">Annual Report 2020, p. 55</a> <a href="#">link</a> <a href="#">Annual Report 17-A, p. 78, F-178</a> <a href="#">link</a> <a href="#">link</a>	
e. Biographical details (at least age, academic qualifications, date of first appointment, relevant experience, and other directorships in listed companies) of all directors	<b>Compliant</b>	<a href="#">Annual Report 2020, pp. 62-65</a> <a href="#">link</a> <a href="#">Annual Report 17-A, pp. 95-103</a> <a href="#">link</a>	

f. Attendance details of each director in all directors meetings held during the year	Compliant	Annual Report 2020, pp. 39, 40 <a href="#">link</a> <a href="#">link</a>	
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 2020, pp. 40, 41 <a href="#">link</a> <a href="#">link</a> Annual Report 17-A, p. 110-111 <a href="#">link</a> Information Statement, pp. 40-41 <a href="#">link</a>	
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 2020, p. 53 <a href="#">link</a> (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, pp. 106-107 <a href="#">link</a> Annual Report 2020, pp. 36-39, 42-44, 106 <a href="#">link</a> <a href="#">link</a> <a href="#">link</a> Annual Report 20-F, Item 15, p. 139 <a href="#">link</a>	
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 2020, pp. 106, 42 <a href="#">link</a> <a href="#">link</a> Annual Report 20-F, Item 15, p. 139 <a href="#">link</a>	
5. The company discloses in the Annual Report the key risks to which the company is materially exposed	Compliant	Annual Report 2020, p. 60 <a href="#">link</a> Annual Report 17-A, pp. 79-93 <a href="#">link</a>	

to (i.e. financial, operational including IT, environmental, social, economic).			
<b>Principle 9:</b> 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.			
<b>Recommendation 9.1</b>			
1. Audit Committee has a robust process for approving and recommending the appointment, reappointment, removal, and fees of the external auditors.	Compliant	<p><a href="#">Audit Committee Charter, Schedule-Item 1</a> <a href="#">link</a></p> <p>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.</p>	
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</p>	

		oversight of the work of any registered public accounting firm employed by that issuer.  By-Laws, Art. XII <a href="#">link</a> Audit Committee Charter, Schedule Secs. 1.2 and 1.3 <a href="#">link</a> Information Statement, pp. 39 <a href="#">link</a>	
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 2020.	
<b>Supplement to Recommendation 9.1</b>			
1. Company has a policy of rotating the lead audit partner every five years.	Compliant	CG Manual, Sec. 2.7.1(d) <a href="#">link</a> Audit Committee Charter, Schedule-Item 1.7 <a href="#">link</a>	
<b>Recommendation 9.2</b>			
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	Compliant	Audit Committee Charter, Schedule-Purposes, Duties and Powers - Items 1, 2, 3, 4, 5 and 6 <a href="#">link</a> <a href="#">link</a> <a href="#">link</a> <a href="#">link</a> <a href="#">link</a>	

Philippine professional and regulatory requirements.			
2. Audit Committee Charter contains the Committee's responsibility on reviewing and monitoring the external auditor's suitability and effectiveness on an annual basis.	<b>Compliant</b>	Audit Committee Charter, Schedule-Item 1 (see 1.1, 1.5, 1.6) <a href="#">link</a>	
<b>Supplement to Recommendations 9.2</b>			
1. Audit Committee ensures that the external auditor is credible, competent and has the ability to understand complex related party transactions, its counterparties, and valuations of such transactions.	<b>Compliant</b>	<p>Audit Committee Charter, Schedule-Items 1 and 3 <a href="#">link</a> <a href="#">link</a></p> <p>With respect to this item and item 2 below, the Audit Committee considers and complies with the following policies and procedures that it has adopted:</p> <ul style="list-style-type: none"> <li>- Audit Committee Policy on Auditor Independence</li> <li>- Procedures on the Evaluation of External - Auditor's Qualifications and Independence</li> <li>- Evaluation Procedures for the External Auditor's Performance</li> </ul>	
2. Audit Committee ensures that the external auditor has adequate quality control procedures.	<b>Compliant</b>	Audit Committee Charter, Schedule-Item 1 (see 1.5, 1.6) <a href="#">link</a>	
<b>Recommendation 9.3</b>			
1. Company discloses the nature of non-audit services performed by its external auditor in the Annual Report to deal with the potential conflict of interest.	<b>Compliant</b>	<p>The non-audit services and fees rendered by the external auditor, as disclosed in the Annual Report.</p> <p>Annual Report 17-A, Item 8, pp. 94 <a href="#">link</a></p>	

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	<p>Audit Committee Charter, Schedule-Item 1.4 <a href="#">link</a> Annual Report 17-A, Item 8, p. 94 <a href="#">link</a></p> <p>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:</p> <ul style="list-style-type: none"> <li>- Policy on Auditor Independence</li> <li>- Procedures on the Evaluation of External Auditor's Qualifications and Independence.</li> </ul>	
<b>Supplement to Recommendation 9.3</b>			
1. Fees paid for non-audit services do not outweigh the fees paid for audit services.	Compliant	<p>For 2020: Audit Fees: Php 47M All other Fees: Php 23M</p> <p>Annual Report 17-A, Items 8-9, pp. 94, 106-107 <a href="#">link</a> <a href="#">link</a></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 2020, pp. 105, 106 <a href="#">link</a> <a href="#">link</a></p>	
<b>Additional Recommendation to Principle 9</b>			
1. Company's external auditor is duly accredited by the SEC under Group A category.	Compliant	<ol style="list-style-type: none"> <li>1. Name of the audit engagement partner: SGV &amp; Co. Marydith C. Miguel</li> <li>2. Accreditation number: Accreditation No. 0012-FR-5 as an auditing firm for companies classified under Group A</li> <li>3. Date Accredited: November 6, 2018</li> </ol>	



		<p>4. Expiry date of accreditation: <a href="#">November 5, 2021</a></p> <p>5. Name, address, contact number of audit firm: <a href="#">SGV &amp; Co.</a> 6760 Ayala Avenue, Makati City, 1226 Tel. No. 8891-0307; Fax No.: 8819-0872</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).	<b>Compliant</b>	<p><a href="#">SGV &amp; Co.</a> 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>	
<b>Principle 10:</b> The company should ensure that the material and reportable non-financial and sustainability issues are disclosed.			
<b>Recommendation 10.1</b>			
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.	<b>Compliant</b>	<p>CG Manual, Sec. 3.2.1(a) <a href="#">link</a> Annual Report 2020, pp. 1-55 <a href="#">link</a> <a href="#">link</a> <a href="#">link</a> <a href="#">link</a> <a href="#">link</a> <a href="#">link</a> <a href="#">link</a> <a href="#">link</a> Annual Report 17-A, Exhibit 1- Sustainability Report <a href="#">link</a> Sustainability Report, pp. 11-12, 130-132, 135 <a href="#">link</a> <a href="#">link</a> <a href="#">link</a> <a href="#">link</a></p>	
2. Company adopts a globally recognized standard/framework in reporting sustainability and non-financial issues.	<b>Compliant</b>	<p><a href="#">Sustainability Report</a>, pp. 1, 163 <a href="#">link</a> <a href="#">link</a></p> <p>The Sustainability Report was prepared in accordance with the Global Reporting Initiative (GRI) Standards.</p> <p><a href="#">Annual Report 17-A, Exhibit 1-Sustainability Report</a> <a href="#">link</a></p>	

<b>Principle 11:</b> 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.			
<b>Recommendation 11.1</b>			
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.	<b>Compliant</b>	<ul style="list-style-type: none"> <li>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"> <li>Posted on the PLDT corporate website (<a href="http://www.pldt.com">www.pldt.com</a>) under the Investor Relations section <a href="#">link</a> <a href="#">link</a> <a href="#">link</a> <a href="#">link</a> <a href="#">link</a></li> <li>Filed as disclosures with the PSE, SEC and PDEX</li> </ul> </li> <li>Quarterly analysts' briefings on financial and operating results (with podcasts posted on the website) <ul style="list-style-type: none"> <li>Quarterly conference calls Briefings for first half and full year results In 2020, the conduct of face-to-face briefings was re-assessed in the light of COVID-19 and the government's related rules. The Company's First Quarter and Third Quarter results briefings were conducted virtually.</li> </ul> </li> <li>Quarterly media briefings on financial and operating results</li> <li>PLDT's Annual Sustainability Report is posted on the PLDT website. <a href="#">link</a> <a href="#">link</a></li> </ul>	

Supplemental to Principle 11			
1. Company has a website disclosing up-to-date information on the following:	Compliant	<a href="http://www.pldt.com/">http://www.pldt.com/</a> (please see <a href="http://pldt.com/investor-relations">http://pldt.com/investor-relations</a> for the information below)	
a. Financial statements/reports (latest quarterly)	Compliant	<a href="http://pldt.com/investor-relations/press-releases-and-disclosures/financial-results">http://pldt.com/investor-relations/press-releases-and-disclosures/financial-results</a> <a href="http://pldt.com/investor-relations/financial-results">http://pldt.com/investor-relations/financial-results</a>	
b. Materials provided in briefings to analysts and media	Compliant	<a href="http://pldt.com/investor-relations/presentations">http://pldt.com/investor-relations/presentations</a> Please see Recommendation 11.1 above.	
c. Downloadable annual report	Compliant	<a href="http://www.pldt.com/investor-relations/annual-and-sustainability-reports">http://www.pldt.com/investor-relations/annual-and-sustainability-reports</a> Annual Report 2020 <a href="#">link</a> <a href="#">link</a> Annual Report 17-A <a href="#">link</a>	
d. Notice of ASM and/or SSM	Compliant	Notice of ASM <a href="#">link</a>	
e. Minutes of ASM and/or SSM	Compliant	Minutes of ASM <a href="#">link</a>	
f. Company's Articles of Incorporation and By-Laws	Compliant	Articles of Incorporation <a href="#">link</a> By-Laws <a href="#">link</a>	
Additional Recommendation to Principle 11			
1. Company complies with SEC-prescribed website template.	Compliant	Company website: <a href="http://www.pldt.com/">http://www.pldt.com/</a>	
Internal Control System and Risk Management Framework			
<b>Principle 12:</b> To ensure the integrity, transparency and proper governance in the conduct of its affairs, the company should have a strong and effective internal control system and enterprise risk management framework.			
Recommendation 12.1			

1. Company has an adequate and effective internal control system in the conduct of its business.	Compliant	<p>Board Activities&gt;Financial reporting, internal control, internal audit and independent audit <a href="#">link</a>  Internal Control System <a href="#">link</a>  Audit Committee Charter, Schedule of Purposes, Duties and Powers <a href="#">link</a>  Annual Report 2020, pp. 36-37, 42-44, 60, 106-113 <a href="#">link</a> <a href="#">link</a> <a href="#">link</a> <a href="#">link</a> <a href="#">link</a></p> <p>PLDT has adopted the Internal Control – Integrated Framework issued in 2013 by COSO.</p>	
2. Company has an adequate and effective enterprise risk management framework in the conduct of its business.	Compliant	<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 2020, pp. 60, 44, 66-67 <a href="#">link</a> <a href="#">link</a> <a href="#">link</a>  Enterprise Risk Management <a href="#">link</a>  ERM Framework <a href="#">link</a></p>	
<b>Supplement to Recommendation 12.1</b>			
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.	Compliant	<p>Annual Report 2020, pp. 32-60 <a href="#">link</a> <a href="#">link</a> <a href="#">link</a>  (Policies and Practices; Training and Education; Monitoring and Evaluation)  Policies, Processes and Practices <a href="#">link</a>  Education and Communication <a href="#">link</a>  Monitoring and Evaluation <a href="#">link</a></p> <p>The compliance program is reviewed periodically, as necessary.</p>	
<b>Optional: Recommendation 12.1</b>			

1. Company has a governance process on IT issues including disruption, cyber security, and disaster recovery, to ensure that all key risks are identified, managed and reported to the board.	Compliant	<p>The Company has an Information Technology 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>Annual Report 2020, pp. 48-49 <a href="#">link</a></p>	
<b>Recommendation 12.2</b>			
1. Company has in place an independent internal audit function that provides an independent and objective assurance, and consulting services designed to add value and improve the company's operations.	Compliant	<p>CG Manual, Sec. 2.6.1(a) <a href="#">link</a> Annual Report 2020, p. 46 <a href="#">link</a></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 management, control, and governance processes.</p> <p>The Internal Audit function in PLDT is fully in-house.</p>	
<b>Recommendation 12.3</b>			
1. Company has a qualified Chief Audit Executive (CAE) appointed by the Board.	Compliant	<p>PLDT's Chief Audit Executive is Mr. Luis S. Reñon.</p> <p>CG Manual, Sec. 2.6.2 <a href="#">link</a> Annual Report 2020, pp. 70, 46 <a href="#">link</a> <a href="#">link</a> Results of 2020 ASM <a href="#">link</a> <a href="#">link</a></p>	
2. CAE oversees and is responsible for the internal audit activity of the	Compliant	<p>CG Manual, Sec. 2.6.2 <a href="#">link</a> Annual Report 17-A, Item 13, p. 118 <a href="#">link</a></p>	

organization, including that portion that is outsourced to a third party service provider.		Annual Report 2020, p. 46 <a href="#">link</a>  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 <a href="#">link</a> Annual Report 17-A, Item 13, p. 118 <a href="#">link</a> Annual Report 2020, p. 46 <a href="#">link</a>	
<b>Recommendation 12.4</b>			
1. Company has a separate risk management function to identify, assess and monitor key risk exposures.	Compliant	CG Manual, Sec. 2.8.2 <a href="#">link</a> Annual Report 17-A, Item 13, p. 118-119 <a href="#">link</a> Annual Report 2020, p. 47 <a href="#">link</a>	
<b>Supplement to Recommendation 12.4</b>			
1. Company seeks external technical support in risk management when such competence is not available internally.	Compliant	EY, ServiceNow, Enable Professional Services Pty Ltd.	
<b>Recommendation 12.5</b>			
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	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.  The Risk Committee reviews Management's reports on the	

		<p>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. 101  <a href="#">link</a>  Annual Report 2020, pp. 47, 60, 66-67  <a href="#">link</a> <a href="#">link</a> <a href="#">link</a>  CG Manual, Sec. 2.8.2 <a href="#">link</a></p>	
2. CRO has adequate authority, stature, resources and support to fulfill his/her responsibilities.	<b>Compliant</b>	<p>Annual Report 17-A, Item 9, pp. 101, 107 <a href="#">link</a> <a href="#">link</a>  Annual Report 2020, pp. 66-70 <a href="#">link</a>  CG Manual, Sec. 2.8.2 <a href="#">link</a></p>	
<b>Additional Recommendation to Principle 12</b>			
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.	<b>Compliant</b>	<p>Annual Report 20-F, Exhibits 12.1 and 12.2, Item 15, p. 122 <a href="#">link</a> <a href="#">link</a> <a href="#">link</a>  Annual Report 2020, pp. 42, 46 <a href="#">link</a>  <a href="#">link</a></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 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</p>	

		<p>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>	
<b>Cultivating a Synergic Relationship with Shareholders</b>			
<b>Principle 13:</b> The company should treat all shareholders fairly and equitably, and also recognize, protect and facilitate the exercise of their rights.			
<b>Recommendation 13.1</b>			
1. Board ensures that basic shareholder rights are disclosed in the Manual on Corporate Governance.	<b>Compliant</b>	CG Manual, Sec. 3.1.1 <a href="#">link</a>	
2. Board ensures that basic shareholder rights are disclosed on the company's website.	<b>Compliant</b>	Our Stakeholders>Shareholders <a href="#">link</a>	
<b>Supplement to Recommendation 13.1</b>			
1. Company's common share has one vote for one share.	<b>Compliant</b>	By-Laws, Art. III, Sec. 3 <a href="#">link</a>	
2. Board ensures that all shareholders of the same class are treated equally with respect to voting rights, subscription rights and transfer rights.	<b>Compliant</b>	<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 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 Revised Corporation Code, each</p>	



		<p>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 <a href="#">link</a> <a href="#">link</a> <a href="#">link</a>  By-Laws, Art. III-Sec. 3 <a href="#">link</a>  CG Manual, Sec. 3.1.1 <a href="#">link</a>  Information Statement, pp. 7, 39-40 <a href="#">link</a> <a href="#">link</a></p>	
3. Board has an effective, secure, and efficient voting system.	<b>Compliant</b>	<p>Relevant information on the Company's voting system is disclosed in the reports below.</p> <p>Information Statement, pp. 7, 39-40 <a href="#">link</a> <a href="#">link</a>  CG Manual, Sec. 3.1.1 <a href="#">link</a>  Our Stakeholders&gt;Shareholders <a href="#">link</a></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.	<b>Compliant</b>	<p>The Company complies with the Revised 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 27, 36, 37, 38, 39, 41 and 42). No single stockholder or stockholders acting as a group own two thirds of the Company's outstanding voting shares; thus, the minority stockholders' votes would be indispensable to achieve the supermajority voting requirement.</p>	
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.	<b>Compliant</b>	<p>By-Laws, Art. II, Sec. 2 <a href="#">link</a></p> <p>In 2020, no special meeting of stockholders was called and convened.</p>	

6. Board clearly articulates and enforces policies with respect to treatment of minority shareholders.	Compliant	Our Stakeholders>Minority Shareholders <a href="#">link</a>	
7. Company has a transparent and specific dividend policy.	Compliant	Annual Report 20, pp. 55, 102, 290, 274 <a href="#">link</a> <a href="#">link</a> <a href="#">link</a> Investor Relations>Dividend Info <a href="#">link</a>  Relevant information on dividends is disclosed in the Annual Report.  Annual Report 2020, pp, 223-224 <a href="#">link</a>	
<b>Optional: Recommendation 13.1</b>			
1. Company appoints an independent party to count and/or validate the votes at the Annual Shareholders' Meeting.	Compliant	SGV performed agreed upon procedures for the Company's registration, tabulation and reporting modules, encoding and processing of proxies, encoding and processing of online registration and online voting, and system reports generated by the Stockholder Management System in accordance with the Philippine Standards on Related Services 4400, Engagements and Agreed-Upon Procedures Regarding Financial Information issued by the Auditing Standards and Practices Council. Representatives from SGV were present at the Annual Meeting to check the accuracy and completeness of quorum and reports generated by the systems.	
<b>Recommendation 13.2</b>			
1. Board encourages active shareholder participation by sending the Notice of Annual and Special Shareholders' Meeting with sufficient and relevant information	Compliant	Notice of Annual Stockholders' Meeting: ASM Notice Date: March 5, 2020 <a href="#">link</a> <a href="#">link</a> (at least 28 days or 96 days before the ASM on June 9, 2020)	

at least 28 days before the meeting.		<p>Copies of the ASM Notice and Agenda were also:</p> <p>(a) published on May 12, 2020 <a href="#">link</a>, and</p> <p>(b) included in the Information Statement disclosed on April 20, 2020 (pp. 1-4) <a href="#">link</a> <a href="#">link</a> and on May 13, 2020 (pp. 1-4) <a href="#">link</a> <a href="#">link</a>.</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>	
<b>Supplemental to Recommendation 13.2</b>			
1. Company's Notice of Annual Stockholders' Meeting contains the following information:	<b>Compliant</b>	Notice, Agenda and Information Statement (with Proxy documents) <a href="#">link</a> <a href="#">link</a>	
a. The profiles of directors (i.e., age, academic qualifications, date of first appointment, experience, and directorships in other listed companies)	<b>Compliant</b>	Notice, Agenda and Information Statement, pp. 12-17 <a href="#">link</a> <a href="#">link</a>	
b. Auditors seeking appointment/re-appointment	<b>Compliant</b>	Notice, Agenda and Information Statement, p. 39 <a href="#">link</a> <a href="#">link</a>	
c. Proxy documents	<b>Compliant</b>	Notice, Agenda and Information Statement (with Proxy documents) pp. 45-48 <a href="#">link</a> <a href="#">link</a>	
<b>Optional: Recommendation 13.2</b>			
1. Company provides rationale for the agenda items for the annual stockholders meeting	<b>Compliant</b>	Notice, Agenda and Information Statement, pp. 3-4 <a href="#">link</a> <a href="#">link</a>	
<b>Recommendation 13.3</b>			
1. Board encourages active shareholder participation by making the result of the votes taken	<b>Compliant</b>	Results of 2020 Annual Stockholders Meeting (Posted: June 10, 2020) <a href="#">link</a> <a href="http://pldt.com/docs/default-source/annual-meeting-of-">http://pldt.com/docs/default-source/annual-meeting-of-</a>	

<p>during the most recent Annual or Special Shareholders' Meeting publicly available the next working day.</p>		<p><a href="#">stockholders/2020/results-of-2020-asm-and-organizational-meeting-(posted-june-10-2020).pdf?sfvrsn=0</a></p> <p>Minutes of 2020 Annual Stockholders Meeting (Posted: June 16, 2020) <a href="#">link</a>  <a href="http://pldt.com/docs/default-source/annual-meeting-of-stockholders/2020/2020-pldt-asm-minutes.pdf?sfvrsn=0">http://pldt.com/docs/default-source/annual-meeting-of-stockholders/2020/2020-pldt-asm-minutes.pdf?sfvrsn=0</a></p> <p>The documents above are posted at the Investor Relations webpage. <a href="#">link</a></p> <p>Date of ASM: June 9, 2020</p>	
<p>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.</p>	<p><b>Compliant</b></p>	<p>Minutes of 2020 Annual Stockholders Meeting (Posted: June 16, 2020) <a href="#">link</a> <a href="#">link</a>  Results of 2020 Annual Stockholders Meeting (Posted: June 10, 2020) <a href="#">link</a> <a href="#">link</a></p> <p>Date of ASM: June 9, 2020</p> <p>Voting on resolutions was by poll.</p> <p>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.</p> <p>Minutes of 2020 Annual Stockholders Meeting, Annex E-Summary of Questions Raised by Stockholders and Responses <a href="#">link</a></p>	
<p><b>Supplement to Recommendation 13.3</b></p>			
<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><b>Compliant</b></p>	<p>SGV &amp; Co., PLDT's external auditor, and other relevant individuals were present to answer shareholders' questions during PLDT's 2020 Annual Stockholders' Meeting held on June 9, 2020.</p>	

		Minutes of 2020 Annual Stockholders Meeting, pp. 1, 9, Annex e <a href="#">link</a> <a href="#">link</a> <a href="#">link</a>	
<b>Recommendation 13.4</b>			
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.	<b>Compliant</b>	<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> <p>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.</p> <p>2. The Company resorts to Alternative Dispute Resolution (ADR) as an important means to achieve speedy and impartial justice and declog court dockets.</p> <p>3. The Company considers ADR as an efficient tool and an alternative procedure for the resolution of appropriate cases.</p> <p>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.</p>	
2. The alternative dispute mechanism is included in the company's Manual on Corporate Governance.	<b>Compliant</b>	CG Manual, sec. 3.1.1(b) <a href="#">link</a>	

		The Company adopted the guidelines on alternative dispute mechanism as described above.	
<b>Recommendation 13.5</b>			
1. Board establishes an Investor Relations Office (IRO) to ensure constant engagement with its shareholders.	<b>Compliant</b>	<p>IRO: Ms. Melissa V. Vergel de Dios 8816-8024 <a href="mailto:pldt_ir_center@pldt.com.ph">pldt_ir_center@pldt.com.ph</a></p> <p>IRO's contact information: Analysts and Investors Contact <a href="#">link</a> Annual Report 2020, p. 303 <a href="#">link</a></p>	
2. IRO is present at every shareholder's meeting.	<b>Compliant</b>	<p>The IRO was present during the ASM.</p> <p>Minutes of 2020 Annual Stockholders Meeting, p. 1, footnote 3 <a href="#">link</a></p>	
<b>Supplemental Recommendations to Principle 13</b>			
1. Board avoids anti-takeover measures or similar devices that may entrench ineffective management or the existing controlling shareholder group	<b>Compliant</b>	<p>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 2020.</p> <p>Articles of Incorporation <a href="#">link</a> By-Laws <a href="#">link</a></p>	
2. Company has at least thirty percent (30%) public float to increase liquidity in the market.	<b>Compliant</b>	<p>Annual Report 17-A, p. 35 <a href="#">link</a> Public Ownership Report Dec. 2020 <a href="#">link</a> <a href="#">link</a> Investor Relations&gt;Public Ownership Reports <a href="#">link</a></p>	
<b>Optional: Principle 13</b>			
1. Company has policies and practices to encourage shareholders to engage with the company beyond the Annual Stockholders' Meeting	<b>Compliant</b>	PLDT regularly meets with investors and fund managers via participation in investor conferences (refer to IR calendar available on the website), one-on-one meetings, and teleconferences/conference calls.	

		<p>PLDT IR also replies to email queries, including those sent to 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> <p>CG Manual, Sec. 3.1.1, pp. 17-18 <a href="#">link</a>  Investor Relations <a href="#">link</a> <a href="#">link</a> <a href="#">link</a> <a href="#">link</a>  Annual Report 2020, p. 303 <a href="#">link</a></p>	
2. Company practices secure electronic voting in absentia at the Annual Shareholders' Meeting.	<b>Compliant</b>	<p>PLDT practices secure electronic voting or internet voting at general meetings of shareholders as disclosed in its website.</p> <p>Our Stakeholders&gt;Shareholders re electronic voting <a href="#">link</a></p> <p>Information Statement, Notice and Agenda-Online voting <a href="#">link</a> <a href="#">link</a> <a href="#">link</a> <a href="#">link</a></p> <p>Voting Instruction Form 2020 (with internet voting) <a href="#">link</a></p>	
<b>Duties to Stakeholders</b>			
<p><b>Principle 14:</b> 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.</p>			
<b>Recommendation 14.1</b>			

1. Board identifies the company's various stakeholders and promotes cooperation between them and the company in creating wealth, growth and sustainability.	Compliant	<p>Our Stakeholders <a href="#">link</a>  PLDT Group CSR Statement <a href="#">link</a>  General Practice on Stakeholder Engagement <a href="#">link</a>  Annual Report 2020, pp. 54-57, 14-23, 24-27, 28-31, 36 <a href="#">link</a> <a href="#">link</a> <a href="#">link</a> <a href="#">link</a> <a href="#">link</a>  Sustainability Report, pp. 33-40, 41-42, 51-144 <a href="#">link</a> <a href="#">link</a> <a href="#">link</a>  Annual Report 17-A-Sustainability Report <a href="#">link</a> <a href="#">link</a> <a href="#">link</a> <a href="#">link</a></p>	
<b>Recommendation 14.2</b>			
1. Board establishes clear policies and programs to provide a mechanism on the fair treatment and protection of stakeholders.	Compliant	<p>CG Manual, Sec. 3.1 <a href="#">link</a>  Code of Business Conduct and Ethics, Sec. G <a href="#">link</a>  Our Stakeholders <a href="#">link</a>  PLDT Group CSR Statement <a href="#">link</a>  General Practice on Stakeholder Engagement <a href="#">link</a>  Sustainability Report, pp. 33-40, 41-42, 51-144 <a href="#">link</a> <a href="#">link</a> <a href="#">link</a></p>	
<b>Recommendation 14.3</b>			
1. Board adopts a transparent framework and process that allow stakeholders to communicate with the company and to obtain redress for the violation of their rights.	Compliant	<p>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.</p> <p>For queries on the company's financial and operating results:</p> <p>Investor Relations  <a href="mailto:pldt_ir_center@pldt.com.ph">pldt_ir_center@pldt.com.ph</a>  8816-8024</p> <p>For queries on dividends, stock certificates and related matters:</p> <p>Shareholder Services  <a href="mailto:pldtshareholderservices@pldt.com.ph">pldtshareholderservices@pldt.com.ph</a>  8843-1285</p>	



		<p>For corporate accounts concerns:</p> <p>Enterprise Group  <a href="mailto:pldtenterprise@pldt.com.ph">pldtenterprise@pldt.com.ph</a>  8840-5433</p> <p>For small and medium enterprise concerns:</p> <p>SME Group  <a href="mailto:smenationinquiry@pldt.com.ph">smenationinquiry@pldt.com.ph</a>  101888</p> <p>For Home service-related concerns:</p> <p>PLDT HOME CUSTOMER CARE Hotline:  171 (free for PLDT, Smart, Sun and TNT subscribers)</p> <p>Subscribers of other networks who wish to contact PLDT Home:  (632) 88888-171</p> <p>Facebook: PLDT Home, PLDT Cares  Twitter: @PLDT_Cares</p> <p>Internet users can look for answers to frequently asked questions about PLDT Home products, billing and aftersales concerns at:  <a href="http://www.pldthome.com/support">www.pldthome.com/support</a></p> <p>For inquiries on vendor accreditation:</p> <p>Supply Chain Procurement  Operations and Support  <a href="mailto:SRM@pldt.com.ph">SRM@pldt.com.ph</a>  8844-2361</p> <p>CG Manual, Sec. 3.1.1(e) <a href="#">link</a>  Annual Report 2020, p, 303 <a href="#">link</a>  PLDT&gt;Contact us <a href="#">link</a> <a href="#">link</a></p> <p>The Company has an Expanded Whistleblowing Policy that encourages the disclosure by Company personnel of any violation</p>	
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		<p>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 2020, p. 48 <a href="#">link</a>  Expanded Whistleblowing Policy <a href="#">link</a>  <a href="#">link</a> <a href="#">link</a></p>	
<b>Supplement to Recommendation 14.3</b>			
<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>	<b>Compliant</b>	<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> <p>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.</p> <p>2. The Company resorts to Alternative Dispute Resolution (ADR) as an important means to achieve speedy and impartial justice and declog court dockets.</p>	

		<p>3. The Company considers ADR as an efficient tool and an alternative procedure for the resolution of appropriate cases.</p> <p>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.</p> <p>CG Manual, Sec. 3.1, 3.1(b) <a href="#">link</a> <a href="#">link</a></p>	
<b>Additional Recommendations to Principle 14</b>			
1. Company does not seek any exemption from the application of a law, rule or regulation especially when it refers to a corporate governance issue. If an exemption was sought, the company discloses the reason for such action, as well as presents the specific steps being taken to finally comply with the applicable law, rule or regulation.	<b>Compliant</b>	No such request for exemption was made by the Company.	
2. Company respects intellectual property rights.	<b>Compliant</b>	<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, Secs. A to C <a href="#">link</a></p> <p>Our Stakeholders&gt;Suppliers <a href="#">link</a></p> <p>Annual Report 2020, pp. 48-49 <a href="#">link</a></p> <p>General Practice on Stakeholder Engagement <a href="#">link</a></p>	

Optional: Principle 14			
1. Company discloses its policies and practices that address customers' welfare	Compliant	Our Stakeholders>Customers <a href="#">link</a> PLDT Group CSR Statement <a href="#">link</a> Annual Report 2020, pp. 54-56, 14-15 <a href="#">link</a> <a href="#">link</a> <a href="#">link</a> General Practice on Stakeholder Engagement <a href="#">link</a>	
2. Company discloses its policies and practices that address supplier/contractor selection procedures	Compliant	Our Stakeholders>Suppliers <a href="#">link</a> PLDT Group CSR Statement <a href="#">link</a> General Practice on Stakeholder Engagement <a href="#">link</a> <a href="#">link</a> Annual Report 2020, pp. 48, 56 <a href="#">link</a> <a href="#">link</a>	
Principle 15: A mechanism for employee participation should be developed to create a symbiotic environment, realize the company's goals and participate in its corporate governance processes.			
Recommendation 15.1			
1. Board establishes policies, programs and procedures that encourage employees to actively participate in the realization of the company's goals and in its governance.	Compliant	Annual Report 2020, pp. 28-31, 56 <a href="#">link</a> <a href="#">link</a> PLDT Group CSR Statement <a href="#">link</a> General Practice on Stakeholder Engagement <a href="#">link</a> <a href="#">link</a> Our Stakeholders>Employees <a href="#">link</a>	
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 <a href="#">link</a> Executive Compensation Committee Charter, Schedule-Functions and Duties, Item II <a href="#">link</a> Annual Report 2020, pp. 56, 30 <a href="#">link</a> <a href="#">link</a> Disclosure on Transformation Incentive Plan <a href="#">link</a> Information Statement, pp. 35-36 <a href="#">link</a>	
2. Company has policies and practices on health, safety and welfare of its employees.	Compliant	Our Stakeholders>Employees <a href="#">link</a> - Health, safety and welfare <a href="#">link</a> PLDT Group CSR Statement <a href="#">link</a> General Practice on Stakeholder Engagement <a href="#">link</a> Annual Report 2020, pp. 29-30, 56 <a href="#">link</a> <a href="#">link</a>	

3. Company has policies and practices on training and development of its employees.	Compliant	<a href="#">Our Stakeholders&gt;Employees</a> <a href="#">link</a> <a href="#">- Training and Development</a> <a href="#">link</a> <a href="#">PLDT Group CSR Statement</a> <a href="#">link</a> <a href="#">General Practice on Stakeholder Engagement</a> <a href="#">link</a> <a href="#">Annual Report 2020, pp. 29, 56</a> <a href="#">link</a> <a href="#">link</a> <a href="#">Trainings in 2020</a> <a href="#">link</a> <a href="#">Education and Communication</a> <a href="#">link</a>	
<b>Recommendation 15.2</b>			
1. Board sets the tone and makes a stand against corrupt practices by adopting an anti-corruption policy and program in its Code of Conduct.	Compliant	<a href="#">Code of Business Conduct and Ethics, Sec. A</a> <a href="#">link</a> <a href="#">link</a> <a href="#">CG Manual, Sec. 3.3</a> <a href="#">link</a> <a href="#">Anti-corruption policy</a> <a href="#">link</a> <a href="#">Anti-corruption program</a> <a href="#">link</a> <a href="#">Annual Report 2020, pp. 48, 57</a> <a href="#">link</a> <a href="#">link</a> <a href="#">Sustainability Report, pp. 139-140</a> <a href="#">link</a>	
2. Board disseminates the policy and program to employees across the organization through trainings to embed them in the company's culture.	Compliant	The policies and program are posted on the Company's intranet and disseminated to employees via email. They are also discussed in employee orientation and other training programs.  <a href="#">Anti-corruption policy</a> <a href="#">link</a> <a href="#">Anti-corruption program</a> <a href="#">link</a> <a href="#">Annual Report 2020, pp. 48, 57</a> <a href="#">link</a> <a href="#">link</a> <a href="#">link</a> <a href="#">Sustainability Report, pp. 139-140</a> <a href="#">link</a>	
<b>Supplement to Recommendation 15.2</b>			
1. Company has clear and stringent policies and procedures on curbing and penalizing employee involvement in offering, paying and receiving bribes.	Compliant	<a href="#">Anti-corruption program</a> <a href="#">link</a> <a href="#">Anti-corruption policy</a> <a href="#">link</a> <a href="#">Annual Report 2020, pp. 48, 57</a> <a href="#">link</a> <a href="#">link</a> <a href="#">link</a> <a href="#">Sustainability Report, pp. 139-140, 142</a> <a href="#">link</a> <a href="#">link</a>  There was no reported violation of the Company's anti-corruption policy in 2020.	

Recommendation 15.3			
1. Board establishes a suitable framework for whistleblowing that allows employees to freely communicate their concerns about illegal or unethical practices, without fear of retaliation	Compliant	<p>The Expanded Whistleblowing Policy includes procedures which protect the employees from retaliation.</p> <p>Expanded Whistleblowing Policy <a href="#">link</a></p> <p>Annual Report 2020, p. 48 <a href="#">link</a></p> <p>Sustainability Report, p. 142 <a href="#">link</a></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.	Compliant	<p>Annual Report 2020, pp. 48 <a href="#">link</a></p> <p>Expanded Whistleblowing Policy <a href="#">link</a></p> <p>CG Manual, Sec. 3.3 <a href="#">link</a></p> <p>Audit Committee Charter, Schedule-Item 6.1 <a href="#">link</a></p> <p>Governance, Nomination and Sustainability Committee Charter, Schedule-Item Governance Functions, A.4 <a href="#">link</a></p> <p>Sustainability Report, p. 142 <a href="#">link</a></p>	
3. Board supervises and ensures the enforcement of the whistleblowing framework.	Compliant	<p>The Audit Committee and the Governance, Nomination and Sustainability Committee: (a) receives quarterly reports from the Corporate 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>Governance, Nomination Sustainability Committee Charter, Schedule-Item Governance Functions, A.4 <a href="#">link</a></p> <p>Audit Committee Charter, Schedule-Item 6.1 <a href="#">link</a></p> <p>Expanded Whistleblowing Policy <a href="#">link</a></p> <p>CG Manual, Secs. 2.1.4(a), 3.3 <a href="#">link</a></p>	

		Annual Report 2020, pp. 36, 42-43, 48 <a href="#">link</a> <a href="#">link</a> <a href="#">link</a>	
<b>Principle 16:</b> The company should be socially responsible in all its dealings with the communities where it operates. It should ensure that its interactions serve its environment and stakeholders in a positive and progressive manner that is fully supportive of its comprehensive and balanced development.			
<b>Recommendation 16.1</b>			
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.	<b>Compliant</b>	CG Manual, Sec. 3.5 <a href="#">link</a> Our Stakeholders>Communities <a href="#">link</a> PLDT Group CSR Statement <a href="#">link</a> General Practice on Stakeholder Engagement <a href="#">link</a> Annual Report 2020, pp. 6-9, 24-27, 36-39, 54 <a href="#">link</a> <a href="#">link</a> <a href="#">link</a> <a href="#">link</a> <a href="#">link</a> <a href="#">link</a> Sustainability Report, pp. 33-40, 41, 115-128, 51-144 <a href="#">link</a> <a href="#">link</a> <a href="#">link</a> <a href="#">link</a>	
<b>Optional: Principle 16</b>			
1. Company ensures that its value chain is environmentally friendly or is consistent with promoting sustainable development	<b>Compliant</b>	CG Manual, Sec. 3.5 <a href="#">link</a> Our Stakeholders>Environment <a href="#">link</a> Annual Report 2020, pp. 36, 39, 57 <a href="#">link</a> <a href="#">link</a> Annual Report 17-A, p. 32 <a href="#">link</a> - Sustainability Report <a href="#">link</a> <a href="#">link</a> <a href="#">link</a> <a href="#">link</a> PLDT Group CSR Statement <a href="#">link</a> General Practice on Stakeholder Engagement <a href="#">link</a> Sustainability Report, pp. 23-28, 51-144, 87-96. 143-144 <a href="#">link</a> <a href="#">link</a> <a href="#">link</a> <a href="#">link</a>	
2. Company exerts effort to interact positively with the communities in which it operates	<b>Compliant</b>	CG Manual, Sec. 3.5 <a href="#">link</a> Our Stakeholders>Communities <a href="#">link</a> PLDT Group CSR Statement <a href="#">link</a> General Practice on Stakeholder Engagement <a href="#">link</a> Annual Report 2020, pp. 24-27, 54, 57 <a href="#">link</a> <a href="#">link</a> <a href="#">link</a> Sustainability Report, pp. 115-128 <a href="#">link</a>	

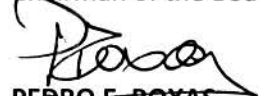
Pursuant to the requirement of SEC Memorandum Circular No. 19, Series of 2016, and No. 15, Series of 2017, this Integrated Annual Corporate Governance Report is signed on behalf of the registrant by the undersigned, thereunto duly authorized, in the City of Makati this 26<sup>th</sup> day of MAY 2021.

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 26<sup>th</sup> day of May 2021, 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 23, 2019/ January 24, 2029	Manila
Bernido H. Liu	P5687010B	October 27, 2020/ October 26, 2030	Manila
Ma. Lourdes C. Rausa-Chan	EC8378140	July 23, 2016/ July 22, 2021	Manila

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Book No. II  
Series of 2021



**MARIA THERESA U. BALLELOS**

Notarial Public for the City of Makati

Until December 31, 2021

Appointment No. M-101

Roll of Attorneys No. 47541

IBP LIFETIME NO. 05594 - 01/09/06

PTR No. 8534475 - 01/05/2021 Makati City

9/F MGO Bldg. Legazpi St. Legazpi 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 2020:

1. As Corporate Secretary, I distributed materials for the meetings of the Board of Directors of the Company ("Board") held in 2020 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 2020 ("Board Minutes") and have custody of the approved and signed Board Minutes.
  - 2.1 The Board Minutes reflect that the members of the Board 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 reflect that the members of the Board attended and actively participated in the meetings of the Board 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 meetings, and asked the necessary questions and sought clarifications and explanations during the meetings of the Board (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, Nomination and Sustainability Committee, of such invitation/nomination before accepting the directorship in other corporations (Principle 4, Recommendation 4.3).


WITNESS my hand and the seal of the Company this 26<sup>th</sup> day of MAY, 2021 in Makati City.

  
**MA. LOURDES C. RAUSA-CHAN**  
 Corporate Secretary

SUBSCRIBED AND SWORN to before me this 26<sup>th</sup> day of MAY, 2021, 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.

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 Book No. II  
 Series of 2021.



  
**MARIA THERESA U. BALLELOS**  
 Notarial Public for the City of Makati  
 Until December 31, 2021  
 Appointment No. M-101  
 Roll of Attorneys No. 47541  
 IBP LIFETIME NO. 05594 - 01/09/06  
 PTR No. 8534475 - 01/05/2021 Makati City  
 3/F MGO Bldg. Legazpi St. Legazpi Vill., Makati City, MM