

## Compensation

The table below sets forth the aggregate amount of compensation paid in 2019 and 2020 and estimated amount of compensation expected to be paid in 2021: (1) to the Chief Executive Officer and four most highly compensated executive officers of the Company, as a group; and (2) to all other executive officers, other officers and directors, as a group.

Name and Principal Position	Year	Salary <sup>1</sup> (In Million)	Bonus <sup>2</sup> (In Million)	Other Compensation <sup>3</sup> (In Million)
1. Manuel V. Pangilinan President and CEO				
2. Alfredo S. Panlilio Chief Revenue Officer				
3. Anabelle L. Chua Senior Vice President				
4. Marilyn V. Aquino Senior Vice President				
5. Menardo G. Jimenez, Jr Senior Vice President				
CEO & four most highly compensated executive officers	Actual 2019	115	14	95
	Actual 2020	130	15	220
	Projected 2021	134	16	103
All other executive officers, other officers and directors as a group (excluding the CEO and four most highly compensated executive officers)	Actual 2019	409	55	440
	Actual 2020	440	54	616
	Projected 2021	462	52	225

Each of the directors of the Company is entitled to a director's fee of P250,000 for each meeting of the Board of Directors attended. In addition, the directors who serve in the committees of the Board of Directors, namely, the Audit, Governance, Nomination and Sustainability, Executive Compensation, Risk, Technology Strategy, and Data Privacy and Information Security Committees, are each entitled to a fee of P125,000 for each committee meeting attended.

Except for the fees mentioned above, the directors are not compensated, directly or indirectly, for their services as such directors.<sup>4</sup>

<sup>1</sup> Basic Monthly Salary

<sup>2</sup> Includes Longevity Pay, Mid-year Bonus, 13<sup>th</sup> Month Pay and Christmas Bonus

<sup>3</sup> Includes Variable Pay/Short Term Incentive Plan (STIP) and other payments. Variable Pay/STIP is based on an annual incentive system that encourages and rewards both individual and group/team performance and is tied to the achievement of Corporate/Unit/Customer Satisfaction Objectives. It covers regular officers and executives of the Company and is based on a percentage of their Guaranteed Annual Cash Compensation. Included in the figure for 2019 and 2020 is the amount of award in the form of PLDT common shares under the Transformation Incentive Plan (TIP). Please refer to the discussion on TIP in page 2 of this document and page 41 of the Information Statement available at: [http://pldt.com/docs/default-source/annual-meeting-of-stockholders/2021/definitive-information-statement-with-the-notice-and-agenda-\(posted-may-9-2021\).pdf](http://pldt.com/docs/default-source/annual-meeting-of-stockholders/2021/definitive-information-statement-with-the-notice-and-agenda-(posted-may-9-2021).pdf)

<sup>4</sup> The aggregate amount of per diems paid to the directors for their attendance in Board and Board Committee meetings is included in Other Compensation. The total amount of per diems paid in 2019 and 2020 were P68,125,000 and P72,750,000, respectively. The total amount of per diems estimated to be paid in 2021 is P69,625,000.

## Incentives and Benefit Plans

### A. Transformation Incentive Plan

On September 26, 2017, the Board of Directors of PLDT approved the Transformation Incentive Plan (TIP) which intends to provide incentive compensation to key officers, executives and other eligible participants who are consistent performers and contributors to the Company's strategic and financial goals. The incentive compensation will be in the form of Performance Shares, PLDT common shares of stock, which will be released in three annual grants on the condition, among others, that pre-determined consolidated core net income targets are successfully achieved over three annual performance periods from January 1, 2017 to December 31, 2019. On September 26, 2017, the Board of Directors approved the acquisition of 860 thousand Performance Shares to be awarded under the TIP. On March 7, 2018, the Executive Compensation Committee (ECC) of the Board approved the acquisition of additional 54 thousand shares, increasing the total Performance Shares to 914 thousand. Metrobank, through its Trust Banking Group, is the appointed Trustee of the trust established for purposes of the TIP. The Trustee is designated to acquire the PLDT common shares in the open market through the facilities of the PSE, and administer their distribution to the eligible participants subject to the terms and conditions of the TIP.

On December 11, 2018, the ECC of the Board approved Management's recommended modifications to the Plan, and partial equity and cash settled set-up was implemented for the 2019 TIP Grant. The revised set-up includes a fixed number of shares that will be granted ("equity award") and the estimated fair value of the difference between the number of shares granted in the original equity grant and the equity award will be paid in cash ("cash award"). The fair value of the award is determined at each reporting date using the estimated fair value of the corresponding shares.

As at March 25, 2021, a total of 757 thousand PLDT common shares have been acquired by the Trustee, of which 238 thousand PLDT common shares have been released on March 12, 2020, April 7, 2020 and January 19, 2021 for the 2019 annual grant, and 302 thousand PLDT common shares have been released on March 28, 2019 for the 2018 annual grant, and 204 thousand shares on April 15, 2018 for the 2017 annual grant. The cash award for the 2019 annual grant that was paid on March 12, 2020 amounted to Php654 million. The TIP is administered by the ECC of the Board.

On August 7, 2020, the ECC approved the adjusted TIP that covers the years 2020 and 2021, and will be cash-settled. The cash grant will be for the two years covered and payment will be in 2022. The Cycle 2 TIP will be based on the achievement of the CCNI for the years 2020 and 2021.

The expense accrued for the TIP amounted to Php1,134 million, Php638 million and Php208 million for the years ended December 31, 2020, 2019 and 2018, respectively. The accrued incentive payable, representing the cash settled set-up amounted to Php1,134 million and Php795 million as at December 31, 2020 and 2019, respectively.

### B. Benefit Plan

The Company has a trustee, non-contributory defined benefit plan (the "**Benefit Plan**") covering all permanent and regular employees. The Benefit Plan provides benefits upon normal retirement beginning at age 65, early retirement beginning at age 50 or completion of at least 30 years of credited service, voluntary separation beginning at age 40 or completion of at least 15 years of credited service, total and physical disability, death and involuntary separation. Benefits are based on the employee's final monthly basic salary and length of service.

Except as provided in the plans described above, there are no other agreements or arrangements pursuant to which officers and directors of the Company may be entitled to receive any cash or non-cash compensation, or any benefits or payments in case of termination of employment or a change in control of the Company.