

COVER SHEET

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SEC Registration Number

PHILIPPINE TELEGRAPH AND
TELEPHONE CORPORATION (PT&T)

(Company's Full Name)

1 0 6 C . PALANCA STREET LEGASPI
VILLAGE MAKATI CITY 1 2 2 9

(Business Address: No. Street/City/Town/Province)

ATTY. KENNETH JOEY H. MACEREN

(Contact Person)

(02) 8726-8888

(Company Telephone Number)

Month Day
(Fiscal Year)

I A C G R
(Form Type)

Month Day
(Annual Meeting)

(Secondary License Type, If Applicable)

SEC-CGFD

Dept. Requiring this Doc.

Amended Articles Number/Section

Total No. of Stockholders

Total Amount of Borrowings

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document ID

Cashier

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SEC FORM – I-ACGR

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT

1. For the fiscal year ended: **31 December 2019**
2. SEC Identification Number: **21817** 3. BIR Tax Identification No.: **000-530-631**
4. Exact name of issuer as specified in its charter: **Philippine Telegraph and Telephone Corporation**
5. **Metro Manila**
Province, Country or other jurisdiction of incorporation or organization
6. (SEC Use Only)
Industry Classification Code:
7. **Spirit of Communications Center 106 C. Palanca St.,** **1229**
Legaspi Village, Makati City Postal Code
Address of principal office
8. **(02) 8726-8888**
Issuer's telephone number, including area code
9. **N/A**
Former name, former address, and former fiscal year, if changed since last report.

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT

**COMPLIANT/
NON-
COMPLIANT**

ADDITIONAL INFORMATION

EXPLANATION

The Board's Governance Responsibilities

Principle 1: The company should be headed by a competent, working board to foster the long-term success of the corporation, and to sustain its competitiveness and profitability in a manner consistent with its corporate objectives and the long-term best interests of its shareholders and other stakeholders.

Recommendation 1.1

<p>1. Board is composed of directors with collective working knowledge, experience or expertise that is relevant to the company's industry/sector.</p>	<p align="center">Compliant</p>	<p>Please see the profiles of Philippine Telegraph and Telephone Corporation's ("PT&T") Directors and Key Officers at www.ptt.com.ph.</p>	<p>The Board of Directors is composed of individuals who has the required knowledge, experience and expertise in different fields and industry. The President has been in the information technology industry for more than 30 years. One of PT&T's Independent Director is an experienced finance professional while the other Independent Director also has an extensive experience in the telecommunications industry. The Chairman of the Board is one of the country's respected businessmen with investments and business interests in various industries.</p>
<p>2. Board has an appropriate mix of competence and expertise.</p>	<p align="center">Compliant</p>		<p align="center">-same-</p>
<p>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.</p>	<p align="center">Compliant</p>		<p align="center">-same-</p>

Recommendation 1.2

<p>1. Board is composed of a majority of non-executive directors.</p>	<p>Compliant</p>	<p>The following are the incumbent members of the Board of Directors of PT&T:</p> <ol style="list-style-type: none"> 1. Salvador B. Zamora II – Non-Executive Director, Chairman of the Board 2. James G. Velasquez – President and Chief Executive Officer 3. Miguel Marco A. Bitanga – Director, Treasurer, and Chief Operations Officer 4. Salvador T. Zamora III – Non-Executive Director 5. Serafin C. Ledesma, Jr. – Independent Director 6. Roberto B. Ortiz - Independent Director 7. Bienvenido S. Santos – Independent Director 	<p>Out of seven (7) members of the Board of Directors, five (5) are Non-Executive Directors while only two (2) are Executive Directors.</p>
<p>Recommendation 1.3</p>			
<p>1. Company provides in its Board Charter and Manual on Corporate Governance a policy on training of directors.</p>	<p>Compliant</p>	<p>Section 2.1.11 (vii) of PT&T's Manual on Corporate Governance expressly provides that Directors should attend seminars on corporate governance conducted by duly recognized private or government institution.</p> <p>Attached are the certificates attesting to the attendance by all the members of the Board of Directors on Corporate Governance seminar.</p>	
<p>2. Company has an orientation program for first time directors.</p>	<p>Compliant</p>	<p>PT&T conducted orientation program to two (2) of the newest members of the Board of Directors who were elected last 28 June 2019.</p>	

3. Company has relevant annual continuing training for all directors.	Compliant	Attached are the certificates attesting to the attendance by all the members of the Board of Directors on Corporate Governance seminar.	
Recommendation 1.4			
Board has a policy on board diversity.	Compliant	<p>Article 2.1.1 of PT&T's Manual on Corporate Governance provides that no director or candidate for directorship shall be discriminated by reason of gender, age, disability, ethnicity, nationality or political, religious or cultural background.</p> <p>Currently, all the members of the Board of Directors are male. Be that as it may, the company is considering in electing a female director to fill the current vacancy in the Board of Directors.</p>	
Optional: Recommendation 1.4			
1. Company has a policy on and discloses measurable objectives for implementing its board diversity and reports on progress in achieving its objectives.	Compliant	The Board of Directors approved to amend the company's Articles of Incorporation to increase the number of the Directors to nine (9) from seven (7). One of the nominee for Director is a woman in compliance with board diversity.	
Recommendation 1.5			
1. Board is assisted by a Corporate Secretary.	Compliant	The incumbent Corporate Secretary is Atty. Kenneth Joey H. Maceren. He is not a member of the Board of Directors and	
2. Corporate Secretary is a separate individual from the Compliance Officer.	Compliant		

3. Corporate Secretary is not a member of the Board of Directors.	Compliant	based on the organizational structure of the company, he is an individual separate from the Compliance Officer. However, the position of the Compliance Officer is currently vacant and the Corporate Secretary is temporarily performing the duties of the said officer.	
4. Corporate Secretary attends training/s on corporate governance.	Compliant	Please see attached Certificate of Attendance on Corporate Governance Seminar.	
Optional: Recommendation 1.5			
1. Corporate Secretary distributes materials for board meetings at least five business days before scheduled meeting.	Compliant	The Corporate Secretary sends notices/agenda of meetings, including board meeting materials, if any, to Directors via email at least five business days before the scheduled meetings.	
Recommendation 1.6			
1. Board is assisted by a Compliance Officer.	Compliant	The Board will be appointing Atty. Renato M. Lee as its Compliance Officer in the next organizational meeting of the Board of Directors. He will occupy a position of adequate stature and authority in the company.	
2. Compliance Officer has a rank of Senior Vice President or an equivalent position with adequate stature and authority in the corporation	Compliant	Atty. Lee is not a member of the Board of Directors and will not be elected as a Director while he is occupying the position of a Compliance Officer. Once appointed, Atty. Lee will be attending trainings in corporate governance.	
3. Compliance Officer is not a member of the board.	Compliant		

4. Compliance Officer attends training/s on corporate governance.	Compliant	
Principle 2: The fiduciary roles, responsibilities and accountabilities of the Board as provided under the law, the company's articles and by-laws, and other legal pronouncements and guidelines should be clearly made known to all directors as well as to stockholders and other stakeholders.		
Recommendation 2.1		
1. Directors act on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the company.	Compliant	<p>The Directors are duly informed of the affairs of the company through the Board meetings. During these meetings, the Directors are updated on the various aspects of the operations and business of the company.</p> <p>Under Article III of the company's Amended By-Laws, the regular meetings of the Board of Directors shall be done monthly. The management and incumbent members of the Board of Directors will ensure compliance of this provision so that the Board of Directors are updated in the affairs and status of the company.</p>
Recommendation 2.2		
1. Board oversees the development, review and approval of the company's business objectives and strategy.	Compliant	<p>The Board of Directors meets regularly and allots time to discuss strategic issues with PT&T's management to gain insights into specific business area.</p> <p>The Board will be leading the review of the company's vision and mission every year, revisits and approves the group's corporate strategy and performance objectives and monitors its implementation.</p>
2. Board oversees and monitors the implementation of the company's business objectives and strategy.	Compliant	
Supplement to Recommendation 2.2		

1. Board has a clearly defined and updated vision, mission and core values	Compliant	The Mission Vision and Core Values of PT&T are posted in www.ptt.com.ph .	
2. Board has a strategy execution process that facilitates effective management performance and is attuned to the company's business environment and culture.	Compliant	The regular meetings of the Board of Directors will ensure that the Directors will be updated on the status of any plan or business operations of the company including the performance of the management. The regular update will enable the Directors to decide on what are the next steps to be done to ensure performance and execution of the company's business plans and strategies.	

Recommendation 2.3			
1. Board is headed by a competent and qualified Chairperson.	Compliant	Please see the profile of Mr. Salvador B. Zamora II at www.ptt.com.ph .	
Recommendation 2.4			
1. Board ensures and adopts an effective succession planning program for directors, key officers and management.	Compliant	Part of the responsibility of the Board of Directors on good governance is to have a succession plan. This is mandated under Articles 2.1.8 and 2.1.10 of PT&T's Manual on Corporate Governance.	
2. Board adopts a policy on the retirement for directors and key officers.	Compliant	The incumbent Directors will see to it that this mandate will be implemented.	
Recommendation 2.5			
1. Board aligns the remuneration of key officers and board members with long-term interests of the company.	Compliant	The Compensation and Remuneration Committee will ensure that the compensation of key officers will align with the interest of the company. Please see the charter of PT&T's Compensation and Remuneration Committee at www.ptt.com.ph .	
2. Board adopts a policy specifying the relationship between remuneration and performance.	Compliant	Together with the Compensation and Remuneration Committee, the Board of Directors will ensure that the remuneration given to officers and members of the management team is commensurate with or directly related to the duties and responsibilities of the officer or employee involved.	

3. Directors do not participate in discussions or deliberations involving his/her own remuneration.	Compliant	Under the charter of the Compensation and Remuneration Committee and based on its mandate under Article 2.2.2 of PT&T's Manual on Corporate Governance, directors and officers are not allowed to interfere or participate in the discussion affecting their respective remuneration.	
Optional: Recommendation 2.5			
1. Board approves the remuneration of senior executives.	Compliant	While it is the Board of Directors who will approve the remuneration of senior executives, it is required that an initial determination be done by the Compensation and Remuneration Committee who will make an appropriate recommendation to the Board of Directors. Please see the charter of Compensation and Remuneration Committee at www.ptt.com.ph .	
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.	Compliant	The executive directors and senior executives are required to fulfill their respective KPIs to ensure their performance and accomplishment.	
Recommendation 2.6			
1. Board has a formal and transparent board nomination and election policy.	Compliant	Please see charter of the Nomination Committee at www.ptt.com.ph and Articles 2.2.1 and 2.2.4 of PT&T's Manual on Corporate Governance.	
2. Board nomination and election policy is disclosed in the company's Manual on Corporate Governance.	Compliant	-same-	

3. Board nomination and election policy includes how the company accepted nominations from minority shareholders.	Compliant	-same-	
4. Board nomination and election policy includes how the board shortlists candidates.	Compliant	-same-	
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	-same-	
6. Board has a process for identifying the quality of directors that is aligned with the strategic direction of the company.	Compliant	-same-	

Optional: Recommendation to 2.6

1. Company uses professional search firms or other external sources of candidates (such as director databases set up by director or shareholder bodies) when searching for candidates to the board of directors.	Compliant		
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Recommendation 2.7

1. Board has overall responsibility in ensuring that there is a group-wide policy and system governing related party transactions (RPTs) and other unusual or infrequently occurring transactions.	Compliant	Articles 2.1.8 and 7 of PT&T's Manual on Corporate Governance provides guidance on how the Board of Directors review and resolve conflict of interest situations. Please see also the charter of the Related Party Transaction Committee and Related Party Transactions Policy at www.ptt.com.ph . Likewise important is PT&T's Policy on Material Related Party Transaction a copy of which is attached to this report.	
2. RPT policy includes appropriate review and approval of material RPTs, which guarantee fairness and transparency of the transactions.	Compliant	-same-	

3. RPT policy encompasses all entities within the group, taking into account their size, structure, risk profile and complexity of operations.	Compliant	-same-	
Supplement to Recommendations 2.7			
1. Board clearly defines the threshold for disclosure and approval of RPTs and categorizes such transactions according to those that are considered <i>de minimis</i> or transactions that need not be reported or announced, those that need to be disclosed, and those that need prior shareholder approval. The aggregate amount of RPTs within any twelve (12) month period should be considered for purposes of applying the thresholds for disclosure and approval.	Compliant	-same-	
2. Board establishes a voting system whereby a majority of non-related party shareholders approve specific types of related party transactions during shareholders' meetings.	Compliant	-same-	
Recommendation 2.8			
1. Board is primarily responsible for approving the selection of Management led by the Chief Executive Officer (CEO) and the heads of the other control functions (Chief Risk Officer, Chief Compliance Officer and Chief Audit Executive).	Compliant	Article 2.1.10 of PT&T's Manual on Corporate Governance provides that the Board of Directors shall appoint the President/Chief Executive Officer and other senior officers of the company to ensure an appropriate level of motivation, integrity, competence, and professionalism.	
2. Board is primarily responsible for assessing the performance of Management led by the Chief Executive Officer (CEO) and the heads of the other control functions (Chief Risk Officer, Chief Compliance Officer and Chief Audit Executive).	Compliant	Article 2.1.10 of PT&T's Manual on Corporate Governance mandates the Board of Directors to perform this function.	
Recommendation 2.9			

<p>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.</p>	Compliant	Management's performance is evaluated through the Board of Directors approved KPIs.	
<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.</p>	Compliant	Personnel's performance is evaluated through the Board of Directors approved KPIs.	
Recommendation 2.10			
<p>1. Board oversees that an appropriate internal control system is in place.</p>	Compliant	This is covered by Article 2.1.8 of PT&T's Manual on Corporate Governance.	
<p>2. The internal control system includes a mechanism for monitoring and managing potential conflict of interest of the Management, members and shareholders.</p>	Compliant	-same-	
<p>3. Board approves the Internal Audit Charter.</p>	Compliant	The Charter of the Audit Committee was approved by the Board of Directors in a meeting held on 15 November 2019.	
Recommendation 2.11			
<p>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.</p>	Compliant	Please see Article 2.3 of PT&T's Manual on Corporate Governance and the charter of the Risk Oversight Committee at www.ptt.com.ph .	
<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.</p>	Compliant		
Recommendation 2.12			
<p>1. Board has a Board Charter that formalizes and clearly states its roles, responsibilities and accountabilities in carrying out its fiduciary role.</p>	Compliant	Please see the Amended By-Laws and Board Committee Charters at www.ptt.com.ph .	

2. Board Charter serves as a guide to the directors in the performance of their functions.	Compliant		
3. Board Charter is publicly available and posted on the company's website.	Compliant		
Additional Recommendation to Principle 2			
1. Board has a clear insider trading policy.	Compliant	Please see PT&T's Insider Trading Policy at www.ptt.com.ph .	
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	Please see the charter of PT&T's Related Party Transactions Committee and Related Party Transactions Policy at www.ptt.com.ph , and the attached Policy on Material Related Party Transactions.	
2. Company discloses the types of decision requiring board of directors' approval.	Compliant	-same-	
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			

<p>1. Board establishes board committees that focus on specific board functions to aid in the optimal performance of its roles and responsibilities.</p>	<p>Compliant</p>	<p>As mandated by PT&T's Manual on Corporate Governance and By-Laws, the following committees were recently organized by the Board of Directors:</p> <ol style="list-style-type: none"> 1. Executive Committee, 2. Nomination Committee, 3. Compensation and Remuneration Committee, 4. Audit Committee, and 5. Risk Enterprise Management Committee. <p>In addition, the Board of Directors recently organized the following committees:</p> <ol style="list-style-type: none"> 1. Related Party Transactions Committee, and 2. Corporate Governance Committee. <p>Please see the charters of these committees at www.ptt.com.ph.</p>	
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>Compliant</p>	<p>Please see the charter of the Audit Committee at www.ptt.com.ph and Section 2.2.3 of PT&T's Manual on Corporate Governance.</p>	
<p>2. Audit Committee is composed of at least three appropriately qualified non-executive directors, the majority of whom, including the Chairman is independent.</p>	<p>Compliant</p>	<p>The company will elect an additional Independent Director and will be reorganizing the Audit Committee in the next organizational meeting of the Board of Directors.</p>	

3. All the members of the committee have relevant background, knowledge, skills, and/or experience in the areas of accounting, auditing and finance.	Compliant	Section 2.2.3 of PT&T's Manual on Corporate Governance provides for these same qualifications on the composition of the Audit Committee and PT&T will abide with these qualifications.	
4. The Chairman of the Audit Committee is not the Chairman of the Board or of any other committee.	Compliant	Please see www.ptt.com.ph on the composition of the Audit Committee.	
Optional: Recommendation 3.2			
1. Audit Committee approves all non-audit services conducted by the external auditor.	Compliant	Please see charter of the Audit Committee at www.ptt.com.ph .	
2. Audit Committee conducts regular meetings and dialogues with the external audit team without anyone from management present.	Compliant	-same-	
Optional: Recommendation 3.2			
1. Audit Committee meet at least four times during the year.	Compliant	The Audit Committee meets thrice during the year to approve three (3) quarterly financial reports filed with the SEC as 17-Q and once to approve the annual audited financial statements.	
2. Audit Committee approves the appointment and removal of the internal auditor.	Compliant	Please see charter of the Audit Committee at www.ptt.com.ph .	
Recommendation 3.3			
1. Board establishes a Corporate Governance Committee tasked to assist the Board in the performance of its corporate governance responsibilities, including the functions that were formerly assigned to a Nomination and Remuneration Committee.	Compliant	Please see the charter of Corporate Governance Committee at www.ptt.com.ph .	

2. Corporate Governance Committee is composed of at least three members, all of whom should be independent directors.	Compliant	The company will elect an additional Independent Director and will be reorganizing the Corporate Governance Committee in the next organizational meeting of the Board of Directors.	
3. Chairman of the Corporate Governance Committee is an independent director.	Compliant	Please see www.pt.com.ph on the composition of the Corporate Governance Committee.	
Optional: Recommendation 3.3.			
1. Corporate Governance Committee meet at least twice during the year.	Compliant	The Corporate Governance met several times to discuss the preparation of the Sustainability Report filed with the SEC.	
Recommendation 3.4			
1. Board establishes a separate Board Risk Oversight Committee (BROC) that should be responsible for the oversight of a company's Enterprise Risk Management system to ensure its functionality and effectiveness.	Compliant	Please see the charter of Risk Oversight Committee at www.pt.com.ph and Section 2.3 of PT&T's Manual on Corporate Governance.	

2. BROOC is composed of at least three members, the majority of whom should be independent directors, including the Chairman.	Compliant	Please see the composition of the Risk Oversight Committee at www.ptt.com.ph .	
3. The Chairman of the BROOC is not the Chairman of the Board or of any other committee.	Compliant	The company will elect an additional Independent Director and will be reorganizing the BROOC in the next organizational meeting of the Board of Directors.	
4. At least one member of the BROOC has relevant thorough knowledge and experience on risk and risk management.	Compliant	The President and Chief Executive Officer of PT&T has sufficient experience in information technology equipping him with knowledge and experience in expecting and managing various risks that might affect the operations and business of PT&T. Please see his profile at www.ptt.com.ph .	
Recommendation 3.5			
1. Board establishes a Related Party Transactions (RPT) Committee, which is tasked with reviewing all material related party transactions of the company.	Compliant	Please see the charter of Related Party Transactions Committee at www.ptt.com.ph .	
2. RPT Committee is composed of at least three non-executive directors, two of whom should be independent, including the Chairman.	Compliant	The company will elect an additional Independent Director and will be reorganizing the RPT Committee in the next organizational meeting of the Board of Directors.	
Recommendation 3.6			

1. All established committees have a Committee Charter stating in plain terms their respective purposes, memberships, structures, operations, reporting process, resources and other relevant information.	Compliant	Please see the charters of the Board Committees at www.ptt.com.ph .
2. Committee Charters provide standards for evaluating the performance of the Committees.	Compliant	-same-
3. Committee Charters were fully disclosed on the company's website.	Compliant	-same-

Principle 4: To show full commitment to the company, the directors should devote the time and attention necessary to properly and effectively perform their duties and responsibilities, including sufficient time to be familiar with the corporation's business.

Recommendation 4.1

1. The Directors attend and actively participate in all meetings of the Board, Committees and shareholders in person or through tele-Videoconferencing conducted in accordance with the rules and regulations of the Commission.	Compliant	Please refer to attached Attendance to Board Meetings from January to December 2019.
2. The directors review meeting materials for all Board and Committee meetings.	Compliant	Board meeting materials are sent to the Directors via email at least five business days before the scheduled meetings.
3. The directors ask the necessary questions or seek clarifications and explanations during the Board and Committee meetings.	Compliant	The current members of the Board of Directors actively participate in the discussion during meetings and even require management and officers to submit reports relevant to the discussion to determine the course of action that the company will take.

Recommendation 4.2

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.	Compliant	Non-Executive Directors are not connected to more than five (5) publicly listed companies.
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Recommendation 4.3

1. The directors notify the company's board before accepting a directorship in another company.	Compliant	The company has an existing policy about this to avoid possible conflict of interest.
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Optional: Principle 4

1. Company does not have any executive directors who serve in more than two boards of listed companies outside of the group.	Compliant	None of the Executive Directors serves as directors of listed companies outside the group.
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2. Company schedules board of directors' meetings before the start of the financial year.	Compliant	The Board of Directors have agreed to schedule the monthly meetings in advance.
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3. Board of directors meet at least six times during the year.	Compliant	The Amended By-laws of PT&T mandates that Board of Directors shall meet at least once every month. This is currently being implemented to ensure that Board of Directors are updated on the affairs of the company.
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4. Company requires as minimum quorum of at least 2/3 for board decisions.	Compliant	
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Principle 5: The board should endeavor to exercise an objective and independent judgment on all corporate affairs

Recommendation 5.1

<p>1. The Board has at least 3 independent directors or such number as to constitute one-third of the board, whichever is higher.</p>	<p>Compliant</p>	<p>PT&T has three (3) Independent Directors which constitutes 1/3 of the total seven (7) Directors. The company will increase the number of Directors from seven (7) to nine (9). The company will also be increasing the number of Independent Directors from three (3) to four (4) which will constitute more than 1/3 of the total membership of the Board of Directors.</p>	
<p>Recommendation 5.2</p>			
<p>1. The independent directors possess all the qualifications and none of the disqualifications to hold the positions.</p>	<p>Compliant</p>	<p>Please see profiles of the Independent Directors at www.ptt.com.ph.</p>	
<p>Supplement to Recommendation 5.2</p>			
<p>1. Company has no shareholder agreements, by-laws provisions, or other arrangements that constrain the directors' ability to vote independently.</p>	<p>Compliant</p>		
<p>Recommendation 5.3</p>			
<p>1. The independent directors serve for a cumulative term of nine years (reckoned from 2012).</p>	<p>Compliant</p>	<p>The two (2) Independent Directors were first elected last 30 July 2018 while the third Independent Director was first elected last 28 June 2019.</p>	
<p>2. The company bars an independent director from serving in such capacity after the term limit of nine years.</p>	<p>Compliant</p>	<p>Article 2.1.5 of PT&T's Manual on Corporate Governance provides that the Independent Directors can serve for a maximum cumulative term of nine (9) after which, they are perpetually barred from re-election as Independent Directors of PT&T.</p>	

3. In the instance that the company retains an independent director in the same capacity after nine years, the board provides meritorious justification and seeks shareholders' approval during the annual shareholders' meeting.	Compliant	Please see information given above.	
Recommendation 5.4			
1. The positions of Chairman of the Board and Chief Executive Officer are held by separate individuals.	Compliant	Salvador B. Zamora II – Chairman of the Board James G. Velasquez – President & Chief Executive Officer	
2. The Chairman of the Board and Chief Executive Officer have clearly defined responsibilities.	Compliant	Please see Articles 3.2.1 and 3.2.3 of PT&T's Manual on Corporate Governance and PT&T's amended By-Laws.	
Recommendation 5.5			
1. If the Chairman of the Board is not an independent director, the board designates a lead director among the independent directors.	Compliant	Article 2.1.5 of PT&T's Manual on Corporate Governance mandates the designation of lead Independent Director. However, the Board of Directors has yet to designate a lead Independent Director. The current Chairman is not an Independent Director.	
Recommendation 5.6			
1. Directors with material interest in a transaction affecting the corporation abstain from taking part in the deliberations on the transaction.	Compliant	Please see the policy of PT&T on Related Party Transactions, charter of Related Party Transactions Committee, and policy on Conflicts of Interest at www.ptt.com.ph , the attached PT&T's Policy on Material Related Party Transactions, and Articles 2.1.8 and 7 of PT&T's Manual on Corporate Governance.	
Recommendation 5.7			

1. The non-executive directors (NEDs) have separate periodic meetings with the external auditor and heads of the internal audit, compliance and risk functions, without any executive present.	Compliant		
2. The meetings are chaired by the lead independent director.	Compliant		
Optional: Principle 5			
1. None of the directors is a former CEO of the company in the past 2 years.	Compliant	The former CEOs of PT&T for the last two (2) years are Benjamin M. Bitanga and Jose Luis Santiago.	
Principle 6: The best measure of the Board's effectiveness is through an assessment process. The Board should regularly carry out evaluations to appraise its performance as a body, and assess whether it possesses the right mix of backgrounds and competencies.			
Recommendation 6.1			
1. Board conducts an annual self-assessment of its performance as a whole.	Compliant	This is mandated under Article 2.1.9 of PT&T's Manual of Corporate Governance.	
2. The Chairman conducts a self-assessment of his performance.	Compliant	-same-	
3. The individual members conduct a self-assessment of their performance.	Compliant	-same-	
4. Each committee conducts a self-assessment of its performance.	Compliant	-same-	
5. Every three years, the assessments are supported by an external facilitator.	Compliant	-same-	
6.			
Recommendation 6.2			
1. Board has in place a system that provides, at the minimum, criteria and process to determine the performance of the Board, individual directors and committees.	Compliant	-same-	

2. The system allows for a feedback mechanism from the shareholders.	Compliant	The company has an Investor Relations Manager capable of addressing concerns and receiving feedbacks from shareholders. The Investor Relations Manager email address is: investors@ptt.com.ph .	
Principle 7: Members of the Board are duty-bound to apply high ethical standards, taking into account the interests of all stakeholders.			
Recommendation 7.1			
1. Board adopts a Code of Business Conduct and Ethics, which provide standards for professional and ethical behavior, as well as articulate acceptable and unacceptable conduct and practices in internal and external dealings of the company.	Compliant	The Board of Directors adopted a Code of Business Conduct and Ethics. Please see www.ppt.com.ph .	
2. The Code is properly disseminated to the Board, senior management and employees.	Compliant	The Code of Business Conduct and Ethics is posted in the company's website which can be accessed by the members of the Board of Directors, senior management and the public.	
3. The Code is disclosed and made available to the public through the company website.	Compliant	-same-	
Supplement to Recommendation 7.1			
1. Company has clear and stringent policies and procedures on curbing and penalizing company involvement in offering, paying and receiving bribes.	Compliant	-same-	
Recommendation 7.2			
1. Board ensures the proper and efficient implementation and monitoring of compliance with the Code of Business Conduct and Ethics.	Compliant	Violations of the Code of Business Conduct and Ethics constitutes an administrative offense which is punishable under the company's existing policies and the application of the general provisions of the Labor Code.	

2. Board ensures the proper and efficient implementation and monitoring of compliance with company internal policies.

Compliant

-same-

Disclosure and Transparency

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

Recommendation 8.1

1. Board establishes corporate disclosure policies and procedures to ensure a comprehensive, accurate, reliable and timely report to shareholders and other stakeholders that gives a fair and complete picture of a company's financial condition, results and business operations.

Compliant

PT&T discloses with the Philippine Stock Exchange all material transactions it entered into including the relevant and material decisions of the Board of Directors.

Please see www.edge.pse.com.ph

Supplement to Recommendations 8.1

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.

Compliant

PT&T's Audited Financial Statements for the year ending 31 December 2019 and the latest quarterly report for the period ending 31 March 2020 can be viewed in www.ppt.com.ph.

2. Company discloses in its annual report the principal risks associated with the identity of the company's controlling shareholders; the degree of ownership concentration; cross-holdings among company affiliates; and any imbalances between the controlling shareholders' voting power and overall equity position in the company.

Compliant

Recommendation 8.2

1. Company has a policy requiring all directors to disclose/report to the company any dealings in the company's shares within three business days.

Compliant

The company will strictly comply with the rules imposed by the Philippine Stock Exchange on the disclosure of transactions involving directors and officers.

2. Company has a policy requiring all officers to disclose/report to the company any dealings in the company's shares within three business days.	Compliant	-same-	
Supplement to Recommendation 8.2			
1. Company discloses the trading of the corporation's shares by directors, officers (or persons performing similar functions) and controlling shareholders. This includes the disclosure of the company's purchase of its shares from the market (e.g. share buy-back program).	Compliant	The trading of the company's shares is currently suspended but since the transactions contemplated herein are material, they will be disclosed with the Philippine Stock Exchange. As such, the public and the shareholders will be able to know the details of these transactions.	
Recommendation 8.3			
1. Board fully discloses all relevant and material information on individual board members to evaluate their experience and qualifications and assess any potential conflicts of interest that might affect their judgment.	Compliant	The profiles and qualifications of the members of the Board of Directors and senior management of PT&T are posted at www.ptt.com.ph .	
2. Board fully discloses all relevant and material information on key executives to evaluate their experience and qualifications and assess any potential conflicts of interest that might affect their judgment.	Compliant	-same-	
Recommendation 8.4			
1. Company provides a clear disclosure of its policies and procedure for setting Board remuneration, including the level and mix of the same.	Compliant	Please see the charter of Compensation and Remuneration Committee at www.ptt.com.ph . In addition, PT&T will disclose the remuneration of the directors and senior management as a whole in the Definitive Information Statement to be released to the shareholders prior to the Annual Stockholders' Meeting.	

2. Company provides a clear disclosure of its policies and procedure for setting executive remuneration, including the level and mix of the same.	Compliant	-same-	
3. Company discloses the remuneration on an individual basis, including termination and retirement provisions.	Compliant	-same-	
Recommendation 8.5			
1. Company discloses its policies governing Related Party Transactions (RPTs) and other unusual or infrequently occurring transactions in their Manual on Corporate Governance.	Compliant	Please see the charter of Related Party Transactions Committee and Related Party Transactions Policy at www.ptt.com.ph . Likewise relevant is the attached Material Related Party Transactions Policy.	
2. Company discloses material or significant RPTs reviewed and approved during the year.	Compliant	-same-	
Supplement to Recommendation 8.5			
1. Company requires directors to disclose their interests in transactions or any other conflict of interests.	Compliant	-same-	
Optional : Recommendation 8.5			
1. Company discloses that RPTs are conducted in such a way to ensure that they are fair and at arms' length.	Compliant	-same-	
Recommendation 8.6			
1. Company makes a full, fair, accurate and timely disclosure to the public of every material fact or event that occur, particularly on the acquisition or disposal of significant assets, which could adversely affect the viability or the interest of its shareholders and other stakeholders.	Compliant	The company regularly and accurately discloses material facts and events which can be viewed at www.edge.pse.com.ph .	

2. Board appoints an independent party to evaluate the fairness of the transaction price on the acquisition or disposal of assets.	Compliant	Please see the charter of Related Party Transactions Committee and Related Party Transactions Policy at www.ptt.com.ph . Likewise relevant is the attached Material Related Party Transactions Policy.	
Supplement to Recommendation 8.6			
1. Company discloses the existence, justification and details on shareholder agreements, voting trust agreements, confidentiality agreements, and such other agreements that may impact on the control, ownership, and strategic direction of the company.	Compliant	The company will strictly comply with the rules imposed by the Philippine Stock Exchange involving the said transactions.	
Recommendation 8.7			
1. Company's corporate governance policies, programs and procedures are contained in its Manual on Corporate Governance (MCG).	Compliant	Please see PT&T's Manual on Corporate Governance at www.ptt.com.ph .	
2. Company's MCG is submitted to the SEC and PSE.	Compliant	-same-	
3. Company's MCG is posted on its company website.	Compliant	-same-	
Supplement to Recommendation 8.7			
1. Company submits to the SEC and PSE an updated MCG to disclose any changes in its corporate governance practices.	Compliant	PT&T will adopt this recommendation but no changes were made on the current MCG hence, there is nothing to disclose and declare at this point.	
Optional: Principle 8			
1. Does the company's Annual Report disclose the following information:			

a. Corporate Objectives	Compliant	Please see PT&T's Annual Report (17-A) posted at www.ptt.com.ph	
b. Financial performance indicators	Compliant	-same-	

c. Non-financial performance indicators	Compliant	-same-	
d. Dividend Policy	Compliant	-same-	
e. Biographical details (at least age, academic qualifications, date of first appointment, relevant experience, and other directorships in listed companies) of all directors	Compliant	-same-	
f. Attendance details of each director in all directors meetings held during the year	Compliant	The attendance report of each Director in all meetings are submitted to the SEC every January and is likewise attached to the Integrated Annual Corporate Governance Report.	
g. Total remuneration of each member of the board of directors	Compliant	Please see PT&T's Annual Report (17-A) posted at www.ptt.com.ph	
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		
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		
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		
5. The company discloses in the Annual Report the key risks to which the company is materially exposed to (i.e. financial, operational including IT, environmental, social, economic).	Compliant		

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

Recommendation 9.1			
1. Audit Committee has a robust process for approving and recommending the appointment, reappointment, removal, and fees of the external auditors.	Compliant	Please see charter of the Audit Committee and Article 2.2.3 of PT&T's Manual on Corporate Governance mandating the creation of the Audit Committee and its functions and responsibilities which are posted at www.ptt.com.ph .	
2. The appointment, reappointment, removal, and fees of the external auditor is recommended by the Audit Committee, approved by the Board and ratified by the shareholders.	Compliant	-same-	
3. For removal or change are disclosed to the regulators and the public through the company website and required disclosures.	Compliant	There is no change or removal of external auditor. Alas Oplas & Co., CPAs is the external auditor of PT&T for the years ending 31 December 2018 and 31 December 2019.	
Supplement to Recommendation 9.1			
1. Company has a policy of rotating the lead audit partner every five years.	Compliant		
Recommendation 9.2			
1. Audit Committee Charter includes the Audit Committee's responsibility on: <ul style="list-style-type: none"> i. assessing the integrity and independence of external auditors; ii. exercising effective oversight to review and monitor the external auditor's independence and objectivity; and iii. exercising effective oversight to review and monitor the effectiveness of the audit process, taking into consideration relevant Philippine professional and regulatory requirements. 	Compliant	Please see charter of the Audit Committee and Article 2.2.3 of PT&T's Manual on Corporate Governance which are posted at www.ptt.com.ph .	

2. Audit Committee Charter contains the Committee's responsibility on reviewing and monitoring the external auditor's suitability and effectiveness on an annual basis.	Compliant	-same-	
Supplement to Recommendations 9.2			
1. Audit Committee ensures that the external auditor is credible, competent and has the ability to understand complex related party transactions, its counterparties, and valuations of such transactions.	Compliant	-same-	
2. Audit Committee ensures that the external auditor has adequate quality control procedures.	Compliant	-same-	
Recommendation 9.3			
1. Company discloses the nature of non-audit services performed by its external auditor in the Annual Report to deal with the potential conflict of interest.	Compliant	-same-	
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	-same-	
Supplement to Recommendation 9.3			
1. Fees paid for non-audit services do not outweigh the fees paid for audit services.	Compliant	The Company paid P 1,990,000.00 for audit fees for the six-month period ending on 31 December 2018 and for the year 31 December 2019.	
Additional Recommendation to Principle 9			

<p>1. Company's external auditor is duly accredited by the SEC under Group A category.</p>		<p>Provide information on company's external auditor, such as:</p> <ol style="list-style-type: none"> 1. Name of the audit engagement partner: Gadosa R. Martinez 2. Accreditation number: 1766-A 3. Date Accredited: 27 August 2019 4. Expiry date of accreditation: 26 August 2022 5. Name, address, contact number of the audit firm: Alas Oplas and Co., CPAs, 25F Philippine Axa Life Centre, 1286 Sen. Gil Puyat Avenue, Makati City, (02) 7759-5090 	
<p>2. Company's external auditor agreed to be subjected to the SEC Oversight Assurance Review (SOAR) Inspection Program conducted by the SEC's Office of the General Accountant (OGA).</p>		<p>While the company's external auditor, Alas Oplas & Co., CPAs, agreed to be subjected to SOAR, the SEC has yet to conduct the SOAR on the company's external auditor. Hence, no information can be provided regarding this matter.</p>	
<p>Principle 10: The company should ensure that the material and reportable non-financial and sustainability issues are disclosed.</p>			
<p>Recommendation 10.1</p>			
<p>1. Board has a clear and focused policy on the disclosure of non-financial information, with emphasis on the management of economic, environmental, social and governance (EESG) issues of its business, which underpin sustainability.</p>	<p>Compliant</p>	<p>Please see PT&T's Sustainability Report posted at www.pt.com.ph.</p>	
<p>2. Company adopts a globally recognized standard/framework in reporting sustainability and non-financial issues.</p>	<p>Compliant</p>	<p>-same-</p>	
<p>Principle 11: The company should maintain a comprehensive and cost-efficient communication channel for disseminating relevant information. This channel is crucial for informed decision-making by investors, stakeholders and other interested users.</p>			

Recommendation 11.1			
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.	Compliant	The company uses media briefings and press conferences to communicate relevant updates and information to the public. However, the disclosures and submissions made with the SEC and PSE are the primary means by which the company disseminates information to the public and stakeholders.	
Supplemental to Principle 11			
1. Company has a website disclosing up-to-date information on the following:			
a. Financial statements/reports (latest quarterly)	Compliant	Please see www.ptt.com.ph	
b. Materials provided in briefings to analysts and media	Compliant	Please see www.ptt.com.ph on the latest news and presentations involving the company.	
c. Downloadable annual report	Compliant	Please see www.ptt.com.ph	
d. Notice of ASM and/or SSM	Compliant	The Notice of Stockholders' Meeting and the Definitive Information Statement for the Annual Stockholders' Meeting last 28 June 2019 can be viewed and downloaded in www.ptt.com.ph .	
e. Minutes of ASM and/or SSM	Compliant	Please see www.ptt.com.ph	
f. Company's Articles of Incorporation and By-Laws	Compliant	Please see www.ptt.com.ph	
Additional Recommendation to Principle 11			
1. Company complies with SEC-prescribed website template.	Compliant	Please see www.ptt.com.ph .	
Internal Control System and Risk Management Framework			

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

Recommendation 12.1

1. Company has an adequate and effective internal control system in the conduct of its business.	Compliant	Please see the charters of the Board Committees, the Policies, Code of Business Conduct and Ethics, Manual on Corporate Governance which are posted in the company's website at www.pt.com.ph .	
2. Company has an adequate and effective enterprise risk management framework in the conduct of its business.	Compliant	Likewise relevant, is PT&T's Policy on Material Related Party Transaction. -same-	

Supplement to Recommendations 12.1

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	This will be implemented upon the appointment of the Compliance Officer.	
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Optional: Recommendation 12.1

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	PT&T has an internal policy on how to address the said contingencies especially those affecting its broadband and IT clients. In addition, PT&T is in the process of completing a Business Continuity Plan which will provide a more comprehensive response to the said contingencies.	
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Recommendation 12.2

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		
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Recommendation 12.3			
1. Company has a qualified Chief Audit Executive (CAE) appointed by the Board.	Compliant	The company has an existing audit executive.	
2. CAE oversees and is responsible for the internal audit activity of the organization, including that portion that is outsourced to a third party service provider.	Compliant		
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		
Recommendation 12.4			
1. Company has a separate risk management function to identify, assess and monitor key risk exposures.	Compliant	Please see charter of Risk Oversight Committee at www.ptt.com.ph .	
Supplement to Recommendation 12.4			
1. Company seeks external technical support in risk management when such competence is not available internally.	Compliant	Please see charter of Risk Oversight Committee at www.ptt.com.ph .	
Recommendation 12.5			
1. In managing the company's Risk Management System, the company has a Chief Risk Officer (CRO), who is the ultimate champion of Enterprise Risk Management (ERM).	Compliant	The company has an existing risk officer.	
2. CRO has adequate authority, stature, resources and support to fulfill his/her responsibilities.	Compliant		
Additional Recommendation to Principle 12			

1. Company's Chief Executive Officer and Chief Audit Executive attest in writing, at least annually, that a sound internal audit, control and compliance system is in place and working effectively.	Compliant	This is shown in the Statement of Management Responsibility in the company's Audited Financial Statements which can be downloaded at www.ptt.com.ph .	
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Cultivating a Synergic Relationship with Shareholders

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

Recommendation 13.1

1. Board ensures that basic shareholder rights are disclosed in the Manual on Corporate Governance.	Compliant	Please see www.ptt.com.ph .	
2. Board ensures that basic shareholder rights are disclosed on the company's website.	Compliant	The company's Manual on Corporate Governance can be downloaded at www.ptt.com.ph .	

Supplement to Recommendation 13.1

1. Company's common share has one vote for one share.	Compliant	Please see PT&T's Amended By-Laws which can be downloaded at www.ptt.com.ph .	
2. Board ensures that all shareholders of the same class are treated equally with respect to voting rights, subscription rights and transfer rights.	Compliant	Please see Article 6 of the company's Manual on Corporate Governance and Amended By-Laws which can be downloaded at www.ptt.com.ph .	
3. Board has an effective, secure, and efficient voting system.	Compliant	-same-	
4. Board has an effective shareholder voting mechanisms such as supermajority or "majority of minority" requirements to protect minority shareholders against actions of controlling shareholders.	Compliant	The company will abide with all the voting requirements under the law which are intended to protect the interest of the minority shareholders.	

5. Board allows shareholders to call a special shareholders' meeting and submit a proposal for consideration or agenda item at the AGM or special meeting.	Compliant	This right is expressly granted to shareholders under Article II of the company's Amended By-Laws which can be downloaded at www.ptt.com.ph .	
6. Board clearly articulates and enforces policies with respect to treatment of minority shareholders.	Compliant	The rights of shareholders under the company's Manual on Corporate Governance, Amended Articles of Incorporation, Amended By-Laws and Revised Corporation Code are expressly recognized by the Board of Directors and such provisions adequately protects the minority shareholders.	
7. Company has a transparent and specific dividend policy.	Compliant	The company will be strictly complying with the legal requirements in declaring dividends.	
Optional: Recommendation 13.1			
1. Company appoints an independent party to count and/or validate the votes at the Annual Shareholders' Meeting.	Compliant	The company's stock transfer agent will be assisting the company in the counting and validating of votes.	
Recommendation 13.2			
1. Board encourages active shareholder participation by sending the Notice of Annual and Special Shareholders' Meeting with sufficient and relevant information at least 28 days before the meeting.	Compliant		
Supplemental to Recommendation 13.2			
1. Company's Notice of Annual Stockholders' Meeting contains the following information:			
a. The profiles of directors (i.e., age, academic qualifications, date of first appointment, experience, and directorships in other listed companies)	Compliant	Please see Notice of Stockholders' Meeting and Definitive Information Statement for the 28 June 2019 Annual Stockholders' Meeting which can be downloaded at www.ptt.com.ph .	

b. Auditors seeking appointment/re-appointment	Compliant	-same-	
c. Proxy documents	N/A		The company did not solicit proxy during the last stockholders meeting held on 28 June 2019.
Optional: Recommendation 13.2			
1. Company provides rationale for the agenda items for the annual stockholders meeting	Compliant	Please see Definitive Information Statement which can be downloaded at www.pt.com.ph .	
Recommendation 13.3			
1. Board encourages active shareholder participation by making the result of the votes taken during the most recent Annual or Special Shareholders' Meeting publicly available the next working day.	Compliant		
2. Minutes of the Annual and Special Shareholders' Meetings were available on the company website within five business days from the end of the meeting.	Compliant		
Supplement to Recommendation 13.3			
1. Board ensures the attendance of the external auditor and other relevant individuals to answer shareholders questions during the ASM and SSM.	Compliant	Please see Definitive Information Statement which can be downloaded at www.pt.com.ph which expressly states that representatives of the external auditor will be attending stockholders meeting and are willing to answer questions if needed.	
Recommendation 13.4			
1. Board makes available, at the option of a shareholder, an alternative dispute mechanism to resolve intra-corporate disputes in an amicable and effective manner.	Compliant		

2. The alternative dispute mechanism is included in the company's Manual on Corporate Governance.	Compliant	This has been incorporated in the latest Manual on Corporate Governance which will be approved in the next organizational meeting of the Board of Directors.	
Recommendation 13.5			
1. Board establishes an Investor Relations Office (IRO) to ensure constant engagement with its shareholders.	Compliant		The Company employed an Investors Relations Manager who can be reached at investrs@ptt.com.ph .
2. IRO is present at every shareholder's meeting.	Compliant	The company will require the presence of the Investor Relations Manager at every stockholders' meeting.	
Supplemental Recommendations to Principle 13			
1. Board avoids anti-takeover measures or similar devices that may entrench ineffective management or the existing controlling shareholder group	Compliant		
2. Company has at least thirty percent (30%) public float to increase liquidity in the market.	Non-compliant		The company's public float is 16%.
Optional: Principle 13			
1. Company has policies and practices to encourage shareholders to engage with the company beyond the Annual Stockholders' Meeting	Compliant	The shareholders are encouraged to reach out to the company's Investor Relations Manager at investrs@ptt.com.ph .	
2. Company practices secure electronic voting in absentia at the Annual Shareholders' Meeting.	Compliant	The company will be conducting its first Annual Stockholders' Meeting allowing electronic voting. The company will ensure the security of the electronic voting and will comply the requirements of the SEC.	
Principle 14: The rights of stakeholders established by law, by contractual relations and through voluntary commitments must be respected. Where stakeholders' rights and/or interests are at stake, stakeholders should have the opportunity to obtain prompt effective redress for the violation of their rights.			
Recommendation 14.1			

1. Board identifies the company's various stakeholders and promotes cooperation between them and the company in creating wealth, growth and sustainability.	Compliant		
1. Board establishes clear policies and programs to provide a mechanism on the fair treatment and protection of stakeholders.	Compliant		The Board of Directors will consider the adopting a policy on this as part of the company's corporate governance.
Recommendation 14.3			
1. Board adopts a transparent framework and process that allow stakeholders to communicate with the company and to obtain redress for the violation of their rights.	Compliant	The rights of shareholders under the company's Manual on Corporate Governance, Amended Articles of Incorporation, Amended By-Laws and Revised Corporation Code are expressly recognized by the Board of Directors and such provisions adequately protects the minority shareholders.	
Supplement to Recommendation 14.3			
1. Company establishes an alternative dispute resolution system so that conflicts and differences with key stakeholders is settled in a fair and expeditious manner.	Compliant	Art 6.1.7 of the company's Manual on Corporate Governance expressly recognize Alternative Dispute Mechanism as a mean of settling intra-corporate disputes.	
Additional Recommendations to Principle 14			
1. Company does not seek any exemption from the application of a law, rule or regulation especially when it refers to a corporate governance issue. If an exemption was sought, the company discloses the reason for such action, as well as presents the specific steps being taken to finally comply with the applicable law, rule or regulation.	Compliant	The company complies with all regulatory and reportorial requirements of all government regulatory agencies.	

2. Company respects intellectual property rights.	Compliant	The company only deals with authorized resellers and distributors of various software and other equipment. It is the policy of the company not to secure products and services from unauthorized individuals for the same amounts to violation of various aspects of intellectual property rights.	
1. Company discloses its policies and practices that address customers' welfare	Compliant	By the nature of its business, the concerns and complaints of customers are being handled by the Customer Support Department.	
2. Company discloses its policies and practices that address supplier/contractor selection procedures	Compliant	Please see the company's Sustainability Report.	
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	Article 3.3 of the company's Manual on Corporate Governance expressly recognizes Employees' Participation. In addition, the company regularly holds town hall meetings wherein employees could actively participate in discussion over significant corporate matters with the executive officers of the company.	
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	The company has formulated and implemented a Board of Directors approved KPIs for all employees. The performance of the employees will be evaluated based on the compliance on the KPIs.	

2.	Company has policies and practices on health, safety and welfare of its employees.	Compliant	Please see www.ptt.com.ph on the various policies of the company.	
3.	Company has policies and practices on training and development of its employees.	Compliant	-same-	
Recommendation 15.2				
1.	Board sets the tone and makes a stand against corrupt practices by adopting an anti-corruption policy and program in its Code of Conduct.	Compliant	Please see www.ptt.com.ph on the various policies of the company.	
2.	Board disseminates the policy and program to employees across the organization through trainings to embed them in the company's culture.	Compliant	The company's People and Culture Office regularly provides trainings and seminars intended to improve skills of employees performing different functions in the company.	
Supplement to Recommendation 15.2				
1.	Company has clear and stringent policies and procedures on curbing and penalizing employee involvement in offering, paying and receiving bribes.	Compliant	PT&T's personnel handbook which provides sanctions for various offenses is strictly implemented by the company.	
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	Please see www.ptt.com.ph on the various policies of the company.	
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	Please see www.ptt.com.ph on the various policies of the company.	
3.	Board supervises and ensures the enforcement of the whistleblowing framework.	Compliant	Please see www.ptt.com.ph on the various policies of the company.	
Principle 16: The company should be socially responsible in all its dealings with the communities where it operates. It should ensure that its interactions serve its environment and stakeholders in a positive and progressive manner that is fully supportive of its comprehensive and balanced development.				
Recommendation 16.1				


<p>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.</p>	<p>Compliant</p>	<p>Article 3.4 of PT&T's Manual on Corporate Governance specifically provides for this policy. The Board of Directors will be providing the details in the implementation of the policy.</p>	
<p>Optional: Principle 16</p>			
<p>1. Company ensures that its value chain is environmentally friendly or is consistent with promoting sustainable development</p>	<p>Compliant</p>	<p>Please see PT&T's Sustainability Report at www.ptt.com.ph.</p>	
<p>2. Company exerts effort to interact positively with the communities in which it operates</p>	<p>Compliant</p>	<p>-same-</p>	

This Integrated Annual Corporate Governance Report is signed on behalf of the corporation this _____ in Makati City, Philippines.



SALVADOR B. ZAMORA II
Chairman
TIN 132-183-735



JAMES G. VELASQUEZ
President & Chief Executive Officer
TIN 129-457-848


MIGUEL MARCO A. BITANGA
Chief Operating Officer & Treasurer
TIN 227-219-445


SALVADOR T. ZAMORA III
Director
TIN 241-100-460


SERAFIN C. LEDESMA JR.
Independent Director
TIN 127-656-142


ROBERTO B. ORTIZ
Independent Director
TIN 112-071-821


BINVENIDO S. SANTOS
Independent Director
TIN 138-111-331


ATTY. KENNETH JOEY H. MACEREREN
Corporate Secretary
TIN 259-461-439

SUBSCRIBED AND SWORN to before me this _____ Identification Numbers indicated below their signatures.

SEP 01 2020

at Makati City, affiants exhibiting to me their Tax

Doc. No. 134;
Page No. 28;
Book No. 645;
Series of 2020


RENALDO M. LEE
Appr. No. M-75/Unfil 31 Dec. 2020
RP No. 104801; 01-09-2020; Makati
PTR No. 6440685; 01/09/2020, Pasig
Roll No. 32578
MCLE No. VI-0018298; 02/05/2019
6F, SCC Bldg., 106 C, Palanca St.,
Legaspi Village, Makati City

Philippine Corporate Enhancement & Governance, Inc.
 6th Flr. Angelus Plaza, 104 V.A. Rufino St., Legaspi Village
 Makati City, Philippines
 Tel No. 957-9990 – Cellphone No. 0917-877-3156
 Email: phil.CEGI@yahoo.com

CERTIFICATE OF ATTENDANCE

This is to certify that

Director
(Designation)

of

SALVADOR B. ZAMORA II
(Name of Participant)
Philippine Telegraph and Telephone Corporation
(Name of Company)

has attended the

CORPORATE GOVERNANCE SEMINAR
(Title of Seminar)

held at Dusit Thani Hotel, Ayala Center, Makati City, Philippines, on August 15, 2019, with the following particulars:

	TOPICS	SPEAKERS
01:00 - 03:00	IT GOVERNANCE AND DIGITAL SECURITY RISK MANAGEMENT IN CORPORATE GOVERNANCE 1. <i>Digital Security Risk Management in Corporate Governance;</i> 2. <i>Information Technology (IT) Governance and the Role of the Board of Directors;</i> 3. <i>Corporate Cases Involving Digital Security Risks;</i> 4. <i>What Regulators Do in the Face of Cyber Threats.</i>	MRS. CATHERINE N. SAPLALA <i>Former Director Investments & Research Dept. Securities and Exchange Commission (SEC)</i> <i>BAPA, MBA, MA Research Communications</i>
03:15 - 05:30	RISK AND GOVERNANCE 1. <i>Overview on Risk Management;</i> 2. <i>Risk Assessment Framework;</i> 3. <i>Developing a Risk Strategy;</i> 4. <i>Board Directors and Risk Management;</i> 5. <i>Ethical Dimension of Risk Management</i>	MRS. MERCEDES B. SULEIK <i>Former Deputy Director, Bangko Sentral ng Pilipinas (BSP)</i> <i>Former Vice-President, DBP</i> <i>B.S.C., C.P.A., M. A. Economics, Ph.D. (cand.)</i> <i>Fellow, Institute of Corporate Directors (FICD)</i>

Given this 15th day of August, 2019, at Makati City, Philippines


ATTY. FIDEL V. ESQUIERES
 President

Philippine Corporate Enhancement & Governance, Inc.
 6th Flr. Angelus Plaza, 104 V.A. Rufino St., Legaspi Village
 Makati City, Philippines
 Tel No. 957-9990 – Cellphone No. 0917-877-3156
 Email: phil.CEGI@yahoo.com

CERTIFICATE OF ATTENDANCE

This is to certify that

Director and President
(Designation)

of

JAMES G. VELASQUEZ
(Name of Participant)
Philippine Telegraph and Telephone Corporation
(Name of Company)

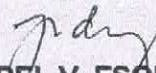
has attended the

CORPORATE GOVERNANCE SEMINAR
(Title of Seminar)

held at Dusit Thani Hotel, Ayala Center, Makati City, Philippines, on August 15, 2019, with the following particulars:

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Given this 15th day of August, 2019, at Makati City, Philippines


ATTY. FIDEL V. ESQUIERES
 President

Philippine Corporate Enhancement & Governance, Inc.

6th Flr. Angelus Plaza, 104 V.A. Rufino St., Legaspi Village

Makati City, Philippines

Tel No. 957-9990 – Cellphone No. 0917-877-3156

Email: phil.CEGI@yahoo.com

CERTIFICATE OF ATTENDANCE

This is to certify that

MIGUEL MARCO A. BITANGA

(Name of Participant)

**Director, Chief Operating
Officer and Treasurer**

of

Philippine Telegraph And Telephone Corporation

(Name of Company)

(Designation)

has attended the

CORPORATE GOVERNANCE SEMINAR

(Title of Seminar)

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Given this 15th day of August, 2019, at Makati City, Philippines


ATTY. FIDEL V. ESQUIERES

President

Philippine Corporate Enhancement & Governance, Inc.
 6th Flr. Angelus Plaza, 104 V.A. Rufino St., Legaspi Village
 Makati City, Philippines
 Tel No. 957-9990 – Cellphone No. 0917-877-3156
 Email: phil.CEGI@yahoo.com

CERTIFICATE OF ATTENDANCE

This is to certify that

Director
(Designation)

of

SALVADOR T. ZAMORA III
(Name of Participant)
Philippine Telegraph and Telephone Corporation
(Name of Company)

has attended the

CORPORATE GOVERNANCE SEMINAR
(Title of Seminar)

held at Dusit Thani Hotel, Ayala Center, Makati City, Philippines, on August 15, 2019, with the following particulars:

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Given this 15th day of August, 2019, at Makati City, Philippines


ATTY. FIDEL V. ESQUIERES
 President

Philippine Corporate Enhancement & Governance, Inc.
 6th Flr. Angelus Plaza, 104 V.A. Rufino St., Legaspi Village
 Makati City, Philippines
 Tel No. 957-9990 – Cellphone No. 0917-877-3156
 Email: phil.CEGI@yahoo.com

CERTIFICATE OF ATTENDANCE

This is to certify that

Independent Director
(Designation)

of

ROBERTO B. ORTIZ
(Name of Participant)
Philippine Telegraph and Telephone Corporation
(Name of Company)

has attended the

CORPORATE GOVERNANCE SEMINAR
(Title of Seminar)

held at Dusit Thani Hotel, Ayala Center, Makati City, Philippines, on August 15, 2019, with the following particulars:

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Given this 15th day of August, 2019, at Makati City, Philippines


ATTY. FIDEL V. ESQUIERES
 President

Philippine Corporate Enhancement & Governance, Inc.

6th Flr. Angelus Plaza, 104 V.A. Rufino St., Legaspi Village
Makati City, Philippines

Tel No. 957-9990 – Cellphone No. 0917-877-3156

Email: phil.CEGI@yahoo.com

CERTIFICATE OF ATTENDANCE

This is to certify that

SERAFIN C. LEDESMA, JR.

(Name of Participant)

Independent Director
(Designation)

of

Philippine Telegraph and Telephone Corporation
(Name of Company)

has attended the


CORPORATE GOVERNANCE SEMINAR

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held at Dusit Thani Hotel, Ayala Center, Makati City, Philippines, on August 15, 2019, with the following particulars:

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Given this 15th day of August, 2019, at Makati City, Philippines


ATTY. FIDEL V. ESQUIERES
President

Philippine Corporate Enhancement & Governance, Inc.
 6th Flr. Angelus Plaza, 104 V.A. Rufino St., Legaspi Village
 Makati City, Philippines
 Tel No. 957-9990 – Cellphone No. 0917-877-3156
 Email: phil.CEGI@yahoo.com

CERTIFICATE OF ATTENDANCE

This is to certify that

Independent Director
(Designation)

of

BIENVENIDO S. SANTOS
(Name of Participant)
Philippine Telegraph and Telephone Corporation
(Name of Company)

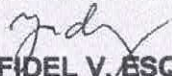
has attended the

CORPORATE GOVERNANCE SEMINAR
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Given this 15th day of August, 2019, at Makati City, Philippines


ATTY. FIDEL V. ESQUIERES
 President

Philippine Corporate Enhancement & Governance, Inc.
 6th Flr. Angelus Plaza, 104 V.A. Rufino St., Legaspi Village
 Makati City, Philippines
 Tel No. 957-9990 – Cellphone No. 0917-877-3156
 Email: phil.CEGI@yahoo.com

CERTIFICATE OF ATTENDANCE

This is to certify that

Corporate Secretary
(Designation)

of

KENNETH JOEY H. MACEREN

(Name of Participant)

Philippine Telegraph and Telephone Corporation
(Name of Company)

has attended the

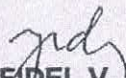
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Given this 15th day of August, 2019, at Makati City, Philippines


ATTY. FIDEL V. ESQUIERES
 President



110282019001888



SECURITIES AND EXCHANGE COMMISSION

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

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Company Information

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Industry Classification
Company Type Stock Corporation

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**PHILIPPINE TELEGRAPH AND TELEPHONE CORPORATION'S
POLICY ON
MATERIAL RELATED PARTY TRANSACTIONS**

Coverage

Philippine Telegraph and Telephone Corporation ("PT&T" or "Company") recognizes that transactions between and among related parties may create financial, commercial and economic benefits to the Company and its stakeholders. In this regard, related party transactions ("RPTs") are generally allowed provided, that when the RPTs amount to ten percent (10%) or higher of the Company's total assets based on its last audited financial statements, it shall be considered a material related party transaction ("Material RPTs") covered by this Material Related Transaction Policy ("Policy").

For purposes of this Policy, a related party includes the Company's directors, officers, substantial shareholders and their spouses and relatives within the fourth civil degree of consanguinity or affinity, legitimate or common-law, if these persons have control, joint control or significant influence over PT&T. It also covers the PT&T's parent, subsidiary, fellow subsidiary, associate, affiliate, joint venture or any entity that is controlled, jointly controlled or significantly influenced or managed by a person who is a related party.

Any transfer of resources, services or obligations between the Company PT&T and a related party, regardless of whether a price is charged shall be deemed an RPT and interpreted broadly to include not only transactions that are entered into with related parties but also outstanding transactions that are entered into with an unrelated party that subsequently becomes a related party. The Management and the Board of Directors shall review and update the Related Party Registry to capture organizational and structural changes in the Company and its related parties quarterly.

Transactions amounting to ten percent (10%) or more of the total assets that were entered into with an unrelated party that subsequently becomes a related party may be excluded from the limits and approval process required in this Policy. However, any alteration to the terms and conditions, or increase in exposure level, related to these transactions after the non-related party becomes a related party shall subject to the requirements of this Policy. The prospective treatment should, however, be without prejudice to regulatory actions that may be enforced for transactions noted to have not been conducted on an arm's length basis.

A. Board of Directors

The Board of Directors shall have the overall responsibility in ensuring that transactions with related parties are handled in a sound and prudent manner, with integrity and in compliance with applicable laws and regulations to protect the interest of the Company's shareholders and other stakeholders.

Towards this end, the board of directors shall carry out the following duties and responsibilities:

1. To institutionalize an overarching policy on the management of Material RPTs to ensure effective compliance with existing laws, rules and regulations at all times and that Material RPTs are conducted on an arm's length basis and that no shareholder or stakeholder is unduly disadvantaged.

2. To approve all Material RPTs that cross the materiality threshold and write-off of material exposures to related parties, as well as any renewal or material changes in the terms and conditions of Material RPTs previously approved.

Material changes in the terms and conditions of the Material RPTs include, but are not limited to, changes in the price, interest rate, maturity date, payment terms, commissions, fees, tenor and collateral requirement of the Material RPTs.

3. To establish an effective audit, risk and compliance system to:

- a. determine, identify and monitor related parties and Material RPTs;
- b. continuously review and evaluate existing relationships between and among businesses and counterparties; and
- c. identify, measure, monitor and control risks arising from Material RPTs.

The system should be able to define the related parties' extent of relationship with the Company, assess situations in which a non-related party (with whom a Company has entered into a transaction) subsequently becomes a related party and vice versa and generate information on the nature and amount of exposures of the Company to a particular related party.

The system shall facilitate submission of accurate reports to supervisors and regulators. The system and the policies shall be subject to periodic assessment by the internal audit and compliance officers and shall be updated regularly for their sound implementation. Any change in the policy and procedure shall be approved by majority of the Board of Directors.

4. To oversee the integrity, independence, and effectiveness of the policies and procedures for whistleblowing. The Board of Directors should ensure that Senior Management addresses legitimate issues on Material RPTs that are raised. The Board of Directors should take responsibility in ensuring that stakeholders who raised concerns are protected from detrimental treatment or reprisals.

Directors and officers with personal interest in the transaction shall fully and timely disclose any and all material facts, including their respective interests in the material RPT and abstain from the discussion, approval and management of such transaction or matter affecting the company. In case they refuse to abstain, their attendance shall not be counted for purposes of assessing the quorum and their votes shall not be counted for purposes of determining majority approval.

B. Senior Management

Senior Management shall implement appropriate controls to effectively manage and monitor material RPTs on a per transaction and aggregate basis. Exposures to related parties shall also be monitored on an ongoing basis to ensure compliance with the company's policy and SEC's regulations.

C. Procedure, Approval and Disclosure

Before the execution of a Material RPT, the Board of Directors shall appoint an external independent party to evaluate the fairness of the terms of the Material RPT. An external independent party may include, but is not limited to, auditing or accounting firms and third-party consultants and appraisers. The independent evaluation of the fairness of the

transparent price ensures the protection of the rights of shareholders and other stakeholders.

The Company may avail of price discovery mechanism including, but not limited to, engaging the services of an external expert, opening the transaction to a bidding process, or publication of available property for sale.

Individual Material RPTs shall be approved by at least two-thirds (2/3) vote of the Board of Directors, with at least a majority of the Independent Directors voting to approve the Material RPT. In case that a majority of the Independent Directors' vote is not secured, the Material RPT may be ratified by a vote of the stockholders representing at least two-thirds (2/3) of the outstanding capital stock. For aggregate Material RPTs within a twelve (12) month period that breaches the materiality threshold of ten percent (10%) of the Company's total assets, the same Board of Directors approval is required for the transaction/s that meets and exceeds the materiality threshold covering the same related party.

Directors with personal interest in the transaction shall abstain from participating in the discussions and voting. In case they refuse to abstain, their attendance shall not be counted for purposes of determining the quorum and their votes shall not be counted for purposes of determining approval.

The internal audit shall conduct a periodic review of the effectiveness of the Company's system and internal controls governing Material RPTs to assess consistency with the Board of Directors approved policies and procedures. The resulting audit reports, including exceptions or breaches in limits shall be communicated directly to the Audit Committee.

The Company's Compliance Officer shall ensure that the Company complies with relevant rules and regulations and is informed of regulatory developments in areas affecting related parties. The Compliance Officer shall aid in the review of the Company's transactions and identify any potential Material RPT that would require review by the Board of Directors. The Compliance Officer shall likewise ensure that this Policy is updated and properly implemented throughout the Company.

The members of the Board of Directors, substantial shareholders, and officers shall fully disclose to the Board of Directors all material facts related to Material RPTs as well as their direct or indirect financial interest in any transaction or matter that may affect or is affecting the Company. Such disclosure shall be made in the Board of Directors meeting where the Material RPT will be presented for approval and before the completion or execution of the Material RPT.

D. Whistle Blowing Mechanism

All stakeholders are encouraged to communicate, confidentially or otherwise and without risk of reprisal, legitimate concerns about illegal, unethical or questionable Material RPTs. The Company's Whistle Blowing Policy shall apply in cases of violation of this Policy.

E. Regulatory and Compliance

1. A summary of Material RPTs entered into during the reporting year shall be disclosed in the Company's Integrated Annual Corporate Governance Report (I-ACGR) to be submitted annually every 30th day of May.

2. Advisement Report of any Material RPT filed within three (3) calendar days from the execution date of the transaction. The Advisement Report shall be signed by the Company's Corporate Secretary or authorized representative.

The disclosures in both (1) and (2) above shall include the following information:

- a. complete name of the related party;
- b. relationship of the parties;
- c. execution date of the Material RPT;
- d. financial or non-financial interest of the related parties;
- e. type and nature of transaction as well as a description of the assets involved;
- f. total assets;
- g. amount or contract price;
- h. percentage of the contract price to the total assets of the Company;
- i. carrying amount of collateral, if any;
- j. terms and conditions; and
- i. rationale for entering into the transaction; and
- k. the approval obtained (i.e., names of directors present, name of directors who approved the Material RPT and the corresponding voting percentage obtained).

F. Abusive Material Related Party Transactions

Abusive Material RPTs refer to those that are not entered at arm's length and unduly favor a related party.

Pursuant to Sections 26 and 27 of the Revised Corporation Code, an interested director or officer of PT&T shall be disqualified from being a director, trustee or officer of any other corporation on the basis of a final judgment rendered by a court of competent jurisdiction against the interested director or officer for abusive Material RPTs. The disqualification shall be for a period of at least one (1) year or more, as may be determined by the SEC.

The imposition of the foregoing penalties shall be without prejudice to any other administrative penalties that may be imposed by the SEC and/or civil or criminal penalties, as may be provided by the Revised Corporation Code of the Philippines, Securities Regulation Code, and other related laws.


G. Incorporation by reference

The provisions of SEC Memorandum Circular No. 10, Series of 2019 on the Rules on Material Related Party Transactions for Publicly-Listed Companies and the relevant provisions of the Revised Corporation Code of the Philippines are incorporated in this Policy by way of reference on any matter not covered herein.

Executed this 24th day of October 2019 in Makati City, Philippines.



SALVADOR B. ZAMORA II
Chairman of the Board



ATTY. KENNETH JOEY H. MACEREN
Corporate Secretary and
Acting Compliance Officer



1580459912426

**SECURITIES AND EXCHANGE COMMISSION**Secretariat Building, PICC Complex, Roxas Boulevard, Pasay City, 1307 Metro Manila Philippines
Tel:(632) 818-0921 Fax:(632) 818-5293 Email: mis@sec.gov.ph**Barcode Page****The following document has been received:**

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Company Representative

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Company Information

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Industry Classification
Company Type Stock Corporation

Document Information

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No. of Days Late
Department
Remarks CERTIFICATE OF ATTENDANCE

SECRETARY'S CERTIFICATE

I, **KENNETH JOEY H. MACEREN**, of legal age, Filipino, being the duly elected Corporate Secretary of **PHILIPPINE TELEGRAPH AND TELEPHONE CORPORATION** ("Corporation") a corporation duly organized and existing under the laws of the Republic of the Philippines, with principal office address at Spirit of Communications Center, 106 Carlos Palanca, Jr. Street, Legaspi Village, Makati City, after having been duly sworn in accordance with law, hereby certify that:

- a. The members of the Board of Directors of the Corporation for the Year 2019 were the following:

<u>January – December 2019</u>	<u>Status</u>
1. Salvador B. Zamora II - Chairman	- incumbent
2. James G. Velasquez - Director	- incumbent
3. Miguel Marco A. Bitanga - Director	- incumbent
4. Salvador T. Zamora III - Director	- incumbent
5. Serafin C. Ledesma, Jr. - Independent Director	- incumbent
6. Bienvenido S. Santos - Independent Director	- incumbent
7. Roberto B. Ortiz - Independent Director	- incumbent
8. Renato B. Garcia - Director	- served as Director until 27 June 2019

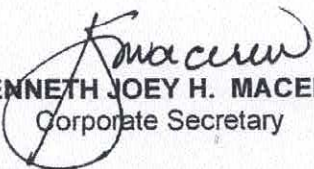
- b. The Corporation held six (6) Regular Board Meetings and 1 Special Board Meeting for the year 2019 as listed below, including the attendance of each Member of the Board during said meetings:

<i>Names of Directors</i>	<i>Jan 11 (R)</i>	<i>Feb 8 (S)</i>	<i>Mar 27 (R)</i>	<i>May 6 (R)</i>	<i>Jun 28 (A/O)</i>	<i>Aug 16 (R)</i>	<i>Nov 15 (R)</i>	<i>Dec 20 (R)</i>
1. Salvador B. Zamora II	√	√	√	√	√	√	√	√
2. James G. Velasquez	√	√	√	√	√	√	√	√
3. Miguel Marco A. Bitanga	-	-	-	-	√	√	√	√
4. Salvador T. Zamora III	√	√	√	√	√	√	√	√
5. Serafin C. Ledesma, Jr.	√	√	√	√	√	√	√	-
6. Roberto B. Ortiz	√	√	√	√	√	√	√	√
7. Bienvenido S. Santos	-	-	-	-	-	√	√	√
8. Renato B. Garcia	√	√	√	√	-	-	-	-

Legend: (√) – present; (X) – absent; (R) – Regular Board Meeting; (S) – Special Board Meeting (A/O) – Annual Stockholders'/Organizational Meetings

- c. The first regular meeting of the Board for Year 2020 was held on 11 January 2020.
- d. The Annual Stockholders' Meeting was held on 28 June 2019 and the Organizational Meeting was held on the same day immediately after the Stockholders' Meeting.
- e. This Certification is being issued in compliance with the Rules and Regulations of the Securities and Exchange Commission's implementing the Code of Corporate Governance.

IN WITNESS WHEREOF, I have affixed my signature this 15 January 2019.


KENNETH JOEY H. MACEREN
Corporate Secretary

JAN 31 2020

SUBSCRIBED AND SWORN to before me this _____ - affiant exhibited
to me his TIN 259-161-439.

Doc. No. 64;
Page No. 14;
Book no. 628;
Series of 2020.


RENATO M. LEE
Appt. No. M-75 Until 31 Dec. 2020
IBP No. 104801; 01-09-2020; Makati
PTR No. 8440585; 01/08/2020, Pasig
Roll No. 32579
MCLE No. VI-0018288; 02/06/2019
8F, SCC Bldg., 108 C. Palanca St.,
Legaspi Village, Makati City