

**Part A(1)(d)(iv)**
**A. BOARD MATTERS**

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(d) Directorship in Other Companies

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- (iv) Has the company set a limit on the number of board seats in other companies (publicly listed, ordinary and companies with secondary license) that an individual director or CEO may hold simultaneously? In particular, is the limit of five board seats in other publicly listed companies imposed and observed? If yes, briefly describe other guidelines:

	Guidelines	Maximum Number of Directorships in other companies
Executive Director	*Please see explanation below.	
Non-Executive Director		
CEO		

*\*None of Globe’s directors serve in more than five (5) publicly-listed companies. Globe’s executive director, Mr. Ernest L. Cu, also does not serve as director or officer in any other publicly-listed company. Furthermore, Article II (1.6) of the Company’s Revised Manual of Corporate Governance provides:*

***“1.6 Policy on Multiple Board Seats***

*a. The Board may consider the adoption of guidelines on the number of directorships that its members can hold in stock and non-stock Corporations. The optimum number should take into consideration the capacity of a director to diligently and efficiently perform his duties and responsibilities. The Chief Executive Officer (“CEO”) and other executive directors may be covered by a lower indicative limit for membership in other boards, but in no case shall any executive director serve as such on more than two (2) boards of publicly-listed companies outside the group. A similar limit may apply to independent or non-executive directors who, at the same time serve as full-time executives in other Corporations. In any case the capacity of directors to diligently and efficiently perform their duties and responsibilities to the boards they serve should not be compromised.*

*b. Any limitation in the number of directorships outside of Globe Telecom shall not include directorships in the Corporation’s subsidiaries, affiliates, parent Corporation, and affiliates and subsidiaries of the parent Corporation.*

*c. Independent/non-executive directors shall not hold more than five (5) concurrent Board directorships in publicly-listed companies.”*

**Part A(1)(e)**

 (e) Shareholding in the Company (as of 30 June 2015)

Complete the following table on the members of the company's Board of Directors who directly and indirectly own shares in the company. For full disclosure, this table shall reflect all classes of shares of the company (Common, Voting Preferred\*, Non-Voting Preferred\*\*). Reference to capital stock shall only include the total of Common (132,740,216) and Voting Preferred (158,515,021) shares:

Name of Director	Number of Direct shares	Number of Indirect Shares / Through (name of record owner)	% of Capital Stock
Jaime Augusto Zobel de Ayala	<u>2</u>	<u>1</u> (thru AC as nominee share)	0.00%D 0.00%I
Delfin L. Lazaro	<u>1</u>	-	0.00%D
Mark Chong Chin Kok	-	2 (thru STI as nominee share)	0.00%I
Fernando Zobel de Ayala	-	1 (thru AC as nominee share)	0.00%I
Gerardo C. Ablaza, Jr.	22,741	38,973 (thru PCD) <u>1</u> (thru AC as nominee share)	0.02%D 0.03%I
Romeo L. Bernardo*	-	<u>500</u> (thru PCD)	0.00%I
Samba Natarajan	2	-	0.00%
Manuel A. Pacis*	-	100 (thru PCD)	0.00%I
Rex Ma. A. Mendoza*	-	-	0.00%D
Saw Phaik Hwa*	-	-	0.00%D
Ernest L. Cu*	65,255	-	0.05%D 0.00%I
<b>TOTAL</b>			<b>0.07%</b>

\* Voting Preferred Shares

Note: Mr. Lazaro and Mr. Cu are also holders of non-voting preferred shares.

**Part A(4)**

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## 4) Other Executive, Non-Executive and Independent Directors

Does the company have a policy of ensuring diversity of experience and background of directors in the board? Please explain.

*Yes. Globe’s adoption of a Board Diversity Policy manifests and strengthens the Company’s commitment to ensuring diversity of experience and background at the Board level. Globe values effective debate and discussion among its Board. As such, the Company recognizes that, among other skills and qualifications, diversity of perspectives is an important requisite to foster independence, integrity, fair representation and a culture of professional openness at the Board level.<sup>1</sup> Globe believes that these are fundamental to achieving the full potential of efficient and effective performance by the Board in carrying out its duties and responsibilities in accordance with the objectives and vision of the Company. Therefore, no director or candidate for directorship shall be discriminated upon by reason of gender, age, disability, ethnicity, nationality or political, religious or cultural backgrounds. This is also included in the Company’s Manual of Corporate Governance, which is available through the company website ([http://www.globe.com.ph/documents/50301/16764017/17C\\_Revised+Manual+of+Corporate+Governance\\_12May2015.pdf](http://www.globe.com.ph/documents/50301/16764017/17C_Revised+Manual+of+Corporate+Governance_12May2015.pdf)).*

*The Nomination Committee (NomCom) Charter provides that the NomCom “shall encourage the selection of a mix of competent directors, each of whom can add value and create independent judgment to the formulation of sound corporate strategies and policies.” Indeed, the current members of the Board have diverse expertise, professional experiences and background that enable thorough examination and deliberation of the issues and matters affecting the Company. The profiles of the directors are found in the “Board of Directors” section of the Company’s Annual Report as well as in the “Board of Directors” section of the Company’s corporate website (<http://www.globe.com.ph/corporate-governance/board-of-directors>).*

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Define and clarify the roles, accountabilities and deliverables of the Executive, Non-Executive and Independent Directors:

	Executive	Non-Executive	Independent Director
Role	*Please see explanation below.		
Accountabilities			
Deliverables			

*\*The roles, accountabilities and deliverables of all the members of the Board of Directors as provided in Article II (1) 1.8-1.11 of the Revised Manual of Corporate Governance apply to all Executive, Non-executive or Independent Directors. However, Independent Directors are expected to maintain their independent judgment in carrying out the responsibilities of a director. The Executive Director, who is the President and CEO, in addition to his responsibilities as a Director, has general supervision of the business, affairs, and property of the Company, and over the officers and employees. Furthermore, the Executive Director shall see that all orders and resolutions*

<sup>1</sup> 2009, ICGN Global Corporate Principles, Item 2.2 (b) and (c).

of the Board of Directors are carried into effect.

Provide the company's definition of "independence" and describe the company's compliance to the definition.

*As provided in the Company's Manual of Corporate Governance, an Independent Director is a person independent from the Corporation, its management and major/substantial shareholders and free from any business or other relationship which could materially interfere with his exercise of independent judgment in carrying out his responsibilities as a director. The Company's independent directors, namely: Mr. Manuel A. Pacis, Mr. Rex Ma. A. Mendoza and Ms. Saw Phaik Hwa have no relation with the management or the major/substantial shareholders of the Company, and have no business or other relationships with the Company.*

Does the company have a term limit of five consecutive years for independent directors? If after two years, the company wishes to bring back an independent director who had served for five years, does it limit the term for no more than four additional years? Please explain.

Yes. As provided in Article II, Section 1.5(f-i) of the Company's Manual of Corporate Governance:

"f) Independent directors can serve as such for five (5) consecutive years;

g) After completion of the five-year service period, an Independent director shall be ineligible for election as such in the same company unless the Independent director has undergone a "cooling off" eriod of two (2) years, provided, that during such period, the Independent director concerned has not engaged in any activity that under existing rules disqualifies a person from being elected as such in the same company;

h) An Independent director re-elected as such in the same company after the "cooling off" period can serve for another four (4) consecutive years under the conditions mentioned in 1.5), g) above;

i) An Independent director can only serve as such for a total of nine (9) years from the date of first appointment, without prejudice to being elected as such in other companies outside of the business conglomerate, where applicable".

*None of Globe's current independent directors have served the Company as such for five years or more.*

**Part A(5)(b)**

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## (b) Selection/Appointment, Re-election, Disqualification, Removal, Reinstatement and Suspension

Describe the procedures for the selection/appointment, re-election, disqualification, removal, reinstatement and suspension of the members of the Board of Directors. Provide details of the processes adopted (including the frequency of election) and the criteria employed in each procedure:

Procedure	Process Adopted	Criteria
<b>a. Selection/Appointment</b>		
(i) Executive Directors	*Please see explanation below.	
(ii) Non-Executive Directors		
(iii) Independent Directors		
<b>b. Re-appointment</b>		
(i) Executive Directors	*Please see explanation below.	
(ii) Non-Executive Directors		
(iii) Independent Directors		
<b>c. Permanent Disqualification</b>		
(i) Executive Directors	*Please see explanation below.	
(ii) Non-Executive Directors		
(iii) Independent Directors		
<b>d. Temporary Disqualification</b>		
(i) Executive Directors	*Please see explanation below.	
(ii) Non-Executive Directors		
(iii) Independent Directors		
<b>e. Removal</b>		
(i) Executive Directors	*Please see explanation below.	
(ii) Non-Executive Directors		
(iii) Independent Directors		
<b>f. Re-instatement</b>		
(i) Executive Directors	*Please see explanation below.	
(ii) Non-Executive Directors		
(iii) Independent Directors		
<b>g. Suspension</b>		
(i) Executive Directors	*Please see explanation below.	
(ii) Non-Executive Directors		
(iii) Independent Directors		

*\*The procedure, process, and criteria for the selection/appointment and disqualification of the members of the Board of Directors are provided for in the Company's By-Laws and the Revised Manual of Corporate Governance (Article II). Such procedures, process and criteria apply to all Executive Director, Non-Executive Director and Independent Directors. The President (Executive Director) shall be chosen from among the Directors (Article III, Section 1 of the By-Laws).*

*Article II, Section 5 of the By-Laws provides that:*

*"If any vacancy shall occur among the directors by reason of death, resignation, or for any other reason, such vacancy may be filled by the remaining directors at any meeting at which a quorum shall be present. Any such vacancy may also be filled by the stockholders entitled to vote, by ballot, at any meeting or adjourned meeting held during such vacancy, provided the notice of the meeting shall have mentioned such vacancy or expected vacancy. The stockholders entitled to vote at any such meeting may also, in case of like mention, accept the resignation of any director and fill the vacancy thereby caused for the unexpired terms. In case of a vacancy in the Board the remaining directors shall continue to act, but if at any time their number be reduced to less than four, the remaining directors shall forthwith fill the vacancies or call a special meeting of the stockholders entitled to vote for that purpose."*

*Also, Article II, Section 1.3 of the By-Laws lays down the procedure for the nomination of the directors, thus:*

*"The Corporation shall have a Nominations Committee which shall be composed of at least three (3) members, one of whom shall be an independent director. It shall promulgate the guidelines or criteria to govern the conduct of the nominations for director. The nominations for directors shall be properly disclosed in the corporation's information or proxy statement or such other reports required to be submitted to the Commission.*

*The Nominations shall be conducted as follows:*

- 1. Nomination of director/s, including independent directors, shall be conducted by the Committee prior to a stockholders meeting. All recommendations shall be signed by the nominating stockholders together with the acceptance and conformity by the would-be nominees.*
- 2. The Committee shall pre-screen the qualifications and prepare a final list of all candidates and put in place screening policies and parameters to enable it to effectively review the qualifications of the nominees for independent director/s.*
- 3. After the nomination, the Committee shall prepare a Final List of Candidates which shall contain all the information about all the nominees for directors, including independent directors, as required under Part IV (A) of Annex "C" of SRC Rule 12, which list, shall be made available to the Commission and to all stockholders through the filing and distribution of the Information Statement, in accordance with SRC Rule 20, or in such other reports the corporation is required to submit to the Commission. The name of the person or group of persons who recommended the nomination of the directors, including independent directors, shall be identified in such report including any relationship*

- with the nominee.
4. *Only nominees whose names appear on the Final List of Candidates shall be eligible for election as Director/s. No other nominations shall be entertained after the Final List of Candidates shall have been prepared. No further nominations shall be entertained or allowed on the floor during the actual annual stockholders'/memberships' meeting.*
  5. *Election of Independent Director/s*
    - i. *The conduct of the election of independent director/s shall be made in accordance with the standard election procedures of the corporation or its by-laws.*
    - ii. *It shall be the responsibility of the Chairman of the Meeting to inform all stockholders in attendance of the mandatory requirement of electing independent director/s. He shall ensure that independent director/s are elected during the stockholders' meeting.*
    - iii. *Specific slot/s for independent directors shall not be filled-up by unqualified nominees.*
    - iv. *In case of failure of election for independent director/s, the Chairman of the Meeting shall call a separate election during the same meeting to fill up the vacancy."*

*The qualification, disqualification, temporary disqualification of directors, as well as additional criteria for independent directors are stated in Article II, Sections 1.2, 1.3, 1.4, and 1.5 of the Revised Manual of Corporate Governance, which reads:*

**"1.2 Qualifications**

*A director of the Corporation shall have the following qualifications:*

- a) *Ownership of at least one (1) share of the capital stock of the Corporation;*
- b) *A college degree or its equivalent or adequate understanding of the telecommunication industry or sufficient experience and competence in managing a business to substitute for such formal education;*
- c) *Relevant qualification, such as previous business experience, membership in good standing in the relevant industry, and membership in business and professional organizations.*
- d) *Possess integrity, probity and shall be diligent and assiduous in the performance of his functions.*

**1.3 Disqualifications**

*The following persons are disqualified from being a director of the Corporation:*

- a) *Any person who has been finally convicted by a competent judicial or administrative body of the following: (i) any crime involving the purchase or sale of securities, e.g. proprietary or non-proprietary membership certificate, commodity futures contract, or interest in a common trust fund, pre-need plan, pension plan or life plan; (ii) any crime arising out of the person's conduct as an underwriter, broker, dealer, investment Corporation, investment adviser, principal distributor, mutual fund dealer, futures commission merchant, commodity trading*

- advisor, floor broker; and (iii) any crime arising out of his relationship with a bank, quasi-bank, trust company, investment house or as an affiliated person of any of them;*
- b) *Any person who, by reason of any misconduct, after hearing or trial, is permanently or temporarily enjoined by order, judgment or decree of the Commission or any court or other administrative body of competent jurisdiction from; (i) acting as an underwriter, broker, dealer, investment adviser, principal distributor, mutual fund dealer, futures commission merchant, commodity trading advisor, or a floor broker; (ii) acting as a director or officer of a bank, quasi-bank, trust Corporation, investment house, investment Corporation or an affiliated person of any of them; (iii) engaging in or continuing any conduct or practice in connection with any such activity or willfully violating laws governing securities, and banking activities. Such disqualification shall also apply when such person is currently subject to an effective order of the Commission or any court or other administrative body refusing, revoking or suspending any registration, license or permit issued under the Corporation Code, Securities Regulation Code, or any other law administered by the Commission or Bangko Sentral ng Pilipinas, or under any rule or regulation promulgated by the Commission or Bangko Sentral ng Pilipinas, or otherwise restrained to engage in any activity involving securities and banking. Such person is also disqualified when he is currently subject to an effective order of a self-regulatory organization suspending or expelling him from membership or participation or from association with a member or participant of the organization;*
- c) *Any person finally convicted judicially of an offense involving moral turpitude, fraud, embezzlement, theft, estafa, counterfeiting, misappropriation, forgery, bribery, false oath, perjury or other fraudulent acts or transgressions;*
- d) *Any person finally found by the Commission or a court or other administrative body to have willfully violated, or willfully aided, abetted, counseled, induced or procured the violation of, any provision of the Securities Regulation Code, the Corporation Code of the Philippines, or any other law administered by the Phil SEC, or any rule, regulation or order of the Commission or the Bangko Sentral ng Pilipinas or who has filed a materially false or misleading application, report or registration statement required by the Commission, or any rule, regulation or order of the Commission;*
- e) *Any person judicially declared to be insolvent;*
- f) *Any person finally found guilty by a foreign court or equivalent financial regulatory authority of acts, violations or misconduct listed in the foregoing paragraphs; and*
- g) *Any affiliated person who is ineligible, by reasons of paragraphs (a) to (e) hereof to serve or act in the capacities listed in those paragraphs;*
- h) *Any person convicted by final and executory judgment of an offense punishable by imprisonment for a period exceeding six*



- (6) years, or a violation of the Corporation Code, committed within five (5) years prior to the date of his election or appointment;
- i) Any person convicted by final and executory judgment by an appropriate court or body of a violation of the Public Service Act (CA 146) or under any law administered by the National Telecommunications Commission; and
  - j) No person shall qualify or be eligible for nomination or election to the Board of Directors if he is engaged in any business which competes with or is antagonistic to that of the Corporation. Without limiting the generality of the foregoing, a person shall be deemed to be so engaged:
    - i. If he is an officer, manager or controlling person of, or the owner (either of record or beneficially) of 10% or more of any outstanding class of shares of, any Corporation (other than one in which the Corporation owns at least 30% of the capital stock) engaged in a business in the Philippines which the Board, by at least three-fourths (3/4) vote, determines to be competitive or antagonistic to that of the Corporation, or
    - ii. If he is an officer, manager or controlling person of, or the owner (either of record or beneficially) of 10% or more of any outstanding class of shares of, any other Corporation or entity in the Philippines engaged in any line of business of the Corporation, when in the judgment of the Board, by at least three-fourths (3/4) vote, the laws against combinations in restraint of trade shall be violated by such persons membership in the Board of Directors; or
    - iii. If the Board, in the exercise of its judgment in good faith, determines by at least three-fourths (3/4) vote that he is the nominee of any person set forth in (ii) or (iii)

*In determining whether or not a person is a controlling person, beneficial owner, or the nominee of another, the Board may take into account such factors as business and family relations.*

#### 1.4 Temporary Disqualification of Directors

*The following are grounds for temporary disqualification of incumbent directors:*

- a) *Refusal to fully disclose the extent of his business interest as required under the Securities Regulation Code and its Implementing Rules and Regulations. This disqualification shall be in effect as long as his refusal persists.*
- b) *Absence or non-participation for whatever reason(s) for more than Fifty Percent (50%) of all meetings, both regular and special, of the Board of Directors during his incumbency, or any twelve (12) month period during said incumbency. This disqualification applies for purposes of the succeeding election.*
- c) *Dismissal/ termination from directorship in another listed Corporation for cause. This disqualification shall be in effect*

- until he has cleared himself of any involvement in the alleged irregularity.*
- d) *Being under preventive suspension by the Corporation for any reason.*
  - e) *Conviction that has not yet become final referred to in the grounds for disqualification of directors.*

*Temporary disqualification shall be at the discretion of the Board and shall require a resolution of a majority of the Board.*

*A temporarily disqualified director shall, within sixty (60) business days from such disqualification take the appropriate action to remedy or correct the disqualification. If he fails or refuses to do so for unjustified reasons, the disqualification shall become permanent. The Board shall consider a director's illness, death in the immediate family, or serious accident in determining whether absence from meetings shall or shall not be a ground for temporary disqualification under this section.*

#### 1.5 *Independent directors*

*Independent directors shall be independent of the Corporation, Management and major/substantial shareholders. They shall hold no interests or relationships with the Corporation that may hinder their independence from the Corporation or Management which would interfere with the exercise of independent judgment in carrying out the responsibilities of a director. An Independent director shall, within ten (10) days from the time of his election or appointment and/or re-election/re-appointment as a director, submit to the Corporate Secretary a letter of confirmation stating that he holds no interests affiliated with the Corporation, Management or controlling shareholder. Moreover, for purposes of compliance with the legal requirement on Independent directors –*

- a) *Officers, executives and employees of the Corporation may be elected as directors but cannot and shall not be characterized as Independent directors.*
- b) *If a director elected or appointed as an Independent director subsequently becomes an officer or employee of the Corporation, the Corporation shall forthwith cease to consider him as an Independent director.*
- c) *If the beneficial security ownership of an Independent director in the Corporation or its subsidiaries and affiliates exceeds two percent (2%), the Corporation shall forthwith cease to consider him as an Independent director.*
- d) *A regular director who resigns or whose term ends on the day of the election shall only qualify for nomination and election as an Independent director after a two (2) year "cooling off" period.*
- e) *Persons appointed as Chairman Emeritus, Ex-Officio Directors/Officer or members of any executive/Advisory Board or otherwise appointed in a capacity to assist the Board in the performance of its duties shall be subject to a one (1) year cooling-off period prior to his qualification as an Independent director."*

*Removal of Directors shall be in accordance with Section 28 of the Corporation Code, thus, “any director may be removed from office by a vote of the stockholders holding or representing two-thirds (2/3) of the outstanding capital stock. Provided, that such removal shall take place either at a regular meeting of the corporation or at a special meeting called for the purpose, and in either case, after previous notice to stockholders of the intention to propose such removal at the meeting. A special meeting of the stockholders for the purpose of removal of directors, must be called by the secretary on order of the president or on the written demand of the stockholders representing or holding at least a majority of the outstanding capital stock. Should the secretary fail or refuse to call the special meeting upon such demand or fail or refuse to give the notice, or if there is no secretary, the call for the meeting may be addressed directly to the stockholders by any stockholder of the corporation signing the demand. Notice of the time and place of such meeting, as well as the intention to propose such removal, must be given by publication or by written notice as prescribed by the Corporation Code. xxx. Removal may be with or without cause, provided that removal without cause may not be used to deprive minority stockholders of the right of representation to which they may be entitled under Section 24 of the Corporation Code.”*

*In addition to the Nomination Committee Charter and as needed, the Company may also use 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/commissioners.*

**Part A(6)(a) and (b)**

## 6) Orientation and Education Program

## (a) Disclose detail of the company's orientation program for new directors, if any.

1. *For All Members of the Board of Directors, Senior Management and Key Officers – Corporate Governance Training Orientation Course conducted by the Ayala Group in partnership with the Institute of Corporate Directors (ICD) on February 18, 2015.*
2. *Corporate Governance Briefing conducted in July 2011 by SGV & Co, and was attended by Mr. Hui Weng Cheong and Mr. Tay Soo Meng;*
3. *Corporate Governance Session conducted by the Institute of Corporate Governance in May 2011, and was attended by Mr. Manuel A. Pacis.*

*Courses and discussions taken up as part of the orientation program for new directors include, at the minimum, Globe's corporate documents (e.g., Manual of Corporate Governance, Code of Conduct, Committee Charters), Roles and Responsibilities of Directors, Globe's internal control systems and mechanisms, Globe's Risk Universe and Coverage, Globe ownership structure, Globe table of organization, Compliance with relevant SEC regulations on corporate governance and the ASEAN Corporate Governance Scorecard. The Company will continuously update and develop the course and relevant discussions in accordance with regional and international corporate governance trends as well as the SEC and PSE regulations and guidelines.*

## (b) State any in-house training and external courses attended by Directors and Senior Management for the past three (3) years:

1. *Rebecca V. Eclipse – Updates on Philippine Practices on Corporate Governance and Enterprise Risk Management by SGV & Co. on 14 July 2015*
2. *For All Members of the Board of Directors – Telco Industry Trends, Risk & Opportunities conducted by James R. Sullivan (Director of ASEAN Research, JP Morgan Chase & Co.) on December 11, 2014*
3. *Executive Session among Board of Directors – Globe's Spectrum Strategy in December 2014*
4. *For Board of Directors and Key Officers – Distinguished Corporate Governance Speaker Series held on April 29, 2014*
5. *For All Members of the Board of Directors and Key Officers – Distinguished Corporate Governance Speaker Series held on August 19, 2014*
6. *For All Members of the Board of Directors, Senior Management and Key Officers – Corporate Governance Training Orientation Course conducted by the Ayala Group in partnership with the Institute of Corporate Directors (ICD) on February 18, 2015.*
7. *For Executive Committee Members and Chairman of the Audit Committee – Executive Committee Strategy Workshop Part 1 held at Hotel Intercontinental Manila, Makati City on April 17, 2012.*
8. *For Executive Committee Members and Chairman of the Audit Committee – Executive Committee Strategy Workshop Part 2 held at Makati Shangri-la, Makati City on May 7, 2012.*
9. *Carmina J. Herbosa – Chief Audit Executive, Internal Controls – attended iLeadGlobe Executive Development Program, 2013.*
10. *Carmina J. Herbosa – Chief Audit Executive, Internal Controls - attended Corporate Governance training provided by Institute of Corporate Directors (ICD) on March 2012.  
– Attended Corporate Governance and Anti-Money Laundering Act Seminar conducted by Philippine Securities Consultancy Corporation (PHILSECC) on February 27, 2012 at Dusit Thani Hotel, Makati City.*
11. *Bernie Llamzon – Senior Vice President, Consumer Sales – attended the iLeadGlobe Executive Development Program, 2012.*
12. *Atty. V. Froilan M. Castelo – General Legal Counsel, Corporate and Legal Services Group – Attended*

Mandatory Continuing Legal Education in October 2012.

**Part B(1) and (4)(a)**

**B. CODE OF BUSINESS CONDUCT & ETHICS**

- 1) Discuss briefly the company's policies on the following business conduct or ethics affecting directors, senior management and employees:

Business Conduct & Ethics	Directors	Senior Management	Employees
(a) Conflict of Interest		*Please see explanation below.	
(b) Conduct of Business and Fair Dealings		*Please see explanation below.	
(c) Receipt of gifts from third parties		*Please see explanation below.	
(d) Compliance with Laws & Regulations		*Please see explanation below.	
(e) Respect for Trade Secrets/Use of Non-public Information		*Please see explanation below.	
(f) Use of Company Funds, Assets and Information		*Please see explanation below.	
(g) Employment & Labor Laws & Policies		*Please see explanation below.	
(h) Disciplinary action		*Please see explanation below.	
(i) Whistle Blower		*Please see explanation below.	
(j) Conflict Resolution		*Please see explanation below.	

*\*The "Employee Handbook on Code of Conduct", hereto attached as Annex "B", contains the Company's policies on the business conduct or ethics affecting directors, senior management and employees. The same are also disclosed through the company website, which dedicates Sections specifically for Company Policies (<http://www.globe.com.ph/corporate-governance/company-policies/>) and other such policies and procedures in relation to the Company's Stakeholders (<http://www.globe.com.ph/corporate-governance/stakeholders>). The policies apply to all regular employees, officers and directors of Globe and Subsidiaries, including consultants/project hires seconded to or engaged on a full time basis by Globe although not considered as Globe regular employee.*

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- 4) Related Party Transactions

- (a) Policies and Procedures

Describe the company's policies and procedures for the review, approval or ratification, monitoring

and recording of related party transactions between and among the company and its parent, joint ventures, subsidiaries, associates, affiliates, substantial stockholders, officers and directors, including their spouses, children and dependent siblings and parents and of interlocking director relationships of members of the Board.

<b>Related Party Transactions</b>	<b>Policies and Procedures</b>
(1) Parent Company	*Please see explanation below.
(2) Joint Ventures	*Please see explanation below.
(3) Subsidiaries	*Please see explanation below.
(4) Entities Under Common Control	*Please see explanation below.
(5) Substantial Stockholders	*Please see explanation below.
(6) Officers including spouse/children/siblings/parents	*Please see explanation below.
(7) Directors including spouse/children/siblings/parents	*Please see explanation below.
(8) Interlocking director relationship of Board of Directors	*Please see explanation below.

*\*The Related Party Transactions (RPTs) Policy, Procedures and disclosures thereof are hereto attached as Annex "C". The policy and its procedures apply to all regular employees, officers and directors of Globe and its Subsidiaries, including consultants/project hires seconded to or engaged on a full time basis by Globe although not considered as Globe regular employee.*

*Parties are considered to be related to Globe Group if it has the ability, directly or indirectly, to control the Group or exercise significant influence over the Group in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals (being members of key management personnel, significant shareholders and/or their close family members) or entities and include entities which are under the significant influence of related parties of the Group where those parties are individuals, and post-employment benefit plan which are for the benefit of employees of the Group or any entity that is a related party of the Group.*

*The Globe Group, in their regular conduct of business, enter into transactions with their major stockholders, AC and STI, venturers and certain related parties. These transactions are accounted for at market prices normally charged to unaffiliated customers for similar goods and services.*

*Significant related party transactions (RPTs) are submitted to the Board of Directors for approval, upon the review and endorsement by all independent directors.*

*Globe discloses, reviews, and approves related party transactions, in accordance with the principles of transparency and fairness, to ensure that they are at arm's length, the terms are fair, and they will inure to the best interest of the company and its subsidiaries or affiliates and their shareholders. The RPTs are disclosed in the company's financial statements, annual reports, and other applicable filings in accordance with the relevant rules and issuance of the Securities and Exchange Commission (SEC), Philippine Stock Exchange (PSE) and other applicable regulatory bodies. The disclosure includes, but is not limited to, the name of the related party, relationship with the company for each RPT, the nature, and value for each RPT. Such disclosure is also made publicly-available by the company, for the benefit of all shareholders and other stakeholders, through the company website and such other media channels as applicable.*

Rights of minority shareholders are protected at all times, especially from abusive actions by, or in the interest of controlling shareholders. Globe ensures that its policies and processes cater to the best interest of all its shareholders, including minority shareholders, and other stakeholders. As such, all transactions including related-party transactions that require shareholders' approval are submitted to all shareholders, including minority shareholders, for approval.

Shareholders, including minority shareholders and other stakeholders, are provided with proper guidelines and procedures for right of action and remedies that are readily accessible in order to redress the conduct of the company (e.g., Facebook page, Twitter account, E-mail account, and Hotline numbers), as necessary.

As a company policy, the independent directors form the independent committee tasked to review and monitor material RPTs to ensure the best interest of the company, its shareholders, and all other stakeholders, and that the RPTs are executed with fair and transparent terms prior to endorsement to the Board for approval.

Non-compliance with any of the provisions of the policy on RPT shall result in the nullification of any agreement or contract involved in the execution of the RPT. A director, officer, employee, or related party is subject to the corresponding procedures and penalties under the company's Code of Conduct and relevant laws, as applicable.



**Part I(1)**
**I. DISCLOSURE AND TRANSPARENCY**

## (a) Holding 5% shareholding or more

*As of 30 June 2015*

Shareholder	Number of Shares	Percent	Beneficial Owner
Asiacom Philippines, Inc. <sup>1</sup> (Asiacom)	158,515,016 (Voting Preferred)	54.43%	Asiacom Philippines, Inc. (Asiacom)
Singapore Telecom Int'l. Pte. Ltd. <sup>2</sup> (STI)	62,646,487 (Common)	21.51%	Singapore Telecom Int'l. Pte. Ltd. (STI)
Ayala Corporation <sup>3</sup> (AC)	40,351,591 (Common)	13.85%	Ayala Corporation (AC)
PCD Nominee Corp. <sup>4</sup>	23,014,347 (Common)	7.90%	PCD Participants <sup>5</sup>

<sup>1</sup> Asiacom Philippines, Inc. ("Asiacom") is a significant shareholder of the Company. As per the Asiacom By-laws and the Corporation Code, the Board of Directors of Asiacom has the power to decide how the Asiacom shares in Globe are to be voted. Mr. Jaime Augusto Zobel de Ayala has been named and appointed to exercise the voting power.

<sup>2</sup> STI, a wholly-owned subsidiary of SingTel (Singapore Telecom), is a significant shareholder of the Company. As per its By-laws, STI, through its appointed corporate representatives, has the power to decide how the STI shares in Globe are to be voted. Mr. Tay Soo Meng has been named and appointed to exercise the voting power.

<sup>3</sup> Ayala Corporation ("AC") is a significant shareholder of the Company. As per the AC By-laws & the Corporation Code, the Board of Directors of AC has the power to decide how AC shares in Globe are to be voted. Mr. Jaime Augusto Zobel de Ayala has been named and appointed to exercise the voting power.

<sup>4</sup> The PCD Nominee Corporation is a wholly-owned subsidiary of Philippine Central Depository, Inc. and is not related to the Company.

<sup>5</sup> Each beneficial owner of shares through a PCD participant will be the beneficial owner to the extent of the number of shares in his account with the PCD participant. None of the 23,231,061 common shares registered in the name of PCD Nominee Corporation, both Filipino and Non-Filipino beneficially owns more than 5% of the Company's common shares.

*As of 31 December 2014 (Capital stock refers to Common and Preferred shares)*

Name of Senior Management	Number of Direct shares	Number of Indirect shares / Through (name of record owner)	% of Capital Stock
Rebecca V. Eclipse**	-	18,915 (thru PCD)	0.01%
Gil B. Genio**	-	51,838 (thru PCD)	0.02%
Alberto M. de Larrazabal**	4,322	-	0.00%D
Marisalve Ciocon-Co	1,539	-	0.00%D
Solomon M. Hermosura	20	-	0.00%D
Bernard P. Llamzon	-	-	0.00%
<b>TOTAL</b>			<b>0.03%</b>

\*Voting Preferred Shares

\*\*Non-Voting Preferred Shares



**Part J(1)(c) and (2)(a)**
**J. RIGHTS OF STOCKHOLDERS**

- 1) Right to participate effectively in and vote in Annual Stockholders' Meetings

xxx

(c) Stockholders' Rights

xxx

Dividends

Declaration Date	Record Date	Payment Date
(Common Stock)		
<b><u>12 May 2015</u></b>	<b><u>26 May 2015</u></b>	<b><u>11 June 2015</u></b>
<b>05 February 2015</b>	<b>18 February 2015</b>	<b>04 March 2015</b>
11 November 2014	25 November 2014	11 December 2014
05 August 2014	19 August 2014	04 September 2014
10 February 2014	26 February 2014	20 March 2014
06 August 2013	22 August 2013	22 September 2013
05 February 2013	19 February 2013	12 March 2013
6 August 2012	28 August 2012	18 September 2012
10 February 2012	24 February 2012	16 March 2012
(Preferred Stock)		
11 November 2014	25 November 2014	11 December 2014
08 November 2013	22 November 2013	08 December 2013
11 December 2012	27 December 2012	24 January 2012

xxx

- 2) Treatment of Minority Stockholders

(a) State the company's policies with respect to the treatment of minority stockholders.

Policies	Implementation
As provided in Article VII of the Company's Revised Manual of Corporate Governance, on "Stockholders' Right and Protection of Minority Stockholders' Interest.	1. Shareholder Rights The Board shall be committed to respect the following rights of the stockholders:  a) Voting Right

Shareholders have the right to elect, remove and replace directors and vote on certain corporate acts in accordance with the Corporation Code.

Cumulative voting shall be used in the election of directors. Directors may be removed with or without cause, but directors shall not be removed without cause if it will deny minority shareholders representation in the Board. Removal of directors requires an affirmative vote of two-thirds (2/3) of the outstanding capital of the Corporation.

b) Pre-emptive Right

All stockholders have pre-emptive rights as set out in the Corporation Code and the Articles of Incorporation, unless there is a specific denial of this right in the Articles of Incorporation or an amendment thereto. They shall have the right to subscribe to the capital stock of the Corporation. The Articles of Incorporation may lay down the specific rights and powers of shareholders with respect to the particular shares they hold, all of which are protected by law so long as they are not in conflict with the Corporation Code.

c) Right of Inspection

Shareholders shall be allowed to inspect corporate books and records including minutes of Board meeting and stock registries in accordance with the Corporation Code and shall be provided an annual report, including financial statements, without cost or restrictions.

d) Right to Information

Upon request and for a legitimate purpose, a shareholder shall be provided, upon request, with periodic reports which disclose personal and professional information about the directors and officers and certain other matters such as their holdings of the Corporation's shares, dealings with the Corporation, relationships among directors and key officers, and the aggregate compensation of directors and officers. The Information Statement/Proxy Statement where these are stated must be distributed to the shareholders before annual general meetings and in the Registration Statement and Prospectus in case of registration of shares for public offering with the Commission.

The minority shareholders shall have the right

to propose the holding of a meeting, and the right to propose items in the agenda of the meeting, provided the items are for legitimate business purposes.

In accordance with existing law and jurisprudence, minority shareholders shall have access to any and all information relating to matters for which the Management is accountable for and to those relating to matters for which the Management should include such information and, if not included, then the minority shareholders can propose to include such matters in the agenda of stockholders meeting provided always that this right of access is conditioned upon the requesting shareholder's having a legitimate purpose for such access.

e) Right to Dividends

Shareholders have the right to receive dividends subject to the discretion of the Board. However, the Commission may direct the Corporation to declare dividends when its retained earnings is in excess of 100% of its paid-in capital stock, except: a) when justified by definite corporate expansion projects or programs approved by the Board or b) when the Corporation is prohibited under any loan agreement with any financial institution or creditor, whether local or foreign, from declaring dividends without its consent, and such consent has not been secured; or c) when it can be clearly shown that such retention is necessary under special circumstances obtaining in the Corporation such as when there is a need for special reserve for probable contingencies.

As a policy and as much as practicable, Globe shall observe a 30-day period for the payment of dividends to shareholders from the declaration date of such dividends.

f) Appraisal Right

In accordance with the Corporation Code, shareholders may exercise appraisal rights under the following circumstances:

- i. In case any amendment to the articles of incorporation has the effect of changing or restricting the rights of any stockholders or class of shares, or of authorizing preferences in

	<p>any respect superior to those of outstanding shares of any class, or of extending or shortening the term of corporate existence:</p> <ul style="list-style-type: none"> <li>ii. In case of sale, lease, exchange, transfer, mortgage, pledge or other disposition of all or substantially all of the corporate property and assets as provided In the Corporation Code and</li> <li>iii. In case of merger or consolidation.</li> </ul> <p>2. Duty of Directors to promote shareholders rights -</p> <p>It is the duty of the directors to promote shareholders rights, remove impediments to the exercise of shareholders rights and allow possibilities to seek redress for violation of their rights. They shall encourage the exercise of shareholders' voting rights and the solution of collective action problems through appropriate mechanisms. They shall be instrumental in removing excessive costs and other administrative or practical impediments to shareholders participating in meetings and/or voting in person. The directors shall pave the way for the electronic filing and distribution of shareholder information necessary to make informed decisions subject to legal constraints.</p>
<p>Article II, Section 1.3 of the By-Laws provides for the policy and procedure for the nomination of members of the Board, which includes minority shareholders.</p>	<p>“The Nominations shall be conducted as follows:</p> <ul style="list-style-type: none"> <li>1.) Nomination of director/s, including independent directors, shall be conducted by the Committee prior to a stockholders’ meeting. All recommendations shall be signed by the nominating stockholders together with the acceptance and conformity by the would-be nominees.</li> </ul> <p>xxx</p> <ul style="list-style-type: none"> <li>3.) xxx. The name of the person or group of persons who recommended the nomination of the directors, including independent directors, shall be identified in such report including any relationship with the nominee.</li> </ul> <p>xxx.”</p> <p>The 2015 Notice and Agenda of the Annual Stockholders’ Meeting (p. 3), under <i>Item 6. Election of Directors (Including the Independent Directors)</i>, provides that “in accordance with the</p>

	<p>By-Laws of the Corporation, the Manual of Corporate Governance and the SEC Rules, any stockholder including minority stockholders, may submit to the Nomination Committee the names of nominees to the Board of Directors...”.</p> <p>Further, Globe’s 2014 Definitive Information Statement (SEC Form 20-IS) states (p. 13) that the list of nominees for the Board of Directors, to be elected during the Annual Stockholders’ Meeting on 07 April 2015, were submitted by a minority shareholder – Mr. Melchor A. Latina.</p>
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