



LEVEL 2

BONUS

A. Rights of shareholders

Scorecard Item		Guiding Reference	Answer (Yes/No)	GLO Remarks
A.1	Right to participate effectively in and vote in general shareholders meeting and should be informed of the rules, including voting procedures that govern general shareholders meeting.			
A.1.1(B)	Does the company allow the use of secure electronic voting in absentia at the general meetings of shareholders?	OECD Principle II (C) (4) Shareholders should be able to vote in person or in absentia, and equal effects should be given to votes whether cast in person or in absentia.	YES	<p>Globe provided for online voting during its recent ASM held on April 07, 2015. The use of the online voting mechanism was disclosed through the Notice and Agenda released to stockholder prior to the meeting and was also reiterated by the Corporate Secretary during the meeting.</p> <p>Further, Globe’s By-Laws state that “every stockholder entitled to vote at any meeting of the stockholder may so vote by proxy, provided that the proxy shall have been appointed in writing by the stockholder himself, or by his duly authorized attorney...” in accordance with SEC regulations and applicable laws. The By-Laws also provide for the process to be followed should stockholders use proxies during stockholders’ meetings. Further, Globe also created a Proxy Validation Committee to ensure validity of proxies, as stated in the Company’s Manual of Corporate Governance:</p> <p><u>GLO Notice and Agenda of the 2015 ASM, PDF p. 3 (Item 2, ii)</u></p>

Note: Where applicable and for convenient reading, PDF pages (pp.) are used as reference.



				<p>http://www.globe.com.ph/documents/50301/a30b5b37-6128-48b2-9eaa-9dc57a431807</p> <p>GLO 2015 Minutes of the ASM, PDF p. 2 (Item 2) http://www.globe.com.ph/documents/50301/10005546/Minutes+of+the+Annual+Meeting+of+Stockholders+April+7%2C+2015.pdf</p> <p>GLO By-Laws, p. 2 (Article I, Section 5) http://www.globe.com.ph/documents/7122541/7171061/GLOBE+-+Amended+By-Laws+2011.pdf</p> <p>GLO Manual of Corporate Governance, pp. 21-22 (Article II, Section 2.6) http://www.globe.com.ph/documents/50301/16764017/17C_Revised+Manual+of+Corporate+Governance+12May2015.pdf</p>
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B. Equitable treatment of shareholders

Scorecard Item		Guiding Reference	Answer (Yes/No)	GLO Remarks
B.1	Notice of AGM			
B.1.1(B)	Does the company release its notice of AGM (with detailed agendas and explanatory circulars), as announced to the Exchange, at least 28 days before the date of the meeting?	<p>OECD Principle II (C) (1) Shareholders should be furnished with sufficient and timely information concerning the date, location and agenda of general meetings, as well as full and timely information regarding the issues to be decided at the meeting. (3) Effective shareholder participation in key corporate governance decisions, such as the nomination and election of board members, should be facilitated.</p> <p>OECD Principle III (A)</p>	YES	<p>Globe observes sending of notices of Annual/Special Stockholders' Meetings (ASM) at least 28 days prior to the date of the actual meeting.</p> <p>For Globe's 2015 Annual Stockholders' Meeting (ASM) held on 07 April 2015, the Company released the Notice and Agenda of the ASM on <u>03 March 2015</u>, which is even beyond and earlier than 28 days before the date of the meeting:</p>

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		<p>ICGN 8.3.2 Shareholder participation in governance Shareholders should have the right to participate in key corporate governance decisions, such as the right to nominate, appoint and remove directors on an individual basis and also the right to appoint external auditors.</p> <p>ICGN 8.4.1 Shareholder ownership rights The exercise of ownership rights by all shareholders should be facilitated, including giving shareholders timely and adequate notice of all matters proposed for shareholder vote.</p> <p>CLSA-ACGA (2010) CG Watch 2010 – Appendix 2. (I) CG rules and practices (25) Do[es] the company release their AGM notices (with detailed agendas and explanatory circulars) at least 28 days before the date of the meeting?</p>		<p>GLO ACGR Y2014-07April2015, pp. 73, 75-77 (Part J(1)(d)(3), (h-i)) http://www.globe.com.ph/documents/50301/ced87085-6f7e-4102-b455-187372903256</p> <p>Notice and Agenda of the 2015 ASM (Company website) http://www.globe.com.ph/documents/50301/a30b5b37-6128-48b2-9eaa-9dc57a431807</p> <p>GLO 2015 Minutes of the ASM, PDF p. 2 (Item 2) http://www.globe.com.ph/documents/50301/10005546/Minutes+of+the+Annual+Meeting+of+Stockholders+April+7%2C+2015.pdf</p>
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C. Roles of Stakeholders

Scorecard Item				
C.1	The rights of stakeholders that are established by law or through mutual agreements are to be respected	Guiding Reference	Answer (Yes/No)	GLO Remarks
C.1.1(B)	Does the company practice integrated report on its annual reports?	<p>International <IR> Framework – DRAFT, IIRC Council Item 3b Meeting of 5 December 2013</p> <p>"Integrated Reporting <IR> promotes a more cohesive and</p>	NO	Globe adopted and observes the Global Reporting Initiative (GRI) Index and GRI's G4 Guidelines in its Annual and Sustainability Reports. This is a voluntary reporting, in addition to those required under the applicable laws and regulations of the SEC and PSE in

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		<p>efficient approach to corporate reporting and aims to improve the quality of information available to providers of financial capital to enable a more efficient and productive allocation of capital. The IIRC’s vision is a world in which integrated thinking is embedded within mainstream business practice in the public and private sectors, facilitated by <IR> as the corporate reporting norm.”</p>	<p>financial and annual reports, which is geared towards sustainable development.</p> <p>Globe seeks to be an agent of change in the country by fulfilling its mission to create a wonderful world for business, the nation, and you as a meaningful brand of service. Globe believes that this wonderful world is anchored on the quality of service the Company provides in consideration of the social, environmental, and economic impact of its operations. Currently, the GRI Index and G4 Guidelines complement this mission of Globe.</p> <p><u>2014 Annual and Sustainability Report, pp. 144-153</u> http://www.globe.com.ph/documents/50301/d1455b6d-7aef-41f5-a3a5-3436f1aa230d</p>
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D. Disclosure and Transparency

Scorecard Item		Guiding Reference	Answer (Yes/No)	GLO Remarks
D.1	Quality of Annual Report			
D.1.1(B)	Are the audited annual financial report/ statement released within 60 days from the financial year end?	<p>OECD Principle V (C) OECD Principle V (E) ICGN 7.2 Timely disclosure ICGN 7.3 Affirmation of financial statements</p> <p>The board of directors and the corporate officers of the company should affirm at least annually the accuracy of the company’s financial statements or financial accounts.</p>	YES	<p>Globe’s Consolidated Audited Annual Financial Statements for the financial year ending December 31, 2014 were released and filed with the SEC on <u>February 27, 2015</u>, which is even beyond and earlier than 60 days after the end of fiscal year:</p> <p><u>GLO 2014 Consolidated Financial Statements</u> http://www.globe.com.ph/documents/50301/15792697/GLO_2014-Consolidated-AFS</p>

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			<p>"Latest Releases" in the Investor Relations page (Company website) http://www.globe.com.ph/investor-relations</p> <p>"Download the 2014 Consolidated Financial Statements" under Annual Report (17-A) (Company website) http://www.globe.com.ph/investor-relations/sec-filings/annual-report-17a</p>
D.1.2(B)	Does the company disclose details of remuneration of the CEO?		<p>YES</p> <p>Globe's President & CEO is the Company's only executive director. As such, he does not receive per diem allowance/remuneration for his role as an executive director. Instead, the remuneration/compensation policy applied to him is similar to regular employees, including Senior Management. Fixed remuneration is based on the value of the role, talent, and the prevailing market rates. The Year-on-Year increases are determined by individual performances, prevailing market rates on annual salary increases, pay positioning, economic indicators, and Company's financial capability. The same is disclosed in the Company's ACGR and Annual and Sustainability Report. Further, Globe's By-Laws provide that, generally, directors may receive fees and other compensation upon a resolution by stockholders:</p> <p>GLO ACGR Y2014-07April2015, pp. 29-32 (Part D) http://www.globe.com.ph/documents/50301/ced87085-6f7e-4102-b455-187372903256</p> <p>2014 Annual and Sustainability Report, pp. 58-59 http://www.globe.com.ph/documents/50301/d1455b6d-7aef-41f5-a3a5-3436f1aa230d</p> <p>GLO By-Laws, p. 5 (Article II, Section 6)</p>

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http://www.globe.com.ph/documents/7122541/7171061/GL_OBE+-+Amended+By-Laws+2011.pdf

E. Responsibilities of the Board

Scorecard Item		Guiding Reference	Answer (Yes/No)	GLO Remarks
E.1	Board Competencies and Diversity			
E.1.1(B)	Does the company have at least one female independent director/commissioner?	<p>ICGN 2.4.1 Skills and experience</p> <p>The board should consist of directors with the requisite range of skills, competence, knowledge, experience and approach, as well as diversity of perspectives, to set the context for appropriate board behaviours and to enable it to discharge its duties and responsibilities effectively.</p>	YES	<p>Globe's female independent director is Ms. Saw Phaik Hwa. Ms. Saw was elected during the most recent ASM of the Company on April 07, 2015. This is disclosed in the Company's 2015 ASM Minutes and Results of the ASM. Ms. Saw's profile is also disclosed in the company website, the Information Statement and ACGR submitted to the SEC and PSE:</p> <p><u>GLO 2015 Minutes of the ASM, PDF pp. 9-10 (Item 6)</u> http://www.globe.com.ph/documents/50301/10005546/Minutes+of+the+Annual+Meeting+of+Stockholders+April+7%2C+2015.pdf</p> <p><u>GLO Voting Results of the 2015 ASM, PDF p. 2</u> http://www.globe.com.ph/documents/50301/10005546/GLOBE+-+Voting+Results+of+the+Annual+Stockholders+Meeting-040715.pdf</p> <p><u>Saw Phaik Hwa Profile in Board of Directors page (Company website)</u> http://www.globe.com.ph/corporate-governance/board-of-directors/</p>

Note: Where applicable and for convenient reading, PDF pages (pp.) are used as reference.



				<p>GLO 2014 Information Statement, PDF p. 38 (Annex "A") http://www.globe.com.ph/documents/7122541/2cba714b-3bfc-4182-b55e-a66ce72ab5bb</p> <p>GLO ACGR Y2014-07April2015, pp. 4, 36 (Part A(1)(a), Part E(2)(b)) http://www.globe.com.ph/documents/50301/ced87085-6f7e-4102-b455-187372903256</p>
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Scorecard Item		Guiding Reference	Answer (Yes/No)	GLO Remarks
E.2	Nominating Committee			
E.2.1(B)	Does the Nominating Committee comprise entirely of independent directors/commissioners?	<p>ICGN 2.4.4 Composition of board committees The members of these key board committee should be solely non-executive directors, and in the case of the audit and remuneration committees, solely independent directors. All members of the nominations committee should be independent from management and at least a majority should be independent from dominant owners.</p>	NO	<p>Globe's Nomination Committee is composed of four directors, including one independent director who also chairs the Committee. Members of Globe's Nomination Committee are identified in the company website, released Results of the 2015 ASM and Organizational Board meeting, and in the ACGR:</p> <p>Board Committee Members (Company website) http://www.globe.com.ph/documents/50301/1351be66-1ccd-4714-99c1-d0a38c1e2cc0</p> <p>Results of the 2015 ASM and Organizational Board Meeting, p.3 http://www.globe.com.ph/documents/50301/10005546/SEC+Form+17-C+Results+of+Annual+Stockholders+-+FINAL+-+040715.pdf</p> <p>GLO ACGR Y2014-07April2015, pp. 38-39 (Part E(2)(c)) http://www.globe.com.ph/documents/50301/ced87085-6f7e-4102-b455-187372903256</p>

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E.2.2(B)	Does the Nominating Committee undertake the process of identifying the quality of directors aligned with the company's strategic directions?		YES	<p>Globe's Manual of Corporate Governance explicitly states that one of the functions of the Company's Nomination Committee is to "undertake the process of identifying the quality of directors aligned with Globe's...strategic directions":</p> <p>GLO Manual of Corporate Governance, p. 17 (Article II, Section 2.2, b) http://www.globe.com.ph/documents/50301/16764017/17C_Revised+Manual+of+Corporate+Governance_12May2015.pdf</p>
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Scorecard Item		Guiding Reference	Answer (Yes/No)	GLO Remarks
E.3	Board Appointments and Re-Election			
E.3.1(B)	Does the company use professional 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?	World Bank Principle 6 (VI.I.21) Are the boards known to hire professional search firms when proposing candidates to the board?	YES	<p>As policy and Company practice, Globe may 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:</p> <p>Board of Directors (Company website) http://www.globe.com.ph/corporate-governance/board-of-directors/</p>

Scorecard Item		Guiding Reference	Answer (Yes/No)	GLO Remarks
E.4	Board Structure & Composition			
E.4.1(B)	Do independent non-executive directors/commissioners make up more than 50% of the board of directors/commissioners?		NO	Globe's 11-member Board of Directors is comprised of ten (10) non-executive directors, including three (3) independent directors:

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			<p>Board of Directors (Company website) http://www.globe.com.ph/corporate-governance/board-of-directors/</p> <p>GLO ACGR Y2014-07April2015, pp. 4 (Part A(1)) http://www.globe.com.ph/documents/50301/ced87085-6f7e-4102-b455-187372903256</p> <p>As one of the specific responsibilities of its directors, Globe ensures that each director exercises independent judgment – “A director should view each problem/situation objectively and support plans and ideas which he believes are beneficial to the Corporation”:</p> <p>GLO Manual of Corporate Governance, p. 14 (Article II, Section 1.10, d) http://www.globe.com.ph/documents/50301/16764017/17C_Revised+Manual+of+Corporate+Governance_12May2015.pdf</p>
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Scorecard Item		Guiding Reference	Answer (Yes/No)	GLO Remarks
E.5	Board Performance			
E.5.1(B)	Does the company have a separate level Risk Committee?	<p>International Financial Corporation’s Global Corporate Governance Forum Publication: When Do Companies Need a Board-level Risk Management Committee? (Volume 31, pp.11, March 2013)</p> <p>Benefits of a Board Level Risk Committee:</p>	YES	<p>Given the overlapping oversight functions of the various committees, and to enable an integrated and holistic approach to risk management oversight at the Board level, the Board has designated the Audit Committee as the overall consolidator of risks for all the committees. The Audit Committee provides oversight of the financial reporting and operational risks specifically on financial statement and reporting, internal controls, legal or regulatory compliance, corporate governance, risk management and fraud risks. The Audit Committee</p>

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		<ol style="list-style-type: none"> 1. elevate risk oversight to the highest level in the company; 2. strengthen the quality of risk management; 3. inculcate a risk culture and risk-management environment to mitigate and manage risks effectively across the organization; 4. establish a platform for continuous assessment of risks in light of the changing internal and external environments; 5. improve communication among the board, management and other stakeholders about risk management; and 6. demonstrate to internal and external stakeholders the company's commitment to risk management 	<p>regularly reports to the Board of Directors on Globe Telecom's risk management efforts, thus, providing the Board with a more coordinated and effective review of risks across the company and assurance over Globe Telecom's overall risk management, that aids the Board in making strategic decisions for the company. To that effect, <u>the Audit Committee functions as a separate level risk committee.</u></p> <p>A discussion on Globe's risk management approach and system is disclosed in the Company's website, ACGR and Annual and Sustainability Report:</p> <p><u>Enterprise Risk Management (Company website)</u> http://www.globe.com.ph/corporate-governance/enterprise-risk-management</p> <p><u>GLO ACGR Y2014-07April2015, pp. 33-34 49-51 (Part E(1), Part F(3))</u> http://www.globe.com.ph/documents/50301/ced87085-6f7e-4102-b455-187372903256</p> <p><u>2014 Annual and Sustainability Report, pp. 82-85</u> http://www.globe.com.ph/documents/50301/d1455b6d-7aef-41f5-a3a5-3436f1aa230d</p>
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