

## Related Party Transactions (RPTs)

Globe discloses, reviews, and approves RPTs, 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, its subsidiaries or affiliates and all shareholders. Together with the other company policies, the Policy on RPTs is posted on the company website and embedded in the MCG and CoC (Code of Conduct).

RPTs are disclosed in the financial statements included in the company's annual reports, and other applicable filings in accordance with the relevant rules and issuances of the SEC 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, for all shareholders and other stakeholders, through the company website and such other media channels as applicable.

Under the RPT policy, 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 corporate conduct in case of any abuse on such transactions (e.g. email account and hotline numbers), as necessary. The policy contains this whistle-blowing mechanism, provides for the creation of a dedicated committee for the review of material RPTs, and identifies materiality thresholds of such transactions including the SEC materiality threshold.

In accordance with the Policy on RPTs, the ARPT Committee convenes to review and monitor material RPTs to ensure the company's best interest, 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. In the review of RPTs, the Committee considers, among others, the terms of the transaction, the aggregate value of the transaction, purpose and timing of the transaction, the fairness of the terms of the transaction, the extent of Related Party's interest in the transaction, and other material information or factors the Committee may deem relevant.

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 Globe's CoC and relevant laws, as applicable.

The role of the Audit and RPT Committee in the review and approval of all RPTs is discussed in this report.

[Source: Globe Telecom 2023 Annual Integrated Report (IR), page 54]

<https://www.globe.com.ph/sites/globe.com.ph/files/2024-04/2023-Globe-Integrated-Report.pdf>

Our Policy on RPTs and disclosures thereof are also posted on our company website:

<https://www.globe.com.ph/about-us/corporate-governance/related-party-transactions>

## **19 Related Party Transactions**

Parties are considered to be related to the Globe Group if they have the ability, directly or indirectly, to control the Globe Group or exercise significant influence over the Globe Group in making financial and operating decisions, or vice versa, or where the Globe Group and the party are subject to common control or common joint control. 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 exercising control or joint control over the Globe Group, and post-employment benefit plan which are for the benefit of employees of the Globe Group or of any entity that is a related party of the Globe Group.

The Globe Group, in their regular conduct of business, enter into transactions with their major stockholders, AC and Singtel, joint ventures and certain related parties.

The Globe Group's audit and related party transactions committee (Committee) reviews and approves all covered related party transactions in accordance with the Globe Group's corporate governance policy. The Committee endorses the covered related party transactions to the Board of Directors for final approval.



The summary of balances arising from related party transactions for the relevant financial year follows (in thousand pesos):

2023

	Note	Amount of transaction			Outstanding Balance			Terms	Conditions
		Revenue and Other Income	Costs and Expenses charged to Profit or Loss	Cost and Expenses capitalized as Asset	Cash and Cash Equivalents	Amounts Owed by Related Parties	Amounts Owed to Related Parties		
<b>Entities with joint control over the Company</b>									
Singlel	19.1	P336,003	P290,729	P-	P-	P65,655	P277,517	Interest-free, settlement in cash	Unsecured, no impairment
AC	19.1	39,215	54,873	-	-	23,505	1,745	Interest-free, settlement in cash	Unsecured, no impairment
<b>Jointly controlled entities</b>									
BMPL	19.2	-	20,142	-	-	-	2,784	Interest-free, settlement in cash	Unsecured, no impairment
Mynt	19.2	64,767	3,523,508	-	320,141	2,758,838	-	Interest-free, settlement in cash	Unsecured, no impairment
Globe STT GDC, Inc.	19.2	240,601	-	123,104	-	652,110	263,137	Interest-free, settlement in cash	Unsecured, no impairment
<b>Other related parties</b>									
GRP	19.3	154,999	-	-	-	2,547,935	-	3-5 years, 4.25-6.00%, settlement in cash	Unsecured, no impairment
BEAM	19.3	-	215,000	-	-	-	-	-	-
Altimax	19.3	-	-	-	-	-	-	-	-
JVHI	19.3	-	-	-	-	-	-	5-6 years, 5.94%-7.88%, settlement in cash	Unsecured, no impairment
		59,790	-	-	-	1,317,000	-	-	-
Key management personnel	19.4	-	423,800	-	-	-	-	-	-
Others	19.3	640,632	65,584	84,522	313,963	180,181	54,324	Interest-free excluding cash and cash equivalents, settlement in cash	Unsecured, no impairment
		<b>P1,536,007</b>	<b>P4,593,636</b>	<b>P207,626</b>	<b>P634,104</b>	<b>P7,545,224</b>	<b>P599,507</b>		



2022

	Note	Amount of transaction			Outstanding Balance			Terms	Conditions
		Revenue and Other Income	Costs and Expenses charged to Profit or Loss	Cost and Expenses capitalized as Asset	Cash and Cash Equivalents	Amounts Owed by Related Parties	Amounts Owed to Related Parties		
Entities with joint control over the Company									
Singtel	19.1	P427,088	P177,202	P-	P-	P46,066	P161,264	Interest-free, settlement in cash	Unsecured, no impairment
AC	19.1	23,269	40,134	-	-	3,924	249	Interest-free, settlement in cash	Unsecured, no impairment
Jointly controlled entities									
BMPL	19.2	-	26,224	16,499	-	-	4,361	Interest-free, settlement in cash	Unsecured, no impairment
Mynt	19.2	165,430	3,327,750	-	437,505	340,041	-	Interest-free, settlement in cash	Unsecured, no impairment
Globe STT GDC, Inc.	19.2	266,930	-	3,096,530	-	514,756	547,843	Interest-free, settlement in cash	Unsecured, no impairment
Other related parties									
GRP	19.3	160,250	-	-	-	2,547,935	-	3-5 years, 4.25-6.00%, settlement in cash	Unsecured, no impairment
BEAM	19.3	-	215,000	-	-	-	-	-	-
Altimax	19.3	-	-	3,150,000	-	-	-	-	-
JVHI	19.3	-	-	-	-	-	-	6 years, 5.94%, settlement in cash	Unsecured, no impairment
Key management personnel	19.4	21,490	-	-	-	681,000	-	-	-
Others	19.3	-	360,200	-	-	-	-	Interest-free excluding cash and cash equivalents, settlement in cash	Unsecured, no impairment
		684,131	100,810	57,825	1,270,967	164,577	44,189		
		<b>P1,748,588</b>	<b>P4,247,320</b>	<b>P6,320,854</b>	<b>P1,708,472</b>	<b>P4,298,299</b>	<b>P757,906</b>		



Amounts owed by related parties are presented in the statement of financial position as follows:

	Notes	2023	2022
		<i>(In Thousand Pesos)</i>	
Trade receivables – net		<b>₱248,837</b>	₱236,137
Due from related parties	10.2	<b>3,431,452</b>	833,227
Loans to related parties	10	<b>3,864,935</b>	3,228,935
		<b>₱7,545,224</b>	₱4,298,299

Amounts owed to related parties amounting to ₱599.51 million and ₱757.91 million as of December 31, 2023 and 2022, respectively are presented under trade payables and accrued expenses account in the statements of financial position.

As of December 31, 2023 and 2022, total related party trade and other receivables with and among subsidiaries that were eliminated at consolidation against related party trade and other payables amounted to ₱67,812 million and ₱58,946 million, respectively. These are mostly unsecured, interest-free and settled in cash.

#### 19.1 Entities with Joint Control over Globe Group - AC and Singtel

##### *Singtel*

##### *Interconnection agreements*

Globe Telecom has interconnection agreements with Singtel. The interconnection revenues recognized in relation to the agreements amounted to ₱336.00 million, ₱427.09 million and ₱561.59 million in 2023, 2022 and 2021, respectively. The interconnection costs recognized in relation to the agreements amounted to ₱23.05 million, ₱19.35 million and ₱29.53 million in 2023, 2022 and 2021, respectively.

##### *Technical assistance agreement*

Globe Telecom and Singtel have a technical assistance agreement whereby Singtel will provide consultancy and advisory services, including those with respect to the construction and operation of Globe Telecom's networks and communication services, equipment procurement and personnel services. In addition, Globe Telecom has software development, supply, license and support arrangements, lease of cable facilities, maintenance and restoration costs and other transactions with Singtel. General and administrative expenses charged to profit or loss in relation to the agreement amounted to ₱267.68 million, ₱157.85 million and ₱264.68 million in 2023, 2022 and 2021, respectively.

##### *AC*

##### *Subscription receivable*

Globe Telecom, Innove and BTI earn subscriber revenues from AC. Service revenues recognized from AC amounted to ₱39.22 million, ₱23.27 million and ₱10.18 million in 2023, 2022 and 2021, respectively.

##### *Cost reimbursements*

Globe Telecom reimburses AC for certain operating expenses. Total expense recognized by the Globe Group from the transaction amounted to ₱54.87 million, ₱40.13 million and ₱443.93 million in 2023, 2022 and 2021, respectively.



## *19.2 Joint Ventures in which the Globe Group is a venturer*

### *BMPL*

Globe Telecom has preferred roaming service contract with BMPL. Under this contract, Globe Telecom will pay BMPL for services rendered by the latter which include, among others, coordination and facilitation of preferred roaming arrangement among JV partners, and procurement and maintenance of telecommunications equipment necessary for delivery of seamless roaming experience to customers. Globe Telecom also incurs commission from BMPL for regional top-up service provided by the JV partners. The net outstanding liabilities to BMPL related to these transactions amounted to ₱2.78 million and ₱4.36 million as of December 31, 2023 and 2022, respectively. Total expenses recognized related to these transactions amounted to ₱20.14 million, ₱26.22 million and ₱15.45 million in 2023, 2022, and 2021, respectively.

### *Mynt*

#### *Management support services*

The Globe Group renders certain management support services to GXI. The management services also include the use of the Globe Group's network and facilities to conduct GXI's operations. Management fee income amounted to ₱64.77 million, ₱165.43 million and ₱165.43 million in 2023, 2022, and 2021, respectively (see [Note 22](#)).

#### *Service agreement*

Mynt offers over-the-air reloading to the mobile prepaid subscribers of the Globe Group using the Gcash mobile application. This entitles Mynt to a certain percentage share of the prepaid load sales through the Gcash platform.

Mynt also provides virtual GCash wallet to the Globe Group and functions as an Internet Payment Gateway. This enables the subscribers of the Globe Group to purchase Globe products and settle postpaid bills using the GCash platform.

Expense charged to profit or loss in relation to these arrangements amounted to ₱3,523.51 million, ₱3,327.75 million and ₱2,437.29 million in 2023, 2022 and 2021, respectively.

Outstanding Gcash wallet balance as of December 31, 2023 and 2022 amounted to ₱320.14 million and ₱437.51 million, respectively.

#### *Share Purchase Agreement*

On September 8, 2023, Mynt entered into a definitive agreement with AB Capital & Investment Corporation, an entity controlled by a member of the Board of Directors of Globe, to acquire up to a 50.0% equity stake in AB Capital Securities, Inc ("ABCSI"). Mynt has closed the first Investment Tranche as of September 15, 2023 amounting to ₱37.50 million and currently owns 7.5% of ABCSI.

On September 29, 2023, Globe Telecom entered into a Share Purchase Agreement with Mynt for the sale of Globe's 77% investment in ECPay for a total consideration of ₱2,310.00 million which remains outstanding as of December 31, 2023. (See [Note 14.2](#))



#### *Globe STT GDC, Inc.*

##### *Management fees*

The Globe Group renders certain management support services to Globe STT GDC. Management fees recognized in relation to the services rendered amounted to ₱75.75 million and ₱83.14 million in 2023 and 2022, respectively (See [Note 22](#)).

##### *Reimbursement of expenses*

In the normal course of business, Globe STT GDC reimburse expenses to the Globe Group amounting to ₱41.80 million and ₱121.32 million recognized as other income in 2023 and 2022, respectively.

##### *Leases*

The Globe Group has lease arrangements with Globe STT GDC for the use of certain telecommunication and data center facilities. Lease expense capitalized as right of use assets amounted to ₱123.10 million and ₱3,096.53 million in 2023 and 2022, respectively.

The Globe Group has lease arrangements with Globe STT GDC for the use of certain office space. Lease income recognized in relation to the agreement amounted to ₱123.05 million and ₱62.47 million in 2023 and 2022, respectively.

#### *19.3 Transactions with the other related parties*

##### *Globe Retirement Plan (GRP)*

The Globe Group granted various loans to the GRP at an interest rate of 5.50%, which matured on September 11, 2020. Upon maturity, the loan was extended until September 11, 2023 with the interest rate reduced to 4.25% per annum. In April 2022, Globe Telecom collected ₱408.00 million as full settlement. On May 5, 2021, The Globe Group granted additional loans to the GRP at an interest rate of 6%, which will mature on May 26, 2026. Interest income amounted to ₱155.00 million, ₱160.25 million and ₱120.29 million in 2023, 2022 and 2021, respectively (see [Note 21](#)). As of December 31, 2023 and 2022, the outstanding balance of loan receivable from GGRP amounted to ₱2,547.94 million (see [Note 10](#)).

##### *BHI*

GRP owns 100% of BHI, a domestic corporation organized to invest in media ventures. BHI has controlling interest in Altimax Broadcasting Co., Inc. (Altimax) and Broadcast Enterprises and Affiliated Media Inc. (BEAM), respectively.

##### *BEAM*

On February 1, 2009, the Globe Group entered into a memorandum of agreement (MOA) with BEAM for the latter to render mobile television broadcast service to Globe subscribers using the mobile TV service. The Globe Group recognized expense amounting to ₱215.00 million, ₱215.00 million and ₱215.00 million in 2023, 2022 and 2021, respectively.

##### *Altimax*

On October 1, 2009, the Globe Group entered into a MOA with Altimax for the Globe Group's co-use of specific frequencies of Altimax's for the rollout of broadband wireless access to the Globe Group's subscribers. The Globe Group recognized expense amounting to nil in 2023 and 2022 and ₱7.28 million 2021.



On March 21, 2022 Altimax's Frequency was reallocated to Globe following the approval of the National Telecommunications Commission (NTC) to reclassify the Frequency to broadband wireless access. Total consideration amounting to ₱3,150.00 million was subsequently paid in April 1, 2022.

#### JVHI

The Globe Group granted loan to JVHI at an interest rate of 5.94%, which will mature on January 19, 2028. In 2023, the Globe Group granted additional loan to JVHI at an interest of 7.88%, which will mature on January 19, 2028. Interest income amounted to ₱59.79 million and ₱21.49 million in 2023 and 2022, respectively (see [Note 21](#)). As of December 31, 2023 and 2022, the outstanding balance of loan receivable from JVHI amounted to ₱1,317.00 million and ₱681.00 million, respectively (see [Note 10](#)).

917Ventures Group Retirement Plan owns 99.99% of JVHI's outstanding shares. The Plan was established by GCVHI and registered with the Bureau of Internal Revenue on May 12, 2021 to fund the retirement and separation benefits of the participating and qualified employees of 917Ventures, BCHI and AI.

#### Others

The Globe Group earns service revenues, maintains money market placements and cash in bank balances, acquires transportation equipment and incurs general, selling and administrative expenses such as rentals, utilities and customer contract services, from entities which are either controlled, jointly controlled or significantly influenced by AC.

#### 19.4 Transactions with key management personnel of the Globe Group

The following compensation of key management personnel were recognized as expenses in 2023 and 2022 which includes accrued but unpaid amounts for the years ended:

	2023	2022
	<i>(In Thousand Pesos)</i>	
Short-term employee benefits	<b>₱329,000</b>	₱267,000
Share-based payments	<b>80,200</b>	73,400
Post-employment benefits	<b>14,600</b>	19,800
	<b>₱423,800</b>	₱360,200

There are no agreements between the Globe Group and any of its directors and key officers providing for benefits upon termination of employment, except for such benefits to which they may be entitled under the Globe Group's retirement plans.