



 **Globe Telecom, Inc.**
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March 31, 2016

The Philippine Stock Exchange, Inc.

Tower One and Exchange Plaza, Ayala Triangle,
Ayala Avenue, Makati City 1226

Attention: Mr. J. Argel G. Astudillo
Vice President and Head – Governance, Risk and Compliance

Ms. Janet A. Encarnacion
Head – Disclosure Department

Re: Submission of the PSE Corporate Governance Guidelines Disclosure Survey for 2015

Gentlemen:

In compliance with PSE Circular No. 2010-0574 dated 26 November 2010, followed by the submission reminder covering the year 2015 through PSE Circular No. 2016-0014 dated 8 March 2016, please find attached Globe Telecom, Inc.'s ("GLO") response to the PSE Corporate Governance Guidelines Disclosure Survey ("CG Disclosure Survey") for the year 2015 with pertinent Annexes.

Please note that our 2016 Annual Stockholders' Meeting (ASM) will be held on April 13, 2016. Some documents referred to in the CG Disclosure Survey shall be available thereafter followed by the timely submission of our annual reports. For purposes of the 2016 PSE Bell Awards evaluation process, we undertake to provide copies of the documents to the PSE once these are available. The same shall be publicly-available through our company website:

- (i) Minutes of the 2016 ASM;
- (ii) Voting Results of the 2016 ASM;
- (iii) GLO 2015 Annual & Sustainability Report (ASR);
- (iv) SEC (Securities and Exchange Commission) Form 17-A, which is due on or before 15 April 2016; and,
- (v) SEC Annual Corporate Governance Report (ACGR), which shall be submitted together with our SEC Form 17-A.

Should the posting of the abovementioned documents change the URL/website addresses identified in our CG Disclosure Survey submission, we shall submit an amended disclosure for your easy reference.

We hope you find everything in order. For further queries, please do not hesitate to let us know.

Thank you very much.

Very truly yours,

Globe Telecom, Inc.

By:

A black rectangular box with a white 'X' drawn across it, used to redact a signature. A blue ink mark is visible above the box.

ATTY. MARISALVE CIOCSON-CO

Compliance Officer, Assistant Corporate Secretary and
Vice President, Legal Services



THE PHILIPPINE STOCK EXCHANGE, INC.

Corporate Governance Guidelines for Listed Companies

Disclosure Template for the Year 2015 – Globe Telecom, Inc.



	APPLY	EXPLAIN
Guidelines No. 1: DEVELOPS AND EXECUTES A SOUND BUSINESS STRATEGY		
1.1 Have a clearly defined vision, mission and core values.	✓	Globe Telecom, Inc.'s (GLO) vision, mission and core values are included in the company website. The same are also embedded in our Manual on Corporate Governance (MCG) and Annual Reports (SEC Annual Corporate Governance Report {ACGR}, Annual & Sustainability Report {ASR} and SEC Form 17-A), which are also accessible to the public through the company website. For easy reference: <u>Company Website</u> http://www.globe.com.ph/corporate-governance/vision-mission-values <u>GLO MCG (Mission, Vision, Our Core Values), p. 2</u> http://www.globe.com.ph/documents/50301/16764017/17C_Revised+Manual+of+Corporate+Governance_12May2015.pdf <u>Annual Corporate Governance Report (ACGR) – Updated ACGR for Y2015 with information as of 13 April 2016, p. 6</u> http://www.globe.com.ph/corporate-governance/acgr <u>2015 Annual & Sustainability Report (ASR)</u> http://www.globe.com.ph/investor-relations/annual-sustainability-reports/ <u>GLO 2015 Annual Report (SEC Form 17-A)</u> http://www.globe.com.ph/investor-relations/sec-filings/annual-report-17a



1.2 Have a well-developed business strategy.	✓	Globe believes <u>companies that provide the best customer experience win</u>. Therefore it is now the overarching strategy of Globe. It is the reason why we are making a <u>massive shift towards becoming a company that gives our customers the delightful experience they deserve</u>. In 2015, Globe aimed <u>to disrupt the telecommunications arena through transformative customer experiences, from enhancement in our self-service channels to expansion of the Globe GEN3 stores that deliver relevant value</u>. We continue to envision a strong business by <u>maximizing our core revenue and optimizing profitability</u>. To create a wonderful world for our people, business, and nation, we will also <u>continue to build relationships with our partners, strengthen customer communication and develop infrastructure</u> to optimize the quality of our services and enhance the coverage of our network. Our business strategy is discussed in our ASR and embedded in the products, services and corporate objectives on our website. For easy reference: <u>Company website (Corporate Objectives)</u> http://www.globe.com.ph/corporate-governance/vision-mission-values <u>2015 ASR (Expanding Our Culture of Service; Ongoing Commitment to Exceptional Service; Building Relationship; Corporate Objectives)</u> http://www.globe.com.ph/investor-relations/annual-sustainability-reports/
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1.3 Have a strategy execution process that facilitates effective performance management, and is attuned to the company's business environment, management style and culture.	✓	We have been making a massive shift towards becoming a company that gives our customers the delightful experience they deserve. In 2015, Globe aimed to disrupt the telecommunications arena <u>through transformative customer experiences, from enhancement in our self-service channels to expansion of the Globe GEN3 stores</u> that deliver relevant value. The shift started in 2013 and went full scale in 2014 when we embarked on a customer experience transformation program called Delivering the Next Act (DNA). In 2015, <u>we expanded this to further embed the culture of service in every Globe employee, including all frontliners</u>. In this program, we further <u>empowered our customers in resolving their concerns through our own 150,000 strong Globe Community</u>. More importantly, we began to <u>strengthen partnerships and embed our service culture to our vendor partners</u>. This enabled us to combine our expertise in our respective areas and come up with improvements that spelled the difference in customer experience. Further, we also revisited our existing customer survey models and improved the constructs in response to the shift of our customer's digital behavior and increasing relevance of mobile data. This includes our <u>introduction of a real-time customer survey across multiple touch points</u>. It works by requesting feedback from our customers via voice of SMS right after each transaction at our stores, hotline, self-service channels, or with our service technicians. This gives us an opportunity to address issues immediately and regain customer trust. We've also <u>adopted the internationally recognized Net Promoters Score (NPS) to track how likely our customers would recommend our service to others</u>. Aside from strengthening our relationship with our partners, we also understand the importance of taking a proactive approach in communicating with our customers. <u>Public advisory on network upgrades</u>
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		Guideline 1.3 Remarks continued... <u>and system enhancements</u>, among others, are communicated to our customers via SMS or our various self-service channels so they will be fully aware of the situation. Service downtimes, including 2015's Papal Visit, saw Globe reaching out to them with honest and transparent communication. We send out messages to our customers in case there are expected downtimes and update them on issues they encounter. We continue to envision a strong business by <u>maximizing our core revenue and optimizing profitability</u>. To create a wonderful world for our people, business, and nation, we will also <u>continue to build relationships with our partners, strengthen customer communication and develop infrastructure</u> to optimize the quality of our services and enhance the coverage of our network. These may include, but are not limited to, <u>building of cell sites, establishing fibre-optic in cities and subdivisions around the country, and launching of a new product or service</u>. Our strategy execution process is extensively discussed in our ASR and embedded in the products, services and corporate objectives on our website. Our Board also conduct an annual self-assessment exercise that includes an evaluation of the performance of management. For easy reference: <u>Company website (Corporate Objectives)</u> http://www.globe.com.ph/corporate-governance/vision-mission-values <u>2015 ASR (Expanding Our Culture of Service; Ongoing Commitment to Exceptional Service; Building Relationship; Corporate Objectives)</u> http://www.globe.com.ph/investor-relations/annual-sustainability-reports/
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1.4 Have its board continually engaged in discussions of strategic business issues.	✓	The duties and responsibilities of GLO's board, among others, include their engagement in discussion of strategic business issues, as specified in GLO's MCG. The agenda at regular board meetings always includes review and discussion of strategic business issues, as well as approval or rejection of management proposals to execute and implement agreed business strategies. To this end, GLO ensures that its board continually performs its duties and responsibilities through an annual assessment exercise using a self-assessment questionnaire given to each director to ensure the effectiveness of their governance, to reflect on the performance of top management including the President & CEO, to highlight specific strengths and to identify areas of improvement. It also provides a venue for the Board members to identify priorities for the Board and the company for the succeeding year. The assessment is comprised of appraisal of the Board, of individual directors, of the different Board Committees, as well as of the management. The questionnaire covers a thorough evaluation criteria focusing on structure, efficiency, and effectiveness of the Board, participation and engagement of each Board member, contribution of each Board member to their respective Committees as well as the performance of management. The criteria also reflect the specific duties, responsibilities and accountabilities of each Board member assessed as provided in the company By-Laws, Manuals, Charters and governing policies. The self-assessment exercise is facilitated by the Compliance Officer. An annual executive session also takes place dedicated to evaluating and discussing matters concerning the Board, including evaluating the company's performance and an independent review of its management team. GLO's Board/Committees/Individual Director Self-Assessment Form is available on our company website.
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	✓	Guideline 1.4 Remarks continued... For easy reference: <u>GLO MCG (General Responsibility of the Board, Specific Duties of the Board of Directors and Specific Responsibilities of each Director), pp. 10-15</u> http://www.globe.com.ph/documents/50301/16764017/17C_Revised+Manual+of+Corporate+Governance_12May2015.pdf <u>GLO Board/Committees/Individual Director Self-Assessment Form</u> http://www.globe.com.ph/documents/7122541/20842052/Board+Self-Assessment+Form.pdf <u>2015 ASR (Board Performance)</u> http://www.globe.com.ph/investor-relations/annual-sustainability-reports/ <u>2015 Board of Directors' Attendance</u> https://www.globe.com.ph/documents/7122541/8995121/Attendance+of+Directors+for+Y2015+-+January+5%2C+2016.pdf, OR http://edge.pse.com.ph/openDiscViewer.do?edge_no=73b0e20319b7582a72785c150f4cd6d2#sthash.b4iTYUNQ.dpbs <u>2015 Definitive Information Statement (Item B, 2(a-b)), p. 13</u> http://www.globe.com.ph/documents/7122541/20842052/GLO_2015-Definitive-Information-Statement+%28Amended%29.pdf, OR http://www.globe.com.ph/investor-relations/sec-filings/information-statement, OR http://edge.pse.com.ph/openDiscViewer.do?edge_no=8d65c2bc343a8a3772785c150f4cd6d2#sthash.TnOejR0C.dpbs
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Guidelines No. 2: ESTABLISHES A WELL-STRUCTURED AND FUNCTIONING BOARD		
2.1 Have a board composed of directors of proven competence and integrity.	✓	GLO's MCG identifies specific qualifications and disqualifications for members of the company's board as well as states that part of the duties of the board is to ensure that members are those that will add value to the whole governing body for the best interest of the company. GLO also ensures that all members of its board are fully aware of the duties and responsibilities to be performed as such, and that all members are updated with the latest best practices and standards of good corporate governance through the annual CG training for the board and key officers, conducted together with the board members of the conglomerate. Our board diversity policy and the charter of the Nomination Committee further ensure that members of the board are those that have proven competency, integrity and impart value to the company. For easy reference: <u>GLO MCG (Qualifications, Disqualifications), pp. 3-9</u> http://www.globe.com.ph/documents/50301/16764017/17C_Revised+Manual+of+Corporate+Governance_12May2015.pdf <u>GLO MCG (Specific Duties of the Board of Directors), pp. 11-12</u> http://www.globe.com.ph/documents/50301/16764017/17C_Revised+Manual+of+Corporate+Governance_12May2015.pdf



		Guideline 2.1 Remarks continued... <u>GLO ACGR – Updated ACGR for Y2015 with information as of 13 April 2016</u> http://www.globe.com.ph/corporate-governance/acgr <u>Company website (Board of Directors – Diversity Policy)</u> http://www.globe.com.ph/corporate-governance/board-of-directors
2.2 Be led by a chairman who shall ensure that the board functions in an effective and collegial manner.	✓	Duties and the role of GLO's Chairman of the Board, among others, are identified in GLO's MCG, By-Laws and further elaborated in the ASR. For easy reference: <u>GLO MCG (Chairman of the Board), p. 23</u> http://www.globe.com.ph/documents/50301/16764017/17C_Revised+Manual+of+Corporate+Governance_12May2015.pdf <u>GLO By-Laws (Article III, Section 5-A)</u> http://www.globe.com.ph/documents/7122541/7171061/GLOBE+-+Amended+By-Laws+2011.pdf <u>2015 ASR (Board Diversity Policy)</u> http://www.globe.com.ph/investor-relations/annual-sustainability-reports/



2.3 Have at least three (3) or thirty percent (30%), whichever is higher, of its directors as independent directors.	✓	GLO currently has three (3) independent directors among its 11-member board, which is already more than compliant with the minimum requirement of applicable law. To strengthen independence and diversity at the board level, a female independent director has been nominated to be part of GLO's board of directors again for election at the 2016 ASM in April. For easy reference: <u>Company website (Board of Directors, Board of Directors – Diversity Policy)</u> http://www.globe.com.ph/corporate-governance/board-of-directors <u>Company website (Results of the Annual Stockholders' Meeting)</u> http://www.globe.com.ph/corporate-governance/annual-stockholders-meetings
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2.4 Have in place written manuals, guidelines and issuances that outline procedures and processes.	✓	Written manuals, guidelines and issuances that outline procedures and processes, among others, include GLO's MCG, Employee Handbook on Code of Conduct, and different Board Committee Charters. GLO further issues company policies that outline procedures/processes to cater to the interest of its employees, suppliers, creditors, community and other stakeholders as may be necessary. All of which are posted on the company website. For easy reference: <u>GLO MCG</u> http://www.globe.com.ph/documents/50301/16764017/17C_Revised+Manual+of+Corporate+Governance_12May2015.pdf <u>GLO Employee Handbook on Code of Conduct</u> http://www.globe.com.ph/documents/7122541/94ded150-1606-4424-aef8-a6120d8867a8 <u>Company website (Board Committees and Charters)</u> http://www.globe.com.ph/corporate-governance/board-of-directors/committees <u>Company website (Company Policies)</u> http://www.globe.com.ph/corporate-governance/company-policies <u>Company website (Internal Control Mechanisms)</u> http://www.globe.com.ph/corporate-governance/internal-control-mechanism
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2.5 Have Audit, Risk, Governance and Nomination and Election Committees.	GLO's existing committees compose of the Executive, Audit, Nomination, Compensation and Remuneration, and Finance Committee. Risk management oversight is embedded in the functions of the Executive Committee, Audit Committee and Finance Committee. These committees identify and manage risks that are pertinent to their respective functions and roles. Governance is a function of the Executive Committee and the Audit Committee. The overall responsibility for GLO's risk management oversight rests with the Board of Directors that created various Board committees designated to provide risk management oversight for specific risk areas. Our Board of Directors designated the Audit Committee as the overall consolidator of risks for all the committees. The Audit Committee regularly reports to the Board of Directors on GLO's risk management efforts to provide the Board with a more coordinate and effective review of risks across the company and assurance over the company's overall risk management, which aids the Board in making strategic decisions for GLO. As a result, the Audit Committee functions as a separate level risk committee. For easy reference: <u>GLO MCG (Governance), Section 2, pp. 16-21</u> http://www.globe.com.ph/documents/50301/16764017/17C_Revised+Manual+of+Corporate+Governance_12May2015.pdf <u>Company website (Charters of GLO's Board Committees)</u> http://www.globe.com.ph/corporate-governance/board-of-directors/committees <u>2015 ASR (Board Committees; Risk Management – Roles and Responsibilities)</u> http://www.globe.com.ph/investor-relations/annual-sustainability-reports/
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2.6 Have its Chairman and CEO positions held separately by individuals who are not related to each other.	✓	GLO's Chairman (Jaime Augusto Zobel de Ayala) and President & CEO (Ernest L. Cu) are separate individuals who are not related to each other. Director profiles are on the company website and Annual Reports, which reflect that the Chairman and President & CEO are not related to one another. The reports are filed accordingly with relevant regulatory agencies. For easy reference: <u>Company website (Board of Directors)</u> http://www.globe.com.ph/corporate-governance/board-of-directors <u>2015 Definitive Information Statement, pp. 14, 33-34</u> http://www.globe.com.ph/documents/7122541/20842052/GLO_2015-Definitive-Information-Statement+%28Amended%29.pdf, OR http://www.globe.com.ph/investor-relations/sec-filings/information-statement, OR http://edge.pse.com.ph/openDiscViewer.do?edge_no=8d65c2bc343a8a3772785c150f4cd6d2#sthash.TnOejR0C.dpbs
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2.7 Have a director nomination and election process that ensures that all shareholders are given the opportunity to nominate and elect directors individually based on the number of shares voted.	✓	GLO's director nomination and election process ensures that all shareholders, including minority shareholders, are given the opportunity to nominate and elect directors individually based on the number of shares voted, in accordance with applicable law as stated in GLO's By-Laws and Nomination Committee Charter. GLO's Information Statement also reiterates the guidelines and procedures for the company's director nomination and election process, in accordance with applicable law and the Company's By-Laws and Nomination Committee Charter. For easy reference: <u>GLO By-Laws (Article II, Section 1.3)</u> http://www.globe.com.ph/documents/7122541/7171061/GLOBE+-+Amended+By-Laws+2011.pdf <u>GLO Nomination Committee Charter</u> http://www.globe.com.ph/corporate-governance/board-of-directors/committees <u>2015 Definitive Information Statement (Item B), pp. 10-14</u> http://www.globe.com.ph/documents/7122541/20842052/GLO_2015-Definitive-Information-Statement+%28Amended%29.pdf, OR http://www.globe.com.ph/investor-relations/sec-filings/information-statement, OR http://edge.pse.com.ph/openDiscViewer.do?edge_no=8d65c2bc343a8a3772785c150f4cd6d2#sthash.TnOeiR0C.dpbs
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2.8 Have in place a formal board and director development program.	✓	To execute their role well, training on corporate governance is given to directors prior to assuming office. In 2015, members of the Board and key officers participated in the program on corporate governance conducted by the Institute of Corporate Directors (ICD) in compliance with the Securities and Exchange Commission Memorandum Circular No. 20, Series of 2013, directing all key officers and member of the Board of publicly-listed companies to attend a program on corporate governance. Other key officers attended a corporate governance seminar also conducted by the ICD. Discussions on topics during these seminar programs included the SEC Annual Corporate Governance Report, updates on the ASEAN Corporate Governance Scorecard (ACGS), and the SEC Revised Code of Corporate Governance, among others. In September 2015, other board members attended an in-house corporate governance seminar conducted by Risks, Opportunities, Assessment and Management (ROAM), Inc. to also remain abreast of relevant new laws, regulations, trends and risks in further strengthening their performance according to their responsibilities and duties for the company and its stakeholders. The seminar included discussions on the telecommunications industry trends, risk and opportunities, case studies reflecting the importance of corporate governance with regard to accountability, integrity and transparency, political risk, as well as the ACGS, SEC's Annual Corporate Governance Report (ACGR) and other mandatory topics required by the SEC. Both training providers are accredited by the SEC. The attendance of the Board and key officers were properly and timely disclosed to the SEC, PSE, PDEx and posted on the company website.
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		Guideline 2.8 Remarks continued... For easy reference: <u>2015 ASR (Board Composition)</u> http://www.globe.com.ph/investor-relations/annual-sustainability-reports/ <u>GLO MCG (Governance, Article II, Section 1.10 (h)), p. 15</u> http://www.globe.com.ph/documents/50301/16764017/17C_Revised+Manual+of+Corporate+Governance_12May2015.pdf <u>GLO ACGR – Updated ACGR for Y2015 with information as of 13 April 2016</u> http://www.globe.com.ph/corporate-governance/acgr <u>Company website (Director Training and Continuing Education Program)</u> http://www.globe.com.ph/corporate-governance/board-of-directors/performance
2.9 Have a corporate secretary.	✓	GLO's Corporate Secretary is Atty. Solomon M. Hermosura. For easy reference: <u>Company website (Key Officers)</u> http://www.globe.com.ph/corporate-governance/key-officers <u>2015 Definitive Information Statement (Item B), pp. 10-14</u> http://www.globe.com.ph/documents/7122541/20842052/GLO_2015-Definitive-Information-Statement+%28Amended%29.pdf, OR http://www.globe.com.ph/investor-relations/sec-filings/information-statement, OR http://edge.pse.com.ph/openDiscViewer.do?edge_no=8d65c2bc343a8a3772785c150f4cd6d2#sthash.TnOejR0C.dpbs



2.10 Have no shareholder agreement, by-laws provisions, or other arrangements that constrains the directors' ability to vote independently.	✓	GLO does not have shareholder agreement, by-laws provisions, or other arrangements that constrain the directors' ability to vote independently. Further, GLO's MCG encourages independent judgment among its directors. For easy reference: <u>GLO By-Laws</u> http://www.globe.com.ph/documents/7122541/7171061/GLOBE+-+Amended+By-Laws+2011.pdf <u>GLO MCG (Governance, Article II, Section 1.9-1.10), pp. 11, 14</u> http://www.globe.com.ph/documents/50301/16764017/17C_Revised+Manual+of+Corporate+Governance_12May2015.pdf
Guidelines No. 3: MAINTAINS A ROBUST INTERNAL AUDIT AND CONTROL SYSTEM		
3.1 Establish the internal audit function as a separate unit in the company which would be overseen at the Board level.	✓	GLO's internal audit (IA) function is performed by a separate unit in the company headed by GLO's Chief Audit Executive (Head of Internal Audit), Ms. Carmina J. Herbosa. Furthermore, one of the responsibilities of our Audit Committee is to oversee the internal audit function. For easy reference: <u>Company website (Key Officers; Internal Control Mechanism)</u> http://www.globe.com.ph/corporate-governance/key-officers; http://www.globe.com.ph/corporate-governance/internal-control-mechanism <u>GLO MCG (Article V, Section 1), p. 29</u> http://www.globe.com.ph/documents/50301/16764017/17C_Revised+Manual+of+Corporate+Governance_12May2015.pdf <u>GLO Audit Committee Charter</u> http://www.globe.com.ph/corporate-governance/board-of-directors/committees



		Guideline 3.1 Remarks continued... 2015 Definitive Information Statement, pp. 39-40, 143 http://www.globe.com.ph/documents/7122541/20842052/GLO_2015-Definitive-Information-Statement+%28Amended%29.pdf, OR http://edge.pse.com.ph/openDiscViewer.do?edge_no=8d65c2bc343a8a3772785c150f4cd6d2#sthash.TnOejROC.dpbs
3.2 Have a comprehensive enterprise-wide compliance program that is annually reviewed.	✓	GLO's Audit Committee performs Compliance oversight function, among its other duties and responsibilities. Our enterprise-wide compliance program is likewise annually reviewed as identified in its MCG. For easy reference: GLO Audit Committee Charter (Compliance Oversight), pp. 7-8 http://www.globe.com.ph/corporate-governance/board-of-directors/committees GLO MCG (Article V, Section 3), pp. 30-31 http://www.globe.com.ph/documents/50301/16764017/17C_Revised+Manual+of+Corporate+Governance_12May2015.pdf 2015 ASR (Accountability and Audit) http://www.globe.com.ph/investor-relations/annual-sustainability-reports/
3.3 Institutionalize quality service programs for the internal audit function.	✓	GLO has in place quality service programs to assist in the effectiveness of the Internal Audit function. It is our policy to establish and support an Internal Audit (IA) function as a fundamental part of our corporate governance practices. Internal Audit is a service, providing an independent, objective assurance and consulting function within Globe, and sharing our common goal of creating and enhancing value for our stakeholders, through a systematic approach in evaluating the effectiveness of our risk management, internal control and governance processes.



		Guideline 3.3 Remarks continued... Globe IA assists and supports Management in continuously instilling and nurturing Control Self-Assessment (CSA) environment at Globe through facilitation of self-assessment exercises among various business groups. The Audit Committee regards its relationship with Internal Audit as having a vital role in supporting the Audit Committee in the effective discharge of its oversight role and responsibilities. Globe IA maintains, reviews and assesses the adequacy of its Charter annually to ensure conformance with the International Standards for the Practice of Internal Auditing (the Standards) for the Professional Practice of International Auditing (the Standards) and appropriateness for enabling good corporate governance. Globe IA performs its auditing functions faithfully by maintaining independence from management and controlling shareholders as it reports functionally to the Board, through the Audit Committee and administratively, to the President & CEO. The Committee, having appointed the Chief Audit Executive, also concurs in his/her replacement, reassignment, or dismissal. Globe IA adopts a risk-based audit approach in developing its annual work plan ensuring that all risks, mapped to eTOM based processes, with integrated risk assessments for processes across the enterprise, are captured in the audit universe. Globe IA's annual work plan is re-assessed quarterly to consider emerging risks and the changing dynamics of the telecommunications business, thereby allowing maximum and timely coverage of key/ critical risk areas.
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		Guideline 3.3 Remarks continued... The Audit Committee reviews and approves the annual work plan and all deviations and ensures that internal audit examinations cover at least the evaluation of adequacy and effectiveness of risk management and control processes encompassing the company's governance, operations, information systems, reliability and integrity of financial and operational information, effectiveness and efficiency of operations, safeguarding of assets and compliance with laws, rules and regulations. The Audit Committee also ensures that audit resources are adequately allocated to and focused on the areas of highest risk. For easy reference: <u>2015 ASR (Internal Audit)</u> http://www.globe.com.ph/investor-relations/annual-sustainability-reports/ <u>Company website (Internal Control Mechanism)</u> http://www.globe.com.ph/corporate-governance/internal-control-mechanism <u>GLO Audit Committee Charter</u> http://www.globe.com.ph/corporate-governance/board-of-directors/committees <u>GLO MCG (Article V), pp. 29-30</u> http://www.globe.com.ph/documents/50301/16764017/17C_Revised+Manual+of+Corporate+Governance_12May2015.pdf
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3.4 Have in place a mechanism that allows employees, suppliers and other stakeholders to raise valid issues.	✓	GLO recognizes its strategic role in ensuring that all stakeholders are satisfied with its services and business engagement. For this reason, GLO has in place mechanisms that allow employees, suppliers and other stakeholders to raise valid issues. All stakeholders are also given direct access to GLO's Investor Relations Office through the contact details provided on the company website. For easy reference: <u>Company website (Whistle Blowing Policy)</u> http://www.globe.com.ph/corporate-governance/company-policies/ <u>Company website (Investor Relations Contacts)</u> http://www.globe.com.ph/investor-relations <u>GLO Employee Handbook on Code of Conduct (Policies and Procedures on Unethical, Corrupt and Other Prohibited Practices, and Whistleblower), pp.66-73; 85-93</u> http://www.globe.com.ph/documents/7122541/94ded150-1606-4424-aef8-a6120d8867a8 Among other mechanisms, employees, suppliers and other stakeholders may also raise issues/concerns through GLO's Facebook page (https://www.facebook.com/globeph), Twitter account (https://twitter.com/enjoyGLOBE), Email (/talk2globenow) account, and Hotline numbers: (Landline: +63 2.730.1000, customer care: +63 2.730.1010, sales; Mobile: 211), which are all easily accessible to the public through http://www.globe.com.ph/contactus. <u>Company website (Employee Welfare, Health and Safety Policy)</u> http://www.globe.com.ph/corporate-governance/stakeholders
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3.5 Have the 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.	✓	An annual Certification is signed by GLO's President & CEO, Chief Financial Officer & Chief Risk officer, and Chief Audit Executive attesting that the company's sound internal audit, control and compliance systems are in place and working effectively. For easy reference: <u>Please see attached Certification (Annex "A")</u>
Guidelines No. 4: RECOGNIZES AND MANAGES ITS ENTERPRISE RISKS		
4.1 Have its board oversee the company's risk management function.	✓	The Board of Directors oversees and conducts an annual review of our material controls, covering operational, financial and compliance areas and overall Risk Management (RM) systems. The overall responsibility for RM oversight rests with the Board. The Board, supported by the Executive Committee (ExCom), Audit Committee (AuditCom) and Finance Committee (FinCom), is responsible for the Company's Risk Management and the approval of risk management policies and framework. ExCom, in particular, handles the non-financial risk such as strategic operation, human capital and regulatory. The AuditCom handles financial risks. While, FinCom handles investment risks. To enable the Board to effectively discharge RM function, various Board committees have been designated to provide RM Board Risk Management Oversight <pre> graph TD Board[Board Risk Management Oversight] ExCom[Executive Committee] AuditCom[Audit Committee] FinCom[Finance Committee] ExCom --> Board AuditCom --> Board FinCom --> Board ExCom --> AuditCom AuditCom --> FinCom </pre> Executive Committee - Provides oversight on corporate strategic risks, technology and operational risks - Provides guidance in setting-up integrated and cross-functional risk management systems and controls infrastructure - Reviews, jointly with Management the adequacy of risk management processes for strategic, operational and technology risks Audit Committee - Provides oversight on financial reporting risks - Provides oversight on operational risks, specifically on financial statements and reporting, internal controls, legal or regulatory compliance, corporate governance, risk management and fraud - Consolidates risks for all committees for Board review Finance Committee - Provides oversight on the Company's financial risk management including risks related to capital structure, acquisitions, divestments, treasury activities, tax strategy and compliance.



		Guideline 4.1 Remarks continued... oversight for specific risk areas. In addition, the President and Chief Executive Officer (CEO) acting as the Chief Risk Executive (CRE) is responsible for ERM priorities, including strategies, tolerances and policies which he recommends to the Board for approval. The Chief Finance Officer (CFO) and concurrent Chief Risk Officer (CRO) supports the CRE at the Management level. The CRO is supported by the Enterprise Risk Management Services Division (ERMSD). Given the overlapping oversight functions of the various committees, and to enable an integrated and holistic approach to RM 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 regularly reports to the Board of Directors on RM efforts, thus, providing the Board with a more coordinated and effective review of risks across the company and assurance over the overall RM. To that effect, the Audit Committee also functions as a separate level risk committee. For easy reference: <u>Company website (Enterprise Risk Management)</u> http://www.globe.com.ph/corporate-governance/enterprise-risk-management <u>2015 ASR (Risk Management – Roles and Responsibilities)</u> http://www.globe.com.ph/investor-relations/annual-sustainability-reports/ <u>GLO 2015 SEC Form 17-A</u> http://www.globe.com.ph/investor-relations/sec-filings/annual-report-17a <u>GLO Committee Charters</u> http://www.globe.com.ph/corporate-governance/board-of-directors/committees
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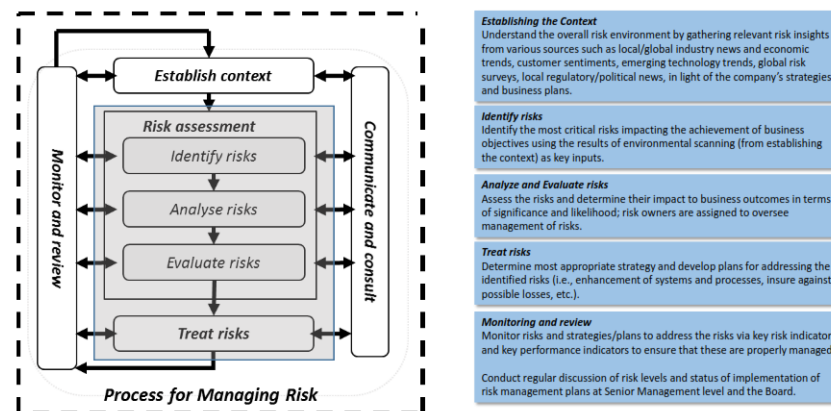
4.2 Have a formal risk management policy that guides the company's risk management and compliance processes and procedures.	✓	GLO's RM philosophy is anchored in three key principles, which also serve as the foundation of the company's risk management approach. These are: 1) culture, 2) structure and 3) process. This is contained in GLO's Annual & Sustainability Report and company website. The ISO 31000 framework for Risk Management is used as the basis for our ERM process. The established processes also ensure that compliance processes and procedures are effectively guided by the RM policy. An enterprise-wide assessment of risks is performed by senior management and key leaders as part of Globe Telecom's annual planning cycle. This assessment focuses on identifying the (1) key risks that threatens Globe Telecom's achievement of its business objectives at corporate and business unit level and (2) specific plans in the mitigation of such risks. GLO has also institutionalized a process to closely monitor the risk management plans and actions being taken to address critical risks, which undergoes a two dimensional approach that involve the review by the Business Units and Functional Group Level Leaders as well as by Senior Management. Further, GLO also implements an Operational Risk Management (ORM) program which is a cyclical, coordinated end-to-end process to identify, assess, treat, monitor and report operational risks for effective & informed business decisions. For easy reference: <u>Company website (Enterprise Risk Management)</u> http://www.globe.com.ph/corporate-governance/enterprise-risk-management <u>2015 ASR (Risk Management – Roles and Responsibilities)</u> http://www.globe.com.ph/investor-relations/annual-sustainability-reports/ <u>GLO 2015 SEC Form 17-A (Corporate Governance Section – Risk Management)</u> http://www.globe.com.ph/investor-relations/sec-filings/annual-report-17a <u>GLO MCG (Article II, Section 1.8 (d); 1.9(j, p); 2.5), pp. 10, 12-13, 19-20</u> http://www.globe.com.ph/documents/50301/16764017/17C_Revised+Manual+of+Corporate+Governance_12May2015.pdf
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4.3 Design and undertake its Enterprise Risk Management (ERM) activities on the basis of, or in accordance with, internationally recognized frameworks such as but not limited to, COSO, (The Committee of Sponsoring Organizations of the Treadway Commission) I and II.

✓

Globe uses ISO 31000 framework as the basis for its Enterprise Risk Management (ERM) process. The established processes also ensure that compliance processes and procedures are effectively guided by the RM policy. The same is identified in the Annual & Sustainability Report and the company website.



For easy reference:

Please see Annex "B" on Risk Management Process

Company website (Enterprise Risk Management)

<http://www.globe.com.ph/corporate-governance/enterprise-risk-management>

2015 ASR (Risk Management – Roles and Responsibilities)

<http://www.globe.com.ph/investor-relations/annual-sustainability-reports/>

GLO 2015 SEC Form 17-A

<http://www.globe.com.ph/investor-relations/sec-filings/annual-report-17a>



4.4 Have a unit at the management level, headed by Risk Management Officer (RMO).	✓	GLO's Chief Risk Officer (CRO) is Rosemarie Maniego-Eala, who is also GLO's Treasurer and Acting Chief Finance Officer. The CRO supports the President and CEO in his function as the Chief Risk Executive (CRE) at the Management level. Further, in support of the CRO, GLO's Enterprise Risk Management Services Divisions (ERMSD) is headed by Christine Renee Blabagno, who is the company's Risk Management Program Officer. The CRO reports quarterly to the Board through the Audit Committee regarding our critical risks and key mitigation strategies. Evidently, GLO has institutionalized its risk management policy, approach, processes and procedures to fit the risk appetite of the company considering its size and industry, among others. For easy reference: <u>Company website (Key Officers)</u> http://www.globe.com.ph/corporate-governance/key-officers <u>2015 ASR (Risk Management)</u> http://www.globe.com.ph/investor-relations/annual-sustainability-reports/ <u>GLO 2015 SEC Form 17-A (Corporate Governance Section – Risk Management)</u> http://www.globe.com.ph/investor-relations/sec-filings/annual-report-17a <u>Company website (Risk Management Approach)</u> http://www.globe.com.ph/corporate-governance/enterprise-risk-management
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4.5 Disclose sufficient information about its risk management procedures and processes as well as the key risks the company is currently facing including how these are being managed.	✓	An enterprise-wide assessment of risks is performed by senior management, with review by Business Unit and Functional Group Leaders, as part of Globe Telecom's annual planning cycle. This assessment focuses on identifying the (1) key risks that threatens Globe Telecom's achievement of its business objectives at corporate and business unit level and (2) specific plans in the mitigation of such risks. An enterprise wide assessment of risks is performed by Senior Management and key leaders as part of our annual planning and budgeting process, which are reported to and reviewed by the Board. This assessment focuses on identifying the key risks that threaten the achievement of our business objectives at corporate and business unit level, as well as the assignment of risk owner/s and development of plans in managing such risks. The established strategies and plans to address the risks are continuously developed, updated, improved, and reviewed for effectiveness. On a regular basis, Senior Management discusses the current risk levels and status of implementation of mitigation plans. Senior Management monitors enterprise level risks such as strategic risks, major program risks, and regulatory risks while the business unit and group level leaders monitor the operational, legal, and project risks. Further, GLO also implements an Operational Risk Management (ORM) program which is a cyclical, coordinated end-to-end process to identify, assess, treat, monitor and report operational risks for effective & informed business decisions. Management believes that ORM is an essential foundation for a strong ERM process as it reinforces the lines of defense against key operational risks. Senior Management is apprised of the results of ORM reviews, particularly, the most significant risks for inputs on strategies and action plans and seek guidance for issues needing further review.
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		Guideline 4.5 Remarks continued... Our key risks identified through our ERM activities and processes include, among others, competition risk, customer preference and technology shift risk, change program risk, reputation, regulatory, political and socio-economic, business disruption, cyber threats, data privacy breaches and organizational agility risk. The risks vary widely and the occurrence of some are beyond our control. There may also be risks that are either presently unknown or not currently assessed as significant, which may later prove to be material. However, we aim to mitigate the exposures through appropriate RM strategies, strong internal controls and capabilities, close monitoring of risks and mitigation plans. GLO's risk management procedures, processes, identified principal risks and corresponding actions to address them are contained in our Annual & Sustainability Report and company website. For easy reference: <u>Company website (Enterprise Risk Management)</u> http://www.globe.com.ph/corporate-governance/enterprise-risk-management <u>2015 ASR (Risk Management)</u> http://www.globe.com.ph/investor-relations/annual-sustainability-reports/ <u>GLO 2015 SEC Form 17-A (Corporate Governance Section – Risk Management)</u> http://www.globe.com.ph/investor-relations/sec-filings/annual-report-17a <u>GLO MCG (Article II, Section 1.8(d)), pp. 10-11</u> http://www.globe.com.ph/documents/50301/16764017/17C_Revised+Manual+of+Corporate+Governance_12May2015.pdf
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Note: Where applicable, PDF pages (PDF pp.) will be used for easy reference.

GLO's 2015 Annual & Sustainability Report will be available on April 13, 2016. Our Minutes of the 2016 Annual Stockholders' Meeting, SEC Form 17-A and further updates to the Annual Corporate Governance Report will be available after the said meeting on April 13, 2016.

For purposes of the 2016 PSE Bell Awards evaluation, we shall furnish the PSE-Corporate Governance Office with a copy of the said reports and submissions once these are available.



4.6 Seek external technical support in risk management when such competence is not available Internally.	✓	Competent external consultants are engaged by GLO in highly specialized areas or in cases where the required competency is internally unavailable. Seeking external technical support, when necessary, to aid its board in the performance of its duties and responsibilities, is included in our MCG. This is also stated in our company website and our Annual & Sustainability Report: “When necessary, we seek external technical support to aid our Management and Board in the performance of their duties and responsibilities including risk management.” (<i>Risk Management Approach</i>) For easy reference: <u>GLO MCG (Article II, Section 2.7), p. 22</u> http://www.globe.com.ph/documents/50301/16764017/17C_Revised+Manual+of+Corporate+Governance_12May2015.pdf <u>Company website (Enterprise Risk Management – Risk Management Approach)</u> http://www.globe.com.ph/corporate-governance/enterprise-risk-management <u>2015 ASR (Risk Management – Risk Management Approach)</u> http://www.globe.com.ph/investor-relations/annual-sustainability-reports/
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Guidelines No. 5: ENSURES THE INTEGRITY OF FINANCIAL REPORTS AS WELL AS ITS EXTERNAL AUDITING FUNCTION		
5.1 Have the board Audit Committee approve all non-audit services conducted by the external auditor. The Committee should ensure that the non-audit fees do not outweigh the fees earned from the external audit.	✓	One of the functions of GLO's Audit Committee is to approve all audit and non-audit services conducted by the external auditor engaged. GLO ensures that non-audit fees do not outweigh the fees earned from the external audit as reflected in its company website, 2015 ASR and SEC Form 20-IS. In 2015, Navarro Amper & Co/Deloitte Philippines (NA/DP), GLO's external auditor for the year, was not engaged to perform any non-audit related service. Therefore, there were no non-audit fees incurred for the said year. For easy reference: <u>Company website (Internal Control Mechanism)</u> http://www.globe.com.ph/corporate-governance/internal-control-mechanism <u>2015 ASR (Accountability and Audit)</u> http://www.globe.com.ph/investor-relations/annual-sustainability-reports/ <u>GLO Audit Committee Charter (Section E, 3.7 and 7.5) pp. 5, 10</u> http://www.globe.com.ph/documents/50301/17692605/GLOBE+AuditCom+Charter+%28Feb2015%29.pdf <u>GLO 2015 SEC Form 20-IS (Item B, 4, d), p. 29</u> http://edge.pse.com.ph/openDiscViewer.do?edge_no=8d65c2bc343a8a3772785c150f4cd6d2#sthash.pTceuhpz.dpbs, OR http://www.globe.com.ph/documents/7122541/0459415e-8235-4be0-b1a2-80ea7dec82b2



5.2 Ensure that the external auditor is credible, competent, and should have the ability to understand complex related party transactions, its counterparties, and valuations of such transactions.	✓	Our Audit Committee has an evaluation/selection process that ensures the company engages an external auditor that is credible, competent and able to understand complex related party transactions, its counterparties, and valuation of such transactions. GLO's external auditor for the year 2015 was Navarro Amper & Co/Deloitte Philippines (NA/DP). For easy reference: <u>2015 ASR (Accountability and Audit)</u> http://www.globe.com.ph/investor-relations/annual-sustainability-reports/ <u>GLO Audit Committee Charter (Section E, Item 3), pp. 4-5</u> http://www.globe.com.ph/corporate-governance/board-of-directors/committees <u>Company website (Internal Control Mechanism)</u> http://www.globe.com.ph/corporate-governance/internal-control-mechanism
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5.3 Ensure that the external auditor has adequate quality control procedures.	✓	This is embedded in GLO's Audit Committee Charter and stated in the 2015 ASR. As an additional quality control procedure, the Audit Committee also reviews the external/independent auditors' performance and assesses the external/independent auditor's qualifications, skills, resources, effectiveness and independence. For easy reference: <u>2015 ASR (Accountability and Audit)</u> http://www.globe.com.ph/investor-relations/annual-sustainability-reports/ <u>GLO Audit Committee Charter (Section E, Item 3), pp. 4-5</u> http://www.globe.com.ph/corporate-governance/board-of-directors/committees <u>Company website (Internal Control Mechanism)</u> http://www.globe.com.ph/corporate-governance/internal-control-mechanism
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5.4 Disclose relevant information on the external auditors.	✓	Disclosure of relevant information on external auditors is included in GLO's 2015 SEC Form 20-IS. The same is also disclosed in the company's ASR and recorded in the minutes of the previous ASM, on April 7, 2015, where the external auditors were appointed and approved by the shareholders. For easy reference: <u>2015 ASR (Accountability and Audit; Independent Audit Report)</u> http://www.globe.com.ph/investor-relations/annual-sustainability-reports/ <u>GLO 2015 SEC Form 20-IS (Item B, 4), pp. 28-29</u> http://edge.pse.com.ph/openDiscViewer.do?edge_no=8d65c2bc343a8a3772785c150f4cd6d2#sthash.pTceuhpz.dpbs, OR http://www.globe.com.ph/documents/7122541/0459415e-8235-4be0-b1a2-80ea7dec82b2 <u>2015 Minutes of the ASM (Item 7), PDF p. 11</u> http://www.globe.com.ph/documents/50301/10005546/Minutes+of+the+Annual+Meeting+of+Stockholders+April+7%2C+2015.pdf <u>Company website (Internal Control Mechanism)</u> http://www.globe.com.ph/corporate-governance/internal-control-mechanism
5.5 Ensures that the external audit firm is selected on the basis of a fair and transparent tender process.	✓	GLO's Audit Committee is guided by its Charter in ensuring that the selection of the company's external auditor is done in a fair and transparent tender process aligned with our corporate governance policy. For easy reference: <u>GLO Audit Committee Charter (Section E, Item 3), pp. 4-5</u> http://www.globe.com.ph/corporate-governance/board-of-directors/committees



		Guideline 5.5 Remarks continued... <u>2015 Minutes of the ASM (Item 7), PDF p. 11</u> http://www.globe.com.ph/documents/50301/10005546/Minutes+of+the+Annual+Meeting+of+Stockholders+April+7%2C+2015.pdf <u>Company website (Internal Control Mechanism)</u> http://www.globe.com.ph/corporate-governance/internal-control-mechanism <u>2015 ASR (Accountability and Audit)</u> http://www.globe.com.ph/investor-relations/annual-sustainability-reports/
5.6 Have its audit committee conduct regular meetings and dialogues with the external audit team without anyone from management present.	✓	GLO's Audit Committee conducts <i>executive sessions</i> with the external audit team when necessary, to discuss matters that the Committee or the auditors believe should be discussed without anyone from management present. The Audit Committee Charter provides for the Audit Committee to "conduct a separate meeting in executive session, with the independent auditors to discuss any matters that the Committee or auditors believe should be discussed privately, including the results of the audit, year-end financial statements, and the quality of the management, financial and accounting controls". The Annual Report of the Audit Committee also explicitly states that "the Committee held separate executive sessions...in addition to the Committee Chairman's separate briefing sessions..." For easy reference: <u>2015 ASR (Annual Report of the Audit Committee to the Board)</u> http://www.globe.com.ph/investor-relations/annual-sustainability-reports/ <u>GLO Audit Committee Charter (Section E, Item 3.10), p. 5</u> http://www.globe.com.ph/corporate-governance/board-of-directors/committees



5.7 Have the financial reports attested to by the Chief Executive Officer and Chief Financial Officer.	✓	GLO's Statement of Management's Responsibility for financial statements attests to the responsibility of management over the preparation and fair presentation of the company's financial reports. Our financial reports are attested to by management through the Chairman of the Board together with our President & Chief Executive Officer, and our Chief Financial Officer. The same is attached to our ASR and SEC Form 20-IS, which are also posted on our company website. For easy reference: <u>Please see Annex "C" (Statement of Management's Responsibility for Financial Statements). The same is attached to our ASR, SEC Forms 17-A and 20-IS, which are also posted on our website.</u> <u>2015 ASR (Statement of Management's Responsibility for Financial Statements)</u> http://www.globe.com.ph/investor-relations/annual-sustainability-reports/ <u>GLO 2015 SEC Form 20-IS (Item B, 4), p. 149</u> http://edge.pse.com.ph/openDiscViewer.do?edge_no=8d65c2bc343a8a3772785c150f4cd6d2#sthash.pTceuhpz.dpbs, OR http://www.globe.com.ph/documents/7122541/0459415e-8235-4be0-b1a2-80ea7dec82b2 <u>GLO MCG (Article VII, Section 1), pp. 31-33</u> http://www.globe.com.ph/documents/50301/16764017/17C_Revised+Manual+of+Corporate+Governance_12May2015.pdf
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5.8 Have a policy of rotating the lead audit partner every five years.	✓	The policy to rotate the lead engagement partner at least once every five years is included in GLO's Audit Committee Charter and strictly implemented by the company. In fact, we practice to tender bid for the external audit services of independent auditors every three years or sooner. For easy reference: <u>GLO Audit Committee Charter (Section E, Item 3.3), p. 4</u> http://www.globe.com.ph/corporate-governance/board-of-directors/committees <u>GLO MCG (Article V, Section 2(c)), p. 30</u> http://www.globe.com.ph/documents/50301/16764017/17C_Revised+Manual+of+Corporate+Governance_12May2015.pdf <u>Company website (Internal Control Mechanism – External Audit)</u> http://www.globe.com.ph/corporate-governance/internal-control-mechanism <u>2015 ASR (Statement of Management's Responsibility for Financial Statements)</u> http://www.globe.com.ph/investor-relations/annual-sustainability-reports/ <u>GLO 2015 SEC Form 20-IS (Annex "C" – Independent Public Accountants), p. 139</u> http://edge.pse.com.ph/openDiscViewer.do?edge_no=8d65c2bc343a8a3772785c150f4cd6d2#sthash.pTceuhpz.dpbs, OR http://www.globe.com.ph/documents/7122541/0459415e-8235-4be0-b1a2-80ea7dec82b2 <u>2015 Minutes of the ASM (Item 7), PDF p. 11</u> http://www.globe.com.ph/documents/50301/10005546/Minutes+of+the+Annual+Meeting+of+Stockholders_April+7%2C+2015.pdf
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Note: Where applicable, PDF pages (PDF pp.) will be used for easy reference.

GLO's 2015 Annual & Sustainability Report will be available on April 13, 2016. Our Minutes of the 2016 Annual Stockholders' Meeting, SEC Form 17-A and further updates to the Annual Corporate Governance Report will be available after the said meeting on April 13, 2016.

For purposes of the 2016 PSE Bell Awards evaluation, we shall furnish the PSE-Corporate Governance Office with a copy of the said reports and submissions once these are available.



Guidelines No. 6: RESPECTS AND PROTECTS THE RIGHTS OF ITS SHAREHOLDERS, PARTICULARLY THOSE THAT BELONG TO THE MINORITY OR NON-CONTROLLING GROUP		
6.1 Adopt the principle of "one share, one vote."	✓	GLO's policy of "one share, one vote" is identified in the company's By-Laws. Each vote of stockholder is equal to one vote per share held by the stockholder. This is also in accordance with Philippine law. The same is observed during the conduct of our Annual Stockholders' Meetings. Notably, on August 8, 2014, GLO received approval from the Securities and Exchange Commission (SEC) to offer non-voting perpetual preferred shares, which were listed in the Philippine Stock Exchange (PSE) as "GLOPP" on August 22, 2014. However, <u>the principle of "one share, one vote" is not lost just because GLO issued non-voting preferred shares. The Corporation Code of the Philippines provides that non-voting preferred shareholders are still entitled to vote on corporate matters specified by the said Code.</u> For easy reference: <u>GLO By-Laws (Article I, Section 5)</u> http://www.globe.com.ph/documents/7122541/7171061/GLOBE+-+Amended+By-Laws+2011.pdf <u>GLO Non-Voting Perpetual Preferred Shares – SEC Approved (August 2014)</u> http://www.globe.com.ph/documents/50301/12184264/Approval+of+Non-Voting+Preferred+Shares.pdf <u>Company website (Other Disclosures – 2014, "Approval of Non-Voting Preferred Shares")</u> http://www.globe.com.ph/investor-relations/sec-filings/other-disclosures/2014



		Guideline 6.1 Remarks continued... <u>Company website (Annual Stockholders' Meeting – 2016 Annual Stockholders' Meeting)</u> http://www.globe.com.ph/corporate-governance/annual-stockholders-meetings <u>Listing of GLO Series A Non-Voting Perpetual Preferred Shares (August 2014)</u> http://www.globe.com.ph/documents/50301/2910200/Listing+of+Series+A+Non-Voting+Perpetual+Preferred+Shares.pdf <u>GLO Notice and Agenda of the 2015 Annual Stockholders' Meeting (Section 2, Subsection iii), PDF p. 3</u> http://www.globe.com.ph/documents/50301/a30b5b37-6128-48b2-9eaa-9dc57a431807 <u>GLO Minutes of the 2015 Annual Stockholders' Meeting, PDF p. 2</u> http://www.globe.com.ph/documents/50301/10005546/Minutes+of+the+Annual+Meeting+of+Stockholders+April+7%2C+2015.pdf <u>GLO 2015 SEC Form 20-IS (Item B, 1(b-d); Item D, 5(a-b)), pp. 10, 31</u> http://edge.pse.com.ph/openDiscViewer.do?edge_no=8d65c2bc343a8a3772785c150f4cd6d2#sthash.pTceuhpz.dpbs, OR http://www.globe.com.ph/documents/7122541/0459415e-8235-4be0-b1a2-80ea7dec82b2
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6.2 Ensure that all shareholders of the same class are treated equally with respect to voting rights, subscription rights and transfer rights.	✓	GLO ensures that all shareholders, including minority shareholders, of the same class are treated equally with respect to voting rights, subscription rights and transfer rights. These are provided in the company's By-Laws, MCG and reiterated in the Notice to shareholders for the ASM, SEC Form 20-IS, as well as during the meeting as reflected in the Minutes of the 2015 ASM. For easy reference: <u>GLO By-Laws (Article I, Section 5)</u> http://www.globe.com.ph/documents/7122541/7171061/GLOBE+-+Amended+By-Laws+2011.pdf <u>GLO Notice and Agenda of the 2016 Annual Stockholders' Meeting (Item 2, Sub-item ii-iii), p. 2</u> http://www.globe.com.ph/documents/50301/19219637/SEC+Form+17-C+Setting+of+2016+Annual+Stockholders+Meeting.pdf, OR http://edge.pse.com.ph/openDiscViewer.do?edge_no=eb6afd11232e377b72785c150f4cd6d2 <u>GLO Minutes of the 2015 Annual Stockholders' Meeting, PDF p. 2</u> http://www.globe.com.ph/documents/50301/10005546/Minutes+of+the+Annual+Meeting+of+Stockholders+April+7%2C+2015.pdf <u>GLO MCG (Article VII), pp. 33-35</u> http://www.globe.com.ph/documents/50301/16764017/17C+Revised+Manual+of+Corporate+Governance+12May2015.pdf <u>GLO 2015 SEC Form 20-IS (Item B, 1(b-d)), p. 10</u> http://edge.pse.com.ph/openDiscViewer.do?edge_no=8d65c2bc343a8a3772785c150f4cd6d2#sthash.pTceuhpz.dpbs, OR http://www.globe.com.ph/documents/7122541/0459415e-8235-4be0-b1a2-80ea7dec82b2
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6.3 Have an effective, secure and efficient voting system.	✓	At stockholders' meetings, stockholders may opt for manual or electronic voting. Validation of votes is done by an external validator, who shall be SGV & Co. for the 2016 ASM. Results of the voting during ASMs are likewise uploaded on the company website. These are identified in GLO's Minutes of the ASM, SEC Form 20-IS and Notice and Agenda of the 2016 Annual Stockholders' Meeting. Voting guidelines are likewise identified in our By-Laws. The same are reiterated during the ASM. For easy reference: <u>Company website (Annual Stockholders' Meeting – Minutes of the ASM)</u> http://www.globe.com.ph/corporate-governance/annual-stockholders-meetings <u>GLO 2015 SEC Form 20-IS (Item B, 1(b-d); Item D, 5(a-b)), pp. 10, 31</u> http://edge.pse.com.ph/openDiscViewer.do?edge_no=8d65c2bc343a8a3772785c150f4cd6d2#sthash.pTceuhpz.dpbs, OR http://www.globe.com.ph/documents/7122541/0459415e-8235-4be0-b1a2-80ea7dec82b2 <u>GLO Notice and Agenda of the 2016 Annual Stockholders' Meeting (Item 2, Sub-item i-iii), p. 2</u> http://www.globe.com.ph/documents/50301/19219637/SEC+Form+17-C+Setting+of+2016+Annual+Stockholders+Meeting.pdf, OR http://edge.pse.com.ph/openDiscViewer.do?edge_no=eb6afd11232e377b72785c150f4cd6d2 <u>GLO By-Laws (Article I, Section 5)</u> http://www.globe.com.ph/documents/7122541/7171061/GLOBE+-+Amended+By-Laws+2011.pdf
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6.4 Have effective shareholder voting mechanisms such as supermajority or "majority of minority" requirements to protect minority shareholders against actions of controlling shareholders.	✓	This provision is included in GLO's By-Laws, SEC Form 20-IS, Notice to stockholders of the ASM and implemented during ASM. Validation of votes is done by the external auditor. Results of the voting during ASMs are likewise uploaded on the company website. Further, rights of minority shareholders are protected at all times, especially from abusive actions by, or in the interest of controlling shareholders. GLO ensures that its policies and processes cater to the best interest of all its shareholders, including minority shareholders, and other stakeholders. All transactions including related-party transactions that require shareholders' approval are submitted to all shareholders, including minority shareholders, for approval. For easy reference: <u>GLO By-Laws (Article I, Section 5)</u> http://www.globe.com.ph/documents/7122541/7171061/GLOBE+-+Amended+By-Laws+2011.pdf <u>GLO 2015 SEC Form 20-IS (Item B, 1(b-d); Item D, 5(a-b)), pp. 10, 31</u> http://edge.pse.com.ph/openDiscViewer.do?edge_no=8d65c2bc343a8a3772785c150f4cd6d2#sthash.pTceuhpz.dpbs, OR http://www.globe.com.ph/documents/7122541/0459415e-8235-4be0-b1a2-80ea7dec82b2 <u>GLO Notice and Agenda of the 2016 Annual Stockholders' Meeting (Item 2, Sub-item i-iii), p. 2</u> http://www.globe.com.ph/documents/50301/19219637/SEC+Form+17-C+Setting+of+2016+Annual+Stockholders+Meeting.pdf, OR http://edge.pse.com.ph/openDiscViewer.do?edge_no=eb6afd11232e377b72785c150f4cd6d2 <u>Company website (Annual Stockholders' Meeting – Minutes of the ASM)</u> http://www.globe.com.ph/corporate-governance/annual-stockholders-meetings
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6.5 Provide all shareholders with the notice and agenda of the annual general meeting (AGM) at least thirty (30) days before a regular meeting and twenty (20) days before a special meeting.	✓	GLO is more than compliant with the minimum requirement of PSE, SEC and relevant regulatory agencies' rules and regulations on the dissemination of notice and agenda for the Annual Stockholders' Meeting to stockholders. This is in line with the company's corporate governance practices. Notice and Agenda for the 2016 ASM was first published and submitted to the PSE via the PSE EDGE Submission System on December 11, 2015 for the ASM that will be held on April 13, 2016. The notice and agenda together with necessary materials including the SEC Form 20-IS were also sent to shareholders of record on March 07, 2016 and published in newspapers of general circulation on the same date. The same are also available on the company website and indicated in our Annual Corporate Governance Report (ACGR). In the past year, GLO's Notice and Agenda for the 2015 ASM was released and posted on the PSE EDGE System on December 12, 2014 for the meeting held on April 07, 2015. For easy reference: <u>GLO Notice and Agenda of the 2016 Annual Stockholders' Meeting</u> http://www.globe.com.ph/documents/50301/19219637/SEC+Form+17-C_Setting+of+2016+Annual+Stockholders+Meeting.pdf, OR http://edge.pse.com.ph/openDiscViewer.do?edge_no=eb6afd11232e377b72785c150f4cd6d2 <u>GLO ACGR – Updated ACGR for Y2015 with information as of 13 April 2016 (Item J(1)(d)(3); Item J(1)(i))</u> http://www.globe.com.ph/corporate-governance/acgr <u>Company website (Annual Stockholders' Meeting)</u> http://www.globe.com.ph/corporate-governance/annual-stockholders-meetings
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6.6 Allow shareholders to call a special shareholders meeting, submit a proposal for consideration at the AGM or the special meeting, and ensure the attendance of the external auditor and other relevant individuals to answer shareholder questions in such meetings.	✓	This provision is included in the By-Laws, MCG, Internal Control Mechanism policy and in our ASR. GLO's external auditor is present in all ASMs to be available to respond to appropriate questions during the meeting and/or have the opportunity to make a statement on the company's financial statements and results of the operations as needed. For easy reference: <u>GLO By-Laws (Article I, Section 2), PDF p.3</u> http://www.globe.com.ph/documents/7122541/7171061/GLOBE+-+Amended+By-Laws+2011.pdf <u>GLO MCG (Article VII, Section 1 (d)), p. 34</u> http://www.globe.com.ph/documents/50301/16764017/17C_Revised+Manual+of+Corporate+Governance_12May2015.pdf <u>Company website (Internal Control Mechanism – External Audit)</u> http://www.globe.com.ph/corporate-governance/internal-control-mechanism <u>GLO 2015 ASR (Accountability and Audit – External Audit)</u> http://www.globe.com.ph/investor-relations/annual-sustainability-reports/ <u>Company website (Annual Stockholders' Meeting)</u> http://www.globe.com.ph/corporate-governance/annual-stockholders-meetings
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6.7 Ensure that all relevant questions during the AGM are answered.	✓	All relevant questions of stockholders are acknowledged and addressed in GLO's ASMs. The Chairman of the Board ensures that stockholders are made aware of their right to ask questions, make clarifications and/or comments during the meeting and that these are addressed and/or acknowledged. Proceedings for asking of questions and giving of remarks by stockholders during the ASM are in the SEC Form 20-IS, Notice and Agenda of the ASM, and are implemented during the ASM proceedings, which are reflected in the Minutes of the ASM. For easy reference: GLO 2015 SEC Form 20-IS (Explanation of Agenda Items – Item B(2)), p. 2 http://edge.pse.com.ph/openDiscViewer.do?edge_no=8d65c2bc343a8a3772785c150f4cd6d2#sthash.pTceuhpz.dpbs, OR http://www.globe.com.ph/documents/7122541/0459415e-8235-4be0-b1a2-80ea7dec82b2 Company website (Annual Stockholders' Meeting) http://www.globe.com.ph/corporate-governance/annual-stockholders-meetings
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6.8 Have clearly articulated and enforceable policies with respect to treatment of minority shareholders.	✓	GLO recognizes that the company has an inherent duty to promote and strictly implement the rights of all its shareholders. Specific rights of GLO's shareholders, including minority shareholders, are identified in its MCG. For easy reference: <u>GLO MCG (Article VII), pp. 33-35</u> http://www.globe.com.ph/documents/50301/16764017/17C_Revised+Manual+of+Corporate+Governance_12May2015.pdf <u>Company website (Annual Stockholders' Meeting)</u> http://www.globe.com.ph/corporate-governance/annual-stockholders-meetings <u>Company website (Company Policies)</u> http://www.globe.com.ph/corporate-governance/company-policies/
6.9 Avoid anti-takeover measures or similar devices that may entrench ineffective management or the existing controlling shareholder group.	✓	GLO does not have anti-takeover measures or similar devices that may entrench ineffective management or the existing controlling shareholder group. For easy reference: <u>GLO Articles of Incorporation, Paragraph 3</u> http://www.globe.com.ph/documents/50301/5df37dab-a009-4c3d-a295-534fbbb314e0



6.10 Provide all shareholders with accurate and timely information regarding the number of shares of all classes held by controlling shareholders and their affiliates.	✓	GLO provides all shareholders with accurate and timely information regarding the number of shares of all classes held by controlling shareholders and their affiliates through the disclosure of our Shareholding Structure, Top 20 and 100 Shareholders, Public Ownership reports and the report on changes to beneficial ownership of shares by the company's directors and key officers. All of which are also posted on our company website. For easy reference: <u>Company website (Shareholding Structure)</u> http://www.globe.com.ph/corporate-governance/shareholding-structure <u>Company website (Top 20 Shareholders & Top 100 Shareholders)</u> http://www.globe.com.ph/investor-relations/stock-info/top-20-shareholders; http://www.globe.com.ph/investor-relations/sec-filings/top-shareholders <u>Company website (Public Ownership)</u> http://www.globe.com.ph/investor-relations/sec-filings/public-ownership <u>Company website (Statement of Changes to Beneficial Ownership of Directors and Key Officers)</u> http://www.globe.com.ph/investor-relations/sec-filings/statement-of-beneficial-ownership/2016 <u>Company website (Local and Foreign Ownership)</u> http://www.globe.com.ph/investor-relations/sec-filings/local-and-foreign-ownership/2016
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6.11 Have a communication strategy to promote effective communication with shareholders.	✓	GLO's website features an Investor Relations section dedicated to customers and other stakeholders, extending a venue for shareholders to communicate effectively with GLO. In the past years, GLO further streamlined communication efforts and opened up several gateways for consumers, enabling them to interact with the company at their convenience. Among other enhancements, we utilized email, website, and social media channels (e.g., Facebook, Twitter) to provide its customers with real-time information and quicker responses to concerns. While we expanded the culture of service to include our internal partners, we enhanced our self-service channels at the same time to empower our customers to access up-to-date information and perform real-time transactions. To provide them exceptional service, we also revisited our existing customer survey models and improved the constructs in response to the shift of our customer's digital behavior and increasing relevance of mobile data. This includes our introduction of a real-time customer survey across multiple touch points. We've also adopted the internationally recognized Net Promoters Score (NPS) to track how likely our customers would recommend our service to others. In return, this produces a clear measure of our performance through our customers' eyes. Aside from strengthening our relationship with our partners, we also understand the importance of taking a proactive approach in communicating with our customers. Public advisory on network upgrades and system enhancements, among others, are communicated to our customers via SMS or our various self-service channels so they will be fully aware of the situation. Service downtimes, including 2015's Papal Visit, saw Globe reaching out to them with honest and transparent communication. We send out messages to our customers in case there are expected downtimes and update them on issues they encounter.
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		Guideline 6.11 Remarks continued... GLO also continues to conduct quarterly investors' briefings, analysts and media briefings to discuss the quarterly financial results. A conference call facility is set up during these meetings to enable wider participation among shareholders and other stakeholders. The company also participates in both local and international investor conferences as part of its investor communications program, which include shareholders and other stakeholders. Details and information on these are submitted to the SEC and published on the company website. For easy reference: <u>Company website (Investor Relations)</u> http://www.globe.com.ph/investor-relations <u>Company website (Annual Stockholders' Meeting)</u> http://www.globe.com.ph/corporate-governance/annual-stockholders-meetings <u>Company website (Stakeholders)</u> http://www.globe.com.ph/corporate-governance/stakeholders <u>GLO 2015 ASR (Expanding Our Culture of Service; Ongoing Commitments to Exceptional Service; Building Relationship)</u> http://www.globe.com.ph/investor-relations/annual-sustainability-reports/
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6.12 Have at least thirty percent (30%) public float to increase liquidity in the market.	✓	GLO's public ownership as of 31 December 2015 was 22.25%. As of 29 February 2016, GLO's public ownership is still at 22.25%. This information is disclosed to the PSE and also published on the company website. GLO is more than compliant with the PSE Rules on Minimum Public Ownership, which is ten percent (10%). A couple of our primary shareholders (Ayala Corporation and Singapore Telecom International Pte. Ltd.) are listed companies themselves and are, therefore, accountable to their own public shareholders for their governance of GLO. Each corporation maintains high standards of governance, are professionally managed, and are acknowledged as models of good governance both within their respective countries of domicile and abroad. For easy reference: <u>GLO Public Ownership Report (as of 31 December 2015)</u> http://edge.pse.com.ph/openDiscViewer.do?edge_no=b61b86212fe5d17372785c150f4cd6d2#sthash.tQi9GXXW.dpbs, OR http://www.globe.com.ph/documents/7122541/20842052/GLO_Public-Ownership-Report_123115.pdf <u>Public Ownership (Company website)</u> http://www.globe.com.ph/investor-relations/sec-filings/public-ownership <u>GLO Public Float (Free Float Level taken from the PSE EDGE webpage)</u> http://edge.pse.com.ph/companyPage/stockData.do?cmpy_id=69&security_id=127 <u>Company website (Shareholding Structure)</u> http://www.globe.com.ph/corporate-governance/shareholding-structure <u>Company website (Top 20 Shareholders)</u> http://www.globe.com.ph/investor-relations/stock-info/top-20-shareholders
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6.13 Have a transparent dividend policy.	✓	GLO keeps its dividend policy transparent through disclosure to SEC and PSE, and publication on the company website, our ASR and ACGR, among other media channels. GLO also keeps an updated record of all its dividends declared to shareholders in its company website. GLO returns to its shareholders, dividends equivalent to seventy-five to ninety percent (75%-90%) of its prior year's core net income. Dividends declared by the Company on its stocks are payable in cash or in additional shares of stock. As a policy and as much as practicable, we observe a 30-day period for the payment of dividends to shareholders from the declaration date of such dividends. The Board of Directors (BOD) of Globe Telecom regularly reviews the dividend policy, including the frequency of its distribution, taking into account the Company's operating results, cash flows, debt covenants, capital expenditure levels and liquidity. For easy reference: <u>Company website (Dividend Policy)</u> http://www.globe.com.ph/investor-relations/stock-info/dividend-policy <u>GLO 2015 ASR (Disclosure and Transparency – Dividend Policy; Notes to Consolidated Financial Statements – Item 17)</u> http://www.globe.com.ph/investor-relations/annual-sustainability-reports/ <u>Company website (Historical Dividends)</u> http://www.globe.com.ph/investor-relations/stock-info/historical-dividends <u>GLO 2015 SEC Form 20-IS pp. 76-78, 145-146</u> http://edge.pse.com.ph/openDiscViewer.do?edge_no=8d65c2bc343a8a3772785c150f4cd6d2#sthash.pTceuhpz.dpbs, OR http://www.globe.com.ph/documents/7122541/0459415e-8235-4be0-b1a2-80ea7dec82b2
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Guidelines No. 7: ADOPTS AND IMPLEMENTS AN INTERNATIONALLY-ACCEPTED DISCLOSURE AND TRANSPARENCY REGIME		
7.1 Have written policies and procedures designed to ensure compliance with the PSE and SEC disclosure rules, as well as other disclosure requirements under existing laws and regulations.	✓	We ensure full compliance with the SEC Code of Corporate Governance, all listings and disclosure rules of the PSE, and regulations issued by the SEC as well as our MCG through an annual Certification of Compliance issued and posted on our corporate website and included in our ASR. The Certification is signed by our Compliance Officer and President & CEO. GLO's compliance system and commitment to full and timely disclosures are embedded in its MCG. GLO also strictly implements its compliance policies and procedures through dedicating a portion of its company website for "Corporate Governance, Company Policies, Investor Relations and Sustainability". We recognize that disclosures and reports are not only to fulfill the company's regulatory requirements, but also to ensure that its shareholders and other stakeholders are fully-informed of our activities and business condition. For easy reference: <u>Please see attached Certification (Annex "D")</u> <u>GLO 2015 ASR (Beyond Compliance)</u> http://www.globe.com.ph/investor-relations/annual-sustainability-reports/ <u>Company website (Reports & Certifications)</u> http://www.globe.com.ph/corporate-governance/reports-and-certifications <u>GLO MCG (Article V, Section 3 and Article VI), pp. 30-33</u> http://www.globe.com.ph/documents/50301/16764017/17C_Revised+Manual+of+Corporate+Governance_12May2015.pdf



		Guideline 7.1 Remarks continued... <u>Company website (Corporate Governance)</u> http://www.globe.com.ph/corporate-governance <u>Company website (Company Policies)</u> http://www.globe.com.ph/corporate-governance/company-policies <u>Company website (Investor Relations)</u> http://www.globe.com.ph/investor-relations <u>Company website (Sustainability)</u> http://www.globe.com.ph/annual-report/2014/sustainability <u>Company website (Disclosure and Transparency)</u> http://www.globe.com.ph/disclosure-and-transparency
7.2 Disclose the existence, justification, and details on shareholders agreements, voting trust agreements, confidentiality agreements, and such other agreements that may impact on the control, ownership, and strategic direction of the company.	✓	There are no such agreements entered into by GLO in 2015.



7.3 Disclose its director and executive compensation policy.	✓	The Board's remuneration is set at an optimum level to attract and retain high caliber directors who continuously and effectively deliver services. In accordance with the Company's By-Laws, the Board receives, pursuant to a resolution of the stockholders, fees and other compensation for their services as directors and members of committees of the Board of Directors. The company's directors receive ₱200,000 for every Board meeting and Stockholders' meeting attended. The change was made based on a benchmark study against industry rates as well as a previous study in 2010 to standardize the pay of Board of Directors across the Ayala Companies. The compensation of Directors will remain at ₱100,000 for every committee meeting attended or such meetings other than those mentioned above. Our stockholders ratified this resolution at our regular Annual Stockholders' Meeting on 8 April 2014 based on a benchmark study against industry rates as well as a previous study in 2010 to standardize the pay of Board of Directors across the Ayala Companies. Meanwhile, our executive director does not receive per diem remuneration in addition to his remuneration as part of Globe's senior management in his role as the President & CEO. The director and executive compensation policy is disclosed on our website, ACGR and the ASR, among other reports. Our 2015 ASR also includes the actual breakdown of the remuneration received by our directors for the year. The same is posted on our company website. For easy reference: <u>GLO By-Laws (Article II, Section 6), p. 5</u> http://www.globe.com.ph/documents/7122541/7171061/GLOBE+-+Amended+By-Laws+2011.pdf
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		Guideline 7.3 Remarks continued... <u>Company website (Board Remuneration)</u> http://www.globe.com.ph/corporate-governance/board-of-directors/remuneration <u>GLO 2015 ASR (Board of Directors – Board Remuneration)</u> http://www.globe.com.ph/investor-relations/annual-sustainability-reports/ <u>GLO 2015 SEC Form 20-IS (Item B,3(b)), p. 27</u> http://edge.pse.com.ph/openDiscViewer.do?edge_no=8d65c2bc343a8a3772785c150f4cd6d2#sthash.pTceuhpz.dpbs, OR http://www.globe.com.ph/documents/7122541/0459415e-8235-4be0-b1a2-80ea7dec82b2 <u>GLO ACGR – Updated ACGR for Y2015 with information as of 13 April 2016 (Item J(1)(d)(3); Item J(1)(i))</u> http://www.globe.com.ph/corporate-governance/acgr <u>GLO Minutes of the 2014 Annual Stockholders’ Meeting, pp. 2, 7 and 17</u> http://www.globe.com.ph/documents/50301/10890791/2014+Minutes+of+the+Annual+Stockholders+Meeting.pdf
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7.4 Disclose names of groups of individuals who hold five percent (5%) or more ownership interest in the company, significant cross-shareholding relationship and cross guarantees, as well as the nature of the company's other companies if it belongs to a corporate group.	✓	Information on ownership interest in the company are timely disclosed to appropriate regulatory agencies and are also made accessible to the public through the company website. For easy reference: <u>Company website (Shareholding Structure)</u> http://www.globe.com.ph/corporate-governance/shareholding-structure <u>Company website (Top 20 Shareholders & Top 100 Shareholders)</u> http://www.globe.com.ph/investor-relations/stock-info/top-20-shareholders; http://www.globe.com.ph/investor-relations/sec-filings/top-shareholders <u>Company website (Public Ownership)</u> http://www.globe.com.ph/investor-relations/sec-filings/public-ownership <u>Company website (Statement of Changes to Beneficial Ownership of Directors and Key Officers)</u> http://www.globe.com.ph/investor-relations/sec-filings/statement-of-beneficial-ownership/2016 <u>Company website (Local and Foreign Ownership)</u> http://www.globe.com.ph/investor-relations/sec-filings/local-and-foreign-ownership/2016 <u>GLO 2015 SEC Form 20-IS (Item B,1(e)), pp. 11-12</u> http://edge.pse.com.ph/openDiscViewer.do?edge_no=8d65c2bc343a8a3772785c150f4cd6d2#sthash.pTceuhpz.dpbs, OR http://www.globe.com.ph/documents/7122541/0459415e-8235-4be0-b1a2-80ea7dec82b2
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7.5 Disclose annual and quarterly consolidated reports, cash flow statements and special audit revisions. Consolidated financial statements shall be published within ninety (90) days from the end of the financial year, while interim reports shall be published within forty-five (45) days from the end of the reporting period.	✓	This is a policy that is publicly-disclosed through the company website. GLO's 2015 Consolidated Financial Statements was submitted to the SEC on 24 February 2016 and released to the PSE through the PSE EDGE Submission System on 26 February 2016. Quarterly reports are also submitted within the designated reporting period to pertinent regulatory agencies. We also ensure that these documents are publicly-available through our company website with a page dedicated to such reports and submissions. For easy reference: <u>Company website (Disclosure and Transparency)</u> http://www.globe.com.ph/corporate-governance/disclosure-and-transparency <u>GLO 2015 Audited Financial Statements</u> http://edge.pse.com.ph/openDiscViewer.do?edge_no=ffef69803345100e72785c150f4cd6d2#sthash.T4XbClw0.dpbs, OR http://www.globe.com.ph/investor-relations/sec-filings/audited-financial-statements <u>Company website (Annual Report (SEC Form 17-A))</u> http://www.globe.com.ph/investor-relations/sec-filings/annual-report-17A <u>Company website (Audited Financial Statements)</u> http://www.globe.com.ph/investor-relations/sec-filings/audited-financial-statements <u>Company website (Information Statement (SEC Form 20-IS))</u> http://www.globe.com.ph/investor-relations/sec-filings/information-statement <u>Company website (Quarterly Report)</u> http://www.globe.com.ph/investor-relations/sec-filings/quarterly-report/2015 <u>Company website (ACGR)</u> http://www.globe.com.ph/corporate-governance/acgr
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7.6 Disclose to shareholders and the Exchange any changes to its corporate governance manual and practices, and the extent to which such practices conform to the SEC and PSE CG Guidelines.	✓	Updates to GLO's MCG, SEC Annual Corporate Governance Report, other corporate documents and CG-related policies and practices are submitted to the SEC and PSE in a timely manner. The same are also made publicly-available through our company website. In 2015, we submitted a couple of updates to the SEC and PSE on our MCG and ACGR. The submissions are reflected in the PSE EDGE webpage under "Other Reports" of the company. For easy reference: <u>GLO MCG</u> http://www.globe.com.ph/documents/50301/16764017/17C_Revised+Manual+of+Corporate+Governance_12May2015.pdf <u>SEC Annual Corporate Governance Report (2013-2016)</u> http://www.globe.com.ph/corporate-governance/acgr <u>GLO Articles of Incorporation</u> http://www.globe.com.ph/documents/50301/5df37dab-a009-4c3d-a295-534fbbb314e0 <u>GLO By-Laws</u> http://www.globe.com.ph/documents/7122541/7171061/GLOBE+-+Amended+By-Laws+2011.pdf <u>GLO Employee Handbook on Code of Conduct</u> http://www.globe.com.ph/documents/7122541/94ded150-1606-4424-aef8-a6120d8867a8 <u>Company website (Company Policies)</u> http://www.globe.com.ph/corporate-governance/company-policies <u>GLO Other Reports (PSE EDGE Webpage)</u> http://edge.pse.com.ph/otherReports/form.do
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Note: Where applicable, PDF pages (PDF pp.) will be used for easy reference.

GLO's 2015 Annual & Sustainability Report will be available on April 13, 2016. Our Minutes of the 2016 Annual Stockholders' Meeting, SEC Form 17-A and further updates to the Annual Corporate Governance Report will be available after the said meeting on April 13, 2016.

For purposes of the 2016 PSE Bell Awards evaluation, we shall furnish the PSE-Corporate Governance Office with a copy of the said reports and submissions once these are available.



7.7 Publish and/or deliver to its shareholders in a timely fashion all information and materials relevant to corporate actions that require shareholder approval.	✓	GLO's Notice and Agenda for the 2016 ASM on April 13, 2016 was disclosed to the PSE via PSE EDGE on December 11, 2015. The same was published on newspapers of general circulation on March 07, 2016. The Notice, Agenda, Proxy Form and other relevant materials including the SEC Form 20-IS were sent to shareholders of record on March 07, 2016. Materials used and presented during ASMs are also made publicly-available through the company website. For easy reference: <u>GLO ACGR – Updated ACGR for Y2015 with information as of 13 April 2016 (Item J(1)(d)(3); Item J(1)(h-i))</u> http://www.globe.com.ph/corporate-governance/acgr <u>GLO Notice and Agenda of the 2015 Annual Stockholders' Meeting</u> http://edge.pse.com.ph/openDiscViewer.do?edge_no=3ebaa393a91c5529b15effbf9088d1ab#sthash.ZZf6sgf8.dpbs, OR http://www.globe.com.ph/documents/50301/19219637/SEC+Form+17-C+Setting+of+2016+Annual+Stockholders+Meeting.pdf <u>GLO 2015 SEC Form 20-IS</u> http://edge.pse.com.ph/openDiscViewer.do?edge_no=8d65c2bc343a8a3772785c150f4cd6d2#sthash.RZ80jTuf.dpbs, OR http://www.globe.com.ph/documents/7122541/0459415e-8235-4be0-b1a2-80ea7dec82b2 <u>Company website (Annual Stockholders' Meeting)</u> http://www.globe.com.ph/corporate-governance/annual-stockholders-meetings
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7.8 Disclose the trading of the corporation's shares by directors, officers (or persons performing similar functions) and controlling shareholders. This shall also include the disclosure of the company's purchase of its shares from the market (e.g share buy-back program).	✓	GLO reports and discloses changes to ownership of shares by its directors and officers within three (3) trading days from the said change to appropriate regulatory agencies. Our reporting policy is included in our policy on Insider Trading, which is in our ACGR, ASR and on our company website. For easy reference: <u>Company website (Policy on Insider Trading – Reporting Policy)</u> http://www.globe.com.ph/documents/50301/12184264/POLICY+ON+INSIDER+TRADING.pdf <u>GLO ACGR – Updated ACGR for Y2015 with information as of 13 April 2016 (Item G, 2(h))</u> http://www.globe.com.ph/corporate-governance/acgr <u>GLO 2015 ASR (Ethics and Integrity – Insider Trading)</u> http://www.globe.com.ph/investor-relations/annual-sustainability-reports/ <u>Company website (Statement of Beneficial Ownership)</u> http://www.globe.com.ph/investor-relations/sec-filings/statement-of-beneficial-ownership/2016
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7.9 Disclose in its annual report the principal risks to minority shareholders 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.	✓	These information are included in the company website, our ASR and ACGR. For easy reference: <u>GLO 2015 ASR (Risk Management – Globe Principal Risks)</u> http://www.globe.com.ph/investor-relations/annual-sustainability-reports/ <u>Company website (Top 20 Shareholders & Top 100 Shareholders)</u> http://www.globe.com.ph/investor-relations/stock-info/top-20-shareholders; http://www.globe.com.ph/investor-relations/sec-filings/top-shareholders <u>Shareholding Structure (Company website)</u> http://www.globe.com.ph/corporate-governance/shareholding-structure
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Guidelines No. 8: RESPECTS AND PROTECTS THE RIGHTS AND INTEREST OF EMPLOYEES, COMMUNITY, ENVIRONMENT, AND OTHER STAKEHOLDERS		
8.1 Establish and disclose a clear policy statement that articulates the company's recognition and protection of the rights and interests of key stakeholders specifically its employees, suppliers and customers, creditors as well the community, environment and other key stakeholder groups.	✓	This policy is included in our ASR and MCG, which are also made publicly-available through the company website. In fact, a section of our ASR is dedicated to “Stakeholder Engagement”. We also dedicated a section of our company website for “Stakeholders” to strengthen our investor communications program, which also cater to our shareholders, customers and other stakeholders. For easy reference: <u>GLO 2015 ASR (Ethics and Integrity; Stakeholder Engagement)</u> http://www.globe.com.ph/investor-relations/annual-sustainability-reports/ <u>GLO MCG</u> http://www.globe.com.ph/documents/50301/16764017/17C_Revised+Manual+of+Corporate+Governance_12May2015.pdf <u>Company website (Stakeholders)</u> http://www.globe.com.ph/corporate-governance/stakeholders <u>Company website (Company Policies)</u> http://www.globe.com.ph/corporate-governance/company-policies <u>GLO Employee Handbook on Code of Conduct</u> http://www.globe.com.ph/documents/7122541/94ded150-1606-4424-aef8-a6120d8867a8



8.2 Have in place a workplace development program.	✓	GLO is home to a plethora of employee-nurturing initiatives as the company continues to build a culture of quality service and outstanding corporate culture from within. GLO's workplace development programs are included in our ASR. GLO also has a policy to ensure the health and safety of its employees, including company-sponsored training programs. At Globe, we promote a culture of collaboration in diversity, which gives us a significant edge as our customers shift to a digital lifestyle. Through this kind of culture, we are able to draw from a wide range of ideas and experiences that help us shape products and services that are better suited to what our customers need. We believe that education is a great equalizer. Every employee is believed to have leadership potential regardless of their rank and stature. We thus give every Globe employee access to continuous learning development through Globe University. It develops their leadership and managerial skills, giving them a competitive advantage in their area of expertise. To further strengthen our commitment to this initiative, we've come up with new programs and courses in 2015 and renovated the entire fifth floor of our old office, Globe Telecom Pioneer, to our very own Globe University. This provides employees with an environment more conducive to learning, and at the same time enable us to increase the number of employees we can accommodate.
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		Guideline 8.2 Remarks continued... For a holistic personal development, we also offer volunteering opportunities to support our employees' advocacies. Guided by our employee volunteer manual, they may choose from either activity-based or skill-based volunteering. Volunteer time-off are provided to enable them to share in their desire to contribute to social development. For easy reference: <u>GLO 2015 ASR (Future & Sustainable – Giving Equal Opportunities to All)</u> http://www.globe.com.ph/investor-relations/annual-sustainability-reports/ <u>GLO ACGR – Updated ACGR for Y2015 with information as of 13 April 2016 (Item H, 3(c))</u> http://www.globe.com.ph/corporate-governance/acgr
8.3 Have in place a merit-based performance incentive mechanism such as an employee stock option plan (ESOP) or any such scheme that awards and incentivizes employees, at the same time aligns their interests with those of the shareholders.	✓	Among the benefits Globe provides its employees are the short-term and long-term incentive plans. The short-term incentive plan is Globe's Variable Pay Program for non-sales, non-unionized employees. The incentive is determined by the achievement of performance targets that are set at the beginning of the performance year. It considers delivery of corporate, business unit, and individual performance targets that are defined annually. This is usually paid out to employees within the second quarter of the year following the confirmation of all performance targets and individual performance. Corporate and Business unit targets are financial/operational targets set in order to support the overall business goals and thereby increase the value of the company. This incentive plan drives the company to work together toward achieving common goals. The award size for this incentive is differentiated



		Guideline 8.3 Remarks continued... by the employee's level such that higher incentive multiple is at stake as the Senior Management moves up the organization. The new long term incentive plan was created to replace the Employee Stock Option which was last awarded in 2009. The new plan's primary objective is to drive long-term performance in a highly competitive market by aligning management interest with the shareholders' interest. It also aims to motivate participants to sustain high levels of contribution. Furthermore, it is designed to attract and retain key executives whose contributions are essential to Globe Telecom's growth and profitability through a rewards scheme that fosters a sense of genuine loyalty among employees and belongingness within the Globe community thereby retaining these talents even after payouts are given out. Lastly, the plan should propel shareholder value through superior business performance driven by happy and satisfied employees. At the end of the day, it boils down to engaging our employees to keep them committed and connected to their work to give our customers that wonderful experience. We also recognize and reward our employees for a job well done through spot recognition and our annual employee awards. Our employee benefits and incentive programs are explained further in our ASR and ACGR. For easy reference: <u>GLO 2015 ASR (Future & Sustainable – Giving Equal Opportunities to All)</u> http://www.globe.com.ph/investor-relations/annual-sustainability-reports/ <u>GLO ACGR – Updated ACGR for Y2015 with information as of 13 April 2016 (Item D, 4(b); Item H, 3(d))</u> http://www.globe.com.ph/corporate-governance/acgr
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Note: Where applicable, PDF pages (PDF pp.) will be used for easy reference.

GLO's 2015 Annual & Sustainability Report will be available on April 13, 2016. Our Minutes of the 2016 Annual Stockholders' Meeting, SEC Form 17-A and further updates to the Annual Corporate Governance Report will be available after the said meeting on April 13, 2016.

For purposes of the 2016 PSE Bell Awards evaluation, we shall furnish the PSE-Corporate Governance Office with a copy of the said reports and submissions once these are available.



		Guideline 8.3 Remarks continued... GLO 2015 Audited Financial Statements (Note 18), PDF p. 241 http://edge.pse.com.ph/openDiscViewer.do?edge_no=ffef69803345100e72785c150f4cd6d2#sthash.T4XbClw0.dpbs, OR http://www.globe.com.ph/investor-relations/sec-filings/audited-financial-statements
8.4 Have in place a community involvement program.	✓	In line with our vision of the <i>happiest customers, employees, and shareholders</i>, GLO's community involvement programs are composed of strengthening partnerships within the different stakeholders in the community, enabling businesses to enter the market, and extending learning avenues for the underprivileged, among others. These and more are identified in our ASR, and publicly-available through the company website. Safety of the communities we operate in is very important and ensured through certifications from relevant regulatory agencies such as the certification on radiation-safety provided by the Department of Health to Globe in 2013. For easy reference: <u>GLO 2015 ASR (Future & Sustainable – Building Resilience Against Calamities, Firing Up Innovation)</u> http://www.globe.com.ph/investor-relations/annual-sustainability-reports/ <u>GLO ACGR – Updated ACGR for Y2015 with information as of 13 April 2016 (Item H, 1)</u> http://www.globe.com.ph/corporate-governance/acgr <u>“Globe Telecom cell sites radiation-safety certified by DOH”</u> http://www.globe.com.ph/press-room/radiation-safety-certified-by-doh



8.5 Have in place an environment-related program.	✓	In 2015, we highlighted the relevance of improving energy efficiency and waste management as part of our environment-related programs and activities. As we continue to expand our range of products and services to better serve our customers, we strive to do so without creating a negative impact on their health and the environment. We also take a close look into our entire value chain, identify which areas produce waste--specifically solid, electronic, and hazardous waste--and ensure that these are handled correctly. From our infrastructure to products that have reached their end-of-life, we find ways to collect them and properly dispose them. This commitment is cemented in our Environmental Sustainability Policy, which guides us in protecting the environment around our areas of operations, managing our industrial waste, developing environmentally friendly products and services, and minimizing our carbon footprint. Our Environment Sustainability Policy reveals our commitment to promote environmental sustainability by reducing the impact of our business operations to the environment and we shall achieve this together with the help of our employees, business partners, and clients. We have robust systems in place to manage our environment impact and integrate them into our corporate social responsibility management. In 2015, the total energy consumption from our operations reached 384 million kWh, 9.52% higher than the previous year, due to an increase number of sites and upgrades done at some facilities such as installation of additional resources for WiFi, local exchange carrier (LEC), and WiMAX to respond to the needs of our customers. We have thus undertaken programs that enable us to identify solutions that can make our sites run more efficiently. One way we've done this is to revisit our existing legacy sites. Through analysis and field visits, we were able to develop solutions and quick fixes that will be applied to all our sites. Another step we undertook was using the new SingleSON (self-optimizing network) solution that allows automatic near-real time diagnostics of our
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		Guideline 8.5 Remarks continued... mobile broadband network and optimizing it intelligently. It means less equipment is needed to manage complex networks while delivering a great network experience to our customers. Powered by a SONMaster as the core product and engine, it detects coverage problems and adjusts radio frequency parameters automatically. Improvements don't stop at our outdoor network infrastructure. We also look into our in-building sites' design and operating models and optimize the design according to the demand of the building or floor type, from putting equipment on standby mode to shutting down legacy equipment. We further complement these measures by shifting our power generators from traditional lead batteries to more environment-friendly power sources such as deep cycle batteries, lithium ion batteries, diesel hybrid power units that cut diesel fuel usage compared to traditional generator sets, and fuel cells that eliminate the use of diesel altogether. Our environment-related programs are further explained in our ASR and ACGR, which are publicly-available through the company website. For easy reference: <u>GLO 2015 ASR (Future & Sustainable – Reducing Waste to Protect the Environment; Improving Energy Efficiency)</u> http://www.globe.com.ph/investor-relations/annual-sustainability-reports/ <u>GLO ACGR – Updated ACGR for Y2015 with information as of 13 April 2016 (Item H, 1; Item L)</u> http://www.globe.com.ph/corporate-governance/acgr
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8.6 Have clear policies that guide the company in its dealing with its suppliers, customers, creditors, analysts, market intermediaries and other market participants.	✓	Globe has policies and procedures to protect its employees, suppliers/vendors, customers/subscribers, creditors and its community, among other stakeholders. Such policies and guidelines are included in our Code of Conduct, Company Policies and are also identified in ASR and ACGR. All of which are made publicly-available through the company website. The Company's website also dedicates sections for discussions and identification of company policies and stakeholders. For easy reference: <u>GLO Employee Handbook on Code of Conduct</u> http://www.globe.com.ph/documents/7122541/94ded150-1606-4424-aef8-a6120d8867a8 <u>Company website (Stakeholders)</u> http://www.globe.com.ph/corporate-governance/stakeholders <u>Company website (Company Policies)</u> http://www.globe.com.ph/corporate-governance/company-policies/ <u>GLO 2015 ASR (Ethics and Integrity)</u> http://www.globe.com.ph/investor-relations/annual-sustainability-reports/ <u>GLO ACGR – Updated ACGR for Y2015 with information as of 13 April 2016 (Item H, 1)</u> http://www.globe.com.ph/corporate-governance/acgr
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Guidelines No. 9: DOES NOT ENGAGE IN ABUSIVE RELATED-PARTY TRANSACTIONS AND INSIDER TRADING		
9.1 Develop and disclose a policy governing the company's transactions with related parties.	✓	Our RPT Policy is published on the company website and is also embedded in the MCG and Code of Conduct. Discussion on RPTs is also included in our ASR, ACGR and SEC Form 20-IS. Globe discloses, reviews, and approves related party transactions (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 and its subsidiaries or affiliates and their shareholders. RPTs are disclosed in our financial statements, annual reports, and other applicable filings in accordance with the relevant rules and issuance 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 corporation for each RPT, the nature and value for each RPT. Such disclosure is also made publicly available by the corporation, for the benefit of all shareholders and other stakeholders, through our website and such other media channels as applicable. 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 corporation (e.g. Facebook page, Twitter account, email account and hotline numbers), as necessary. As part of our RPT policy, our independent directors form the independent committee tasked to review and monitor material RPTs to ensure our best interest, our shareholders', and all other stakeholders', and that the RPTs are executed with fair and transparent terms prior to endorsement to the Board for approval.



	Guideline 9.1 Remarks continued... In 2015, members of the Board agreed to vote in accordance with the decision of the three independent directors in resolving a matter on voting preferred shares. For easy reference: <u>Company website (Policy on RPTs)</u> http://www.globe.com.ph/corporate-governance/related-party-transactions <u>GLO 2015 ASR (Ethics and Integrity – Related Party Transactions)</u> http://www.globe.com.ph/investor-relations/annual-sustainability-reports/ <u>GLO ACGR – Updated ACGR for Y2015 with information as of 13 April 2016 (Item B, 4)</u> http://www.globe.com.ph/corporate-governance/acgr <u>GLO Employee Handbook on Code of Conduct, (Conflict of Interest) pp. 77-81</u> http://www.globe.com.ph/documents/7122541/94ded150-1606-4424-aef8-a6120d8867a8 <u>GLO MCG (Article II, Section 1.9 (k)), p. 12</u> http://www.globe.com.ph/documents/50301/16764017/17C_Revised+Manual+of+Corporate+Governance_12May2015.pdf <u>GLO 2015 SEC Form 20-IS (Annex “D”, Part E; Note 16 of the Notes to the Consolidated Financial Statements), p. 147; PDF pp. 229-235</u> http://edge.pse.com.ph/openDiscViewer.do?edge_no=8d65c2bc343a8a3772785c150f4cd6d2#sthash.RZ80jTuf.dpbs, OR http://www.globe.com.ph/documents/7122541/0459415e-8235-4be0-b1a2-80ea7dec82b2
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9.2 Clearly define the thresholds for disclosure and approval for RPTs and categorize such transactions according to those that are considered de minimis or transactions that need not be reported or announced, those that need to be disclosed, and those that need prior shareholder approval. The aggregate of RPT within any twelve (12) month period should be considered for purposes of applying the thresholds for disclosure and approval.	✓	For easy reference: <u>Company website (Policy on RPTs)</u> http://www.globe.com.ph/corporate-governance/related-party-transactions <u>GLO Employee Handbook on Code of Conduct, (Conflict of Interest) pp. 77-81</u> http://www.globe.com.ph/documents/7122541/94ded150-1606-4424-aef8-a6120d8867a8 There is no threshold for disclosure and approval. The procedure for handling RPT/Conflict of Interest under GLO's Employee Handbook and the RPT Policy applies regardless of the amount involved.
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9.3 Establish a voting system whereby a majority of non-related party shareholders approve specific types of related party transactions in shareholders meetings.	✓	Part of the voting process in the shareholders' meeting is to advise shareholders to abstain from voting on items involving transactions where such shareholder is a related party as applicable. However, in 2014 and 2015, no item involving related party transactions was submitted to the shareholders for approval during a regular or special stockholders' meeting. In 2015, members of the Board agreed to vote in accordance with the decision of the three independent directors in resolving a matter on voting preferred shares. For easy reference: <u>Company website (Annual Stockholders' Meeting – Minutes of the ASM)</u> http://www.globe.com.ph/corporate-governance/annual-stockholders-meetings <u>GLO 2015 Minutes of the ASM</u> http://www.globe.com.ph/documents/50301/10005546/Minutes+of+the+Annual+Meeting+of+Stockholders+April+7%2C+2015.pdf <u>GLO 2014 Minutes of the ASM</u> http://www.globe.com.ph/documents/50301/15792697/2014+Minutes+of+the+Annual+Meeting+of+Stockholders.pdf <u>Company website (Policy on RPTs)</u> http://www.globe.com.ph/corporate-governance/related-party-transactions <u>GLO 2015 ASR (Ethics and Integrity – Related Party Transactions)</u> http://www.globe.com.ph/investor-relations/annual-sustainability-reports/
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9.4 Have its independent directors or audit committee play an important role in reviewing significant RPTs.	✓	The role of GLO's independent directors and audit committee in reviewing significant RPTs are identified in the Audit Committee Charter and the RPT Policy. The same is likewise included in our 2015 ASR. Our independent directors form the independent committee that is tasked to review and monitor material RPTs to ensure our best interest, our 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 2015, members of the Board agreed to vote in accordance with the decision of the three independent directors in resolving a matter on voting preferred shares to further exercise independence and integrity at the Board level. For easy reference: <u>GLO Audit Committee Charter (Section 5 "Compliance Oversight"), pp. 7-8</u> http://www.globe.com.ph/documents/50301/17692605/GLOBE+AuditCom+Charter+%28Feb2015%29.pdf <u>Company website (Policy on RPTs)</u> http://www.globe.com.ph/corporate-governance/related-party-transactions <u>GLO 2015 ASR (Ethics and Integrity – Related Party Transactions)</u> http://www.globe.com.ph/investor-relations/annual-sustainability-reports/
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9.5 Be transparent and consistent in reporting its RPTs. A summary of such transactions shall be published in the company's annual report.	✓	RPTs are fully disclosed to the proper regulatory agencies, and are also made publicly-available through the company website, our financial statements and annual reports. In 2015, members of the Board agreed to vote in accordance with the decision of the three independent directors in resolving a matter on voting preferred shares. For easy reference: <u>GLO 2015 ASR (Ethics and Integrity – Related Party Transactions)</u> http://www.globe.com.ph/investor-relations/annual-sustainability-reports/ <u>Company website (Related Party Transactions)</u> http://www.globe.com.ph/corporate-governance/related-party-transactions <u>GLO 2015 SEC Form 20-IS, pp. 25-26; PDF pp. 229-237</u> http://edge.pse.com.ph/openDiscViewer.do?edge_no=8d65c2bc343a8a3772785c150f4cd6d2#sthash.RZ80jTuf.dpbs, OR http://www.globe.com.ph/documents/7122541/0459415e-8235-4be0-b1a2-80ea7dec82b2
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9.6 Have clear policy in dealing with material non-public information by company insiders.	✓	GLO's policies on conflict of interest and insider trading, or the dealing with material non-public information by company insiders, are included in the company's Insider Trading Policy, MCG, Code of Conduct and Company Policies. All of which are also published on our company website and our ASR and ACGR. In fact, our key officers and employees with access to the quarterly results in the course of its review, are prohibited from trading in Company shares ten (10) trading days before and three (3) trading days after any structured report/disclosure, and three (3) trading days before and three (3) trading days after an unstructured report/disclosure. For easy reference: <u>GLO Policy on Insider Trading</u> http://www.globe.com.ph/documents/50301/12184264/POLICY+ON+INSIDER+TRADING.pdf <u>GLO MCG (Article IV), pp. 26-28</u> http://www.globe.com.ph/documents/50301/16764017/17C_Revised+Manual+of+Corporate+Governance_12May2015.pdf <u>GLO Employee Handbook on Code of Conduct, pp. 71-81</u> http://www.globe.com.ph/documents/7122541/94ded150-1606-4424-aef8-a6120d8867a8 <u>Company website (Company Policies – Insider Trading Policy)</u> http://www.globe.com.ph/corporate-governance/company-policies
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		Guideline 9.6 Remarks continued... <u>GLO 2015 ASR (Ethics and Integrity – Related Party Transactions)</u> http://www.globe.com.ph/investor-relations/annual-sustainability-reports/ <u>GLO ACGR – Updated ACGR for Y2015 with information as of 13 April 2016 (Item B, 4)</u> http://www.globe.com.ph/corporate-governance/acgr
9.7 Have a clear policy and practice of full and timely disclosure to shareholders of all material transactions with affiliates of the controlling shareholders, directors or management.	✓	All RPTs are fully disclosed in a timely manner to all shareholders and to appropriate regulatory agencies. Policy on the reportorial and/or disclosure of RPTs are also in our MCG and RPT Policy. Discussion of the same are also in ASR and the company website. For easy reference: <u>Company website (Related Party Transactions)</u> http://www.globe.com.ph/corporate-governance/related-party-transactions <u>GLO 2015 ASR (Ethics and Integrity – Related Party Transactions)</u> http://www.globe.com.ph/investor-relations/annual-sustainability-reports/ <u>GLO ACGR – Updated ACGR for Y2015 with information as of 13 April 2016 (Item B, 4)</u> http://www.globe.com.ph/corporate-governance/acgr <u>GLO MCG (Article IV; VI, 1., c; VII, 1, d)), pp. 26-29, 34-35</u> http://www.globe.com.ph/documents/50301/16764017/17C_Revised+Manual+of+Corporate+Governance_12May2015.pdf



Guidelines No. 10: DEVELOPS AND NURTURES A CULTURE OF ETHICS, COMPLIANCE AND ENFORCEMENT		
10.1 Formally adopt a code of ethics and proper conduct that guides individual behavior and decision making, clarify responsibilities, and inform other stakeholders on the conduct expected from company personnel.	✓	Our Handbook on Code of Conduct and other company policies are published in our ASR and ACGR as well as posted on our company website, which also has a section dedicated to “Stakeholders”. For easy reference: <u>GLO Employee Handbook on Code of Conduct</u> http://www.globe.com.ph/documents/7122541/94ded150-1606-4424-aef8-a6120d8867a8 <u>Company website (Company Policies)</u> http://www.globe.com.ph/corporate-governance/company-policies/ <u>Company website (Stakeholders)</u> http://www.globe.com.ph/corporate-governance/stakeholders <u>GLO 2015 ASR (Beyond Compliance; Ethics and Integrity; Sustainability; Stakeholder Engagement)</u> http://www.globe.com.ph/investor-relations/annual-sustainability-reports/ <u>GLO ACGR – Updated ACGR for Y2015 with information as of 13 April 2016 (Items H, J)</u> http://www.globe.com.ph/corporate-governance/acgr



10.2 Have a formal comprehensive compliance program covering compliance with laws and relevant regulations. The program should include appropriate training and awareness initiatives to facilitate understanding, acceptance and compliance with the said issuances.	✓	GLO's comprehensive compliance program involves each Business Unit having a Governance Team that monitors compliance with laws, rules and regulations pertinent to their respective department/ group/ division. Our Compliance System is also provided in our MCG. In fact, an Annual Certification of Compliance with our MCG is signed (Annex "D") by our Compliance Officer and President & CEO, which is also disclosed in our ASR. For easy reference: <u>GLO MCG (Article V, Section 3), pp. 30-31</u> http://www.globe.com.ph/documents/50301/16764017/17C_Revised+Manual+of+Corporate+Governance_12May2015.pdf <u>GLO 2015 ASR (Ethics and Integrity – Related Party Transactions)</u> http://www.globe.com.ph/investor-relations/annual-sustainability-reports/ <u>GLO ACGR – Updated ACGR for Y2015 with information as of 13 April 2016 (Item A, 1(b); B, 1(d))</u> http://www.globe.com.ph/corporate-governance/acgr <u>Company website (Corporate Governance)</u> http://www.globe.com.ph/corporate-governance
10.3 Not seek exemption from the application of a law, rule regulation especially when it refers to a corporate governance issue. Should it do so, it has to disclose the reason for such action as well present the specific steps being taken to finally comply with the applicable law, rule or regulation.	✓	In 2015, Globe Telecom, Inc. did not seek exemption from the application of any law, rule or regulation relative to corporate governance issues.



10.4 Have clear and stringent policies and procedures on curbing and penalizing company or employee involvement in offering, paying and receiving bribes.	✓	Policies and procedures on curbing and penalizing company or employee involvement in offering, paying and receiving of bribes are in our Employee Handbook on Code of Conduct, which covers all employees including our Board of Directors, Management and contractual employees. Our Anti-corruption Policy is also contained in our website, ASR and ACGR. For easy reference: <u>GLO Employee Handbook on Code of Conduct, pp. 67-73</u> http://www.globe.com.ph/documents/7122541/94ded150-1606-4424-aef8-a6120d8867a8 <u>GLO 2015 ASR (Ethics and Integrity – Anti-corruption)</u> http://www.globe.com.ph/investor-relations/annual-sustainability-reports/ <u>Company website (Company Policies – Anti-Corruption Policy)</u> http://www.globe.com.ph/corporate-governance/company-policies <u>GLO ACGR – Updated ACGR for Y2015 with information as of 13 April 2016 (Item H, 1)</u> http://www.globe.com.ph/corporate-governance/acgr
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10.5 Have a designated officer responsible for ensuring compliance with all relevant laws, rules, and regulation, as well as all regulatory requirements.	✓	GLO's Compliance Officer is Marisalve Ciocon-Co. Atty. Co is likewise the Assistant Corporate Secretary and Vice President of Legal Services of our Corporate and Legal Services Group. Atty. Co's duties and responsibilities as our Compliance Officer are stated in the MCG. For easy reference: <u>Company website (Key Officers)</u> http://www.globe.com.ph/corporate-governance/key-officers <u>GLO MCG (Article V, Section 3), pp. 30-31</u> http://www.globe.com.ph/documents/50301/16764017/17C_Revised+Manual+of+Corporate+Governance_12May2015.pdf <u>GLO 2015 ASR (Beyond Compliance – Globe Telecom Key Officers)</u> http://www.globe.com.ph/investor-relations/annual-sustainability-reports/ There is also a Regulatory Affairs Division under the Corporate Legal Services Group that ensures compliance with laws, and all regulatory requirements of various government agencies and local government units.
10.6 Respect intellectual property rights.	✓	No cases involving violation of intellectual property rights were filed against the Company in 2015. Being a leader in the digital scene coupled with our telecommunications services, we actively take part in the advocacy for data privacy, respect for intellectual property rights and awareness against cybercrimes and cyber threats. The risk of data leakage is high with the level of empowerment granted to our employees, especially those handling sales and after sales transactions to enable the efficient discharge of their functions. Employee awareness on data protection and loss prevention is reinforced through regular corporate dissemination channels. Further, we make employees



		Guideline 10.6 Remarks continued... accountable for maintaining the confidentiality of data handled, including disclosures and information shared in various social media platforms. Controls over processes that require handling of our subscribers' personal information are continuously being tightened, coupled with enhancements in existing security capabilities to prevent compromise of subscriber data. Our policy on respecting confidential information and data privacy are also embedded in our Employee Handbook and disclosed through our ASR, ACGR and company website. For easy reference: <u>GLO Employee Handbook on Code of Conduct, pp. 70-73</u> http://www.globe.com.ph/documents/7122541/94ded150-1606-4424-ae8-a6120d8867a8 <u>Company website (GLO Privacy Policy and Intellectual Property; Company Policies)</u> http://www.globe.com.ph/privacy-policy <u>GLO 2015 ASR (Risk Management – Globe Principal Risks; Ethics and Integrity)</u> http://www.globe.com.ph/investor-relations/annual-sustainability-reports/ <u>GLO ACGR – Updated ACGR for Y2015 with information as of 13 April 2016 (Item F, 2(b))</u> http://www.globe.com.ph/corporate-governance/acgr
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10.7 Establish and commit itself to an alternative dispute resolution system so that conflicts and difference with counterparties, particularly with shareholders and other key stakeholders, would be settled in a fair and expeditious manner.	✓	GLO's alternative dispute resolution system in addressing conflicts is included in our MCG, Employee Handbook and ACGR. We also have policies in place to guide us in dealing with all our different stakeholders. For easy reference: <u>GLO MCG (Article II, Section 1.9, I)), p. 12</u> http://www.globe.com.ph/documents/50301/16764017/17C_Revised+Manual+of+Corporate+Governance_12May2015.pdf <u>GLO Employee Handbook on Code of Conduct, pp. 85-93</u> http://www.globe.com.ph/documents/7122541/94ded150-1606-4424-aef8-a6120d8867a8 <u>GLO ACGR – Updated ACGR for Y2015 with information as of 13 April 2016 (Item B, 6)</u> http://www.globe.com.ph/corporate-governance/acgr <u>Company website (Stakeholders)</u> http://www.globe.com.ph/corporate-governance/stakeholders <u>Company website (Company Policies)</u> http://www.globe.com.ph/corporate-governance/company-policies
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This is to certify that the undersigned reviewed the contents of this document and to the best of our knowledge and belief, the information contained set forth in this document are true, complete and correct.

Done this 30th day of March in 2016.

A black rectangular box with a large 'X' drawn over it, obscuring the signature.
MANUEL A.
Independent

A black rectangular box with a large 'X' drawn over it, obscuring the signature.
ERNEST L. CO
President & CEO
A small, handwritten blue mark resembling a stylized 'M' or a checkmark.



2015 YEAR END ASSESSMENT

- Management monitors closely and addresses issues that could impact the reliability of financial statements for the year ended 31 December 2015; and ensures full compliance with financial and corporate governance regulatory requirements and reporting.
- Completed postpaid enhancements and prepaid deployment to the new billing system (MyBSS) with significantly reduced number of issues versus the previous postpaid system implementation.
- Management is taking appropriate actions to resolve internal control issues and manage risks in the areas of revenue assurance, service management, information security and management information. As of end December 2015, rate of past due audit recommendations is at 8% (excluding the MyBSS Security Audit issues), lowest number of past due issues in the last 4 years.
- Globe and its senior leadership team received various international and local recognition on excellence in management, customer service, branding, human resource and corporate governance in 2015.
- The Chief Audit Executive reports functionally to the Audit Committee and administratively to the CEO that allows the internal audit activity to fulfill its responsibilities.
- **Based on the control self assessment signed by the group heads, we attest that the Company has sound internal controls and compliance system in place.**

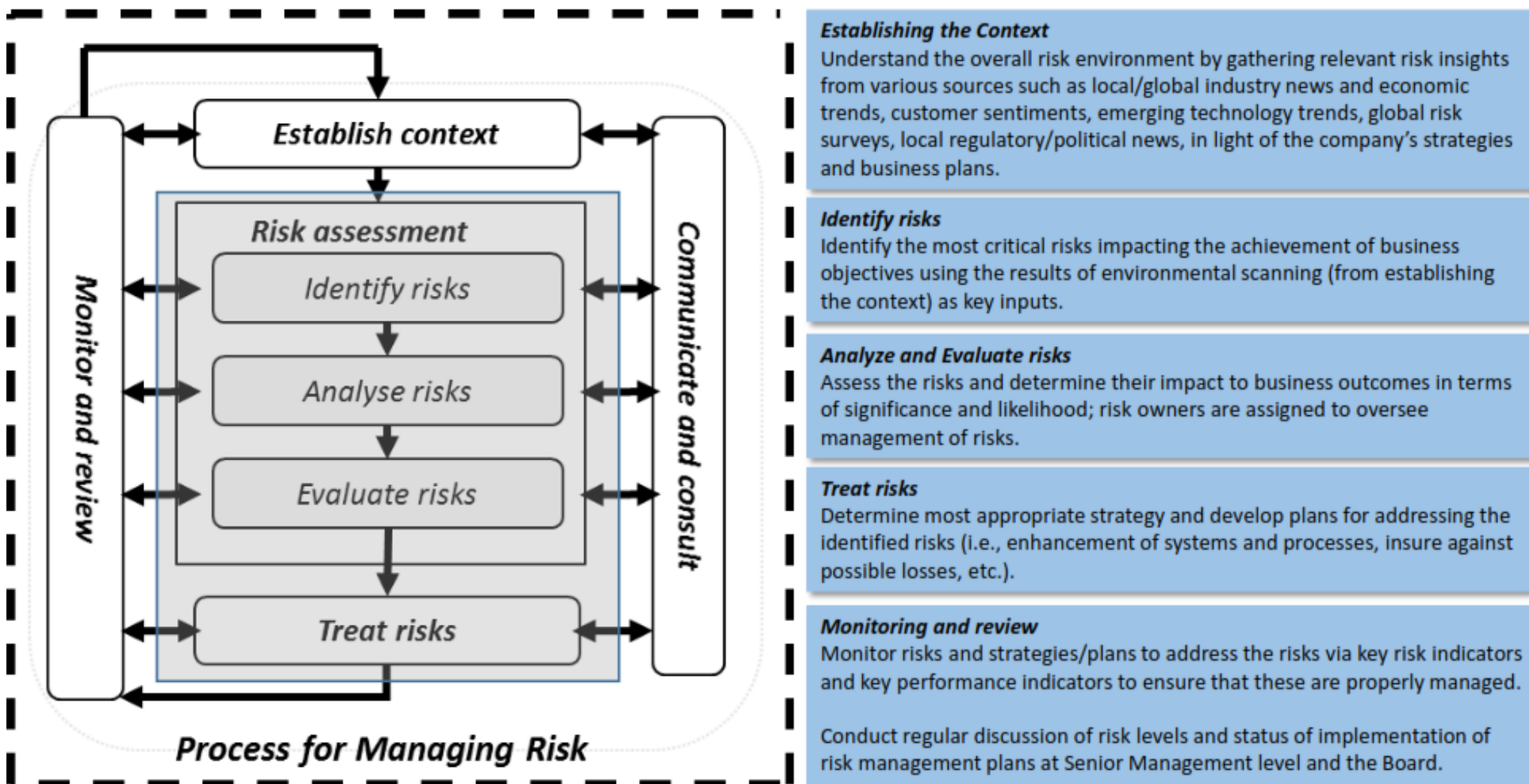
Ernest L. Cu
President &
Chief Executive Officer

Rosemarie Maniego-Eala
Chief Financial Officer/
Chief Risk Officer
Highly Confidential

Carmina J. Herbosa
Chief Audit Executive

Unauthorized disclosure internally or externally is prohibited

Globe's Risk Management Framework ¹



¹ Source: ISO 31000 - Risk Management: Principles and Guidelines

Highly Confidential

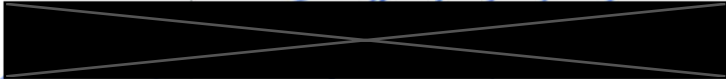
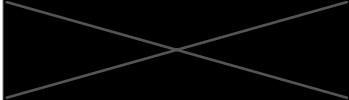
Unauthorized disclosure internally or externally is prohibited

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The management of Globe Telecom, Inc. and Subsidiaries ("Globe Group") is responsible for the preparation and fair presentation of the consolidated financial statements for the years ended December 31, 2015, 2014 and 2013, including the additional components attached therein, in accordance with Philippine Financial Reporting Standards. This responsibility includes designing and implementing internal controls relevant to the preparation and fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

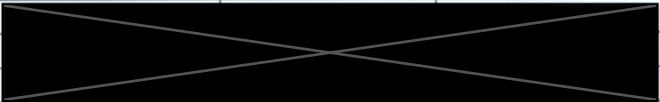
The Board of Directors reviews and approves the consolidated financial statements including the additional components attached therein and submits the same to the stockholders.

Navarro Amper & Co. and SyCip Gorres Velayo & Co., the independent auditors appointed by the stockholders for the period December 31, 2015 and 2014, respectively, have examined the consolidated financial statements of the Globe Group in accordance with the Philippine Standards on Auditing, and in their reports to the stockholders, have expressed their opinion on the fairness of presentation upon completion of such examination.


JAIME AUGUSTO ZOBEL DE AYALA
Chairman of the Board
ERNEST L. CU
President and Chief Executive Officer
ROSEMARIE MANIEGO-EALA
Acting Chief Finance Officer and Treasurer

February 5, 2016

SUBSCRIBED AND SWORN to before me this **FEB 09 2016** at **TAGUIG CITY** City,
affiants who are personally known to me or identified through competent evidence of identity, to wit:

Name	Passport or ID No.	Date of Issue	Expiry Date
Jaime Augusto Zobel De Ayala			
Ernest L. Cu			
Rosemarie Maniego-Eala			

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BOOK NO. 1
SERIES OF 2014

ATTY. CLARISA A. TIMBANG, CPA
Notary Public for Taguig City
28th Floor, The Globe Tower
32nd Street corner 7th Avenue
Bonifacio Global City, Taguig 1634
Appointment No. 267 (2015-2016)
Until December 31, 2016
PTR No. A-2588504/07-10-2015/Taguig City
IBP O.R. No. 1007215/04-16-15/Pasig City
Roll of Attorneys No. 64868



Globe Telecom, Inc.
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Bonifacio Global City
Taguig, Philippines



+632.7972000



www.globe.com.ph

**CERTIFICATION OF FULL COMPLIANCE WITH THE
MANUAL OF CORPORATE GOVERNANCE**

The Corporation's Manual of Corporate Governance, as revised in May 2015, adopts the leading practices and principles of good corporate governance, and to the best of my knowledge and belief, full compliance therewith has been made since the adoption of the Manual.

This Certification is issued in accordance with the requirement of the Corporation's Manual of Corporate Governance, Article V, Section 3, Paragraph iii; and is executed to attest to the truth of the foregoing facts.

January 29, 2016, Taguig City.

A black rectangular box with a white 'X' over it, used to redact the signature of Marisalve Cioacson-Co.

MARISALVE CIOacson-CO

Compliance Officer, Assistant Corporate Secretary, and
Vice President, Legal Services

Countersigned by:

A black rectangular box with a white 'X' over it, used to redact the signature of Ernest L. Cu.

ERNEST L. CU

President and Chief Executive Officer