

SECURITIES AND EXCHANGE COMMISSION

SEC FORM – ACGR

ANNUAL CORPORATE GOVERNANCE REPORT

1. Report is Filed for the Year **2016**
2. Exact Name of Registrant as Specified in its Charter **ABS-CBN Corporation**
3. **ABS-CBN Broadcast Center, Sgt. Esguerra** **1103**
Avenue corner Mother Ignacia St.,
Quezon City
Address of Principal Office Postal Code
4. SEC Identification Number **1803**
5. Industry Classification Code (SEC Use Only) 
6. BIR Tax Identification Number **000-406-761-000**
7. **(632) 415-2272**
Issuer's Telephone number, including area code
8. **N/A**
Former name or former address, if changed from the last report

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A. BOARD MATTERS

1) Board of Directors

Number of Directors per Articles of Incorporation	11
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Actual number of Directors for the year	11
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(a) Composition of the Board

Complete the table with information on the Board of Directors:

Director's Name	Type [Executive (ED), Non-Executive (NED) or Independent Director (ID)]	If nominee, identify the principal	Nominator in the last election (if ID, state the relationship with the nominator)	Date first elected	Date last elected (if ID, state the number of years served as ID) ¹	Elected when (Annual /Special Meeting)	No. of years served as director
Eugenio L. Lopez III	NED	Lopez, Inc.	Lopez, Inc.	April 23, 1992	May 5, 2016	Annual Meeting	24
Augusto Almeda Lopez	NED	Lopez, Inc.	Lopez, Inc.	April 27, 1988	May 5, 2016	Annual Meeting	28
Carlo L. Katigbak	ED	Lopez, Inc.	Lopez, Inc.	May 5, 2016	May 5, 2016	Annual Meeting	1
Oscar M. Lopez	NED	Lopez, Inc.	Lopez, Inc.	July 1966	May 5, 2016	Annual Meeting	50
Presentacion L. Psinakis	NED	Lopez, Inc.	Lopez, Inc.	April 27, 1988	May 5, 2016	Annual Meeting	28
Manuel M. Lopez	NED	Lopez, Inc.	Lopez, Inc.	July 28, 2010	May 5, 2016	Annual Meeting	6
Federico R. Lopez	NED	Lopez, Inc.	Lopez, Inc.	August 25, 1999	May 5, 2016	Annual Meeting	17
Federico M. Garcia	NED	Lopez, Inc.	Lopez, Inc.	Sept. 2, 1992	May 5, 2016	Annual Meeting	24
Salvador G. Tirona	NED	Lopez, Inc.	Lopez, Inc.	July 28, 2010	May 5, 2016	Annual Meeting	6
Emmanuel S. de Dios	ID	N/A	Raul Quizon (no relationship)	April 23, 2013	May 5, 2016 (3 years)	Annual Meeting	3
Antonio Jose U. Periquet	ID	N/A	Raul Quizon (no relationship)	April 23, 2013	May 5, 2016 (3 years)	Annual Meeting	3

- (b) Provide a brief summary of the corporate governance policy that the board of directors has adopted. Please emphasize the policy/ies relative to the treatment of all shareholders, respect for the rights of minority shareholders and of other stakeholders, disclosure duties, and board responsibilities.

ABS-CBN recognizes the importance of corporate governance in enhancing the stakeholders' interests in the Company. Its Board of Directors commits itself to the principles of good corporate governance. It is the duty of the Board to represent the shareholders' interest in perpetuating a successful business, to promote the shareholders' rights, and to encourage the stockholders to exercise their right to vote.

Similarly, the Board shall ensure that there is an effective communication between the Company and its shareholders and other stakeholders. This includes timely distribution of information to the shareholders necessary to make informed decisions.

¹ Reckoned from the election immediately following January 2, 2016.

(c) How often does the Board review and approve the vision and mission?

Every year.

(d) Directorship in Other Companies

(i) Directorship in the Company's Group²

Identify, as and if applicable, the members of the company's Board of Directors who hold the office of director in other companies within its Group:

Director's Name	Corporate Name of the Group Company	Type of Directorship (Executive, Non-Executive, Independent). Indicate if director is also the Chairman.
<i>Eugenio L. Lopez III</i>	<i>ABS-CBN Holdings Corporation</i>	<i>Executive Director</i>
	<i>Lopez Holdings Corporation</i>	<i>Vice Chairman</i>
	<i>Lopez, Inc.</i>	<i>Executive Director</i>
	<i>Sky Cable Corporation</i>	<i>Chairman</i>
	<i>Sky Vision Corporation</i>	<i>Executive Director</i>
<i>Augusto Almeda Lopez</i>	<i>Sky Vision Corporation</i>	<i>Vice Chairman</i>
<i>Oscar M. Lopez</i>	<i>ABS-CBN Holdings Corporation</i>	<i>Chairman, Executive Director</i>
	<i>Lopez Holdings Corporation</i>	<i>Chairman Emeritus</i>
	<i>Lopez, Inc.</i>	<i>Executive Director</i>
<i>Presentacion L. Psinakis</i>	<i>ABS-CBN Holdings Corporation</i>	<i>Director</i>
<i>Manuel M. Lopez</i>	<i>Lopez Holdings Corporation</i>	<i>Chairman, Executive Director</i>
	<i>Lopez, Inc.</i>	<i>Vice Chairman</i>
	<i>Sky Vision Corporation</i>	<i>Chairman</i>
<i>Salvador G. Tirona</i>	<i>Lopez Holdings Corporation</i>	<i>Executive Director</i>
	<i>Sky Vision Corporation</i>	<i>Director</i>
<i>Antonio Jose U. Periquet</i>	<i>ABS-CBN Holdings Corporation</i>	<i>Independent Director</i>

(ii) Directorship in Other Listed Companies

Identify, as and if applicable, the members of the company's Board of Directors who are also directors of publicly-listed companies outside of its Group:

Director's Name	Name of Listed Company	Type of Directorship (Executive, Non-Executive, Independent). Indicate if director is also the Chairman.
<i>Eugenio L. Lopez III</i>	<i>First Gen Corporation</i>	<i>Non-Executive Director</i>
	<i>First Philippine Holdings Corporation</i>	<i>Non-Executive Director</i>
	<i>Rockwell Land Corporation</i>	<i>Non-Executive Director</i>
<i>Augusto Almeda Lopez</i>	<i>First Philippine Holdings Corporation</i>	<i>Non-Executive Director</i>
<i>Oscar M. Lopez</i>	<i>Energy Development Corporation</i>	<i>Chairman Emeritus</i>
	<i>First Gen Corporation</i>	<i>Chairman Emeritus</i>
	<i>First Philippine Holdings Corporation</i>	<i>Chairman Emeritus, Executive Director</i>
	<i>Rockwell Land Corporation</i>	<i>Chairman Emeritus</i>
<i>Manuel M. Lopez</i>	<i>First Philippine Holdings Corporation</i>	<i>Vice Chairman</i>

² The Group is composed of the parent, subsidiaries, associates and joint ventures of the company.

Director's Name	Name of Listed Company	Type of Directorship (Executive, Non-Executive, Independent). Indicate if director is also the Chairman.
	<i>Rockwell Land Corporation</i>	<i>Chairman</i>
<i>Federico R. Lopez</i>	<i>First Gen Corporation</i>	<i>Chairman, Executive Director</i>
	<i>First Philippine Holdings Corporation</i>	<i>Chairman, Executive Director</i>
	<i>Energy Development Corporation</i>	<i>Chairman, Executive Director</i>
	<i>Rockwell Land Corporation</i>	<i>Vice Chairman</i>
<i>Antonio Jose U. Periquet</i>	<i>Ayala Corporation</i>	<i>Independent Director</i>
	<i>Bank of the Philippine Islands</i>	<i>Independent Director</i>
	<i>DMCI Holdings, Inc.</i>	<i>Independent Director</i>
	<i>Philippine Seven Corporation</i>	<i>Independent Director</i>
	<i>Max's Group of Companies</i>	<i>Independent Director</i>

(iii) Relationship within the Company and its Group

Provide details, as and if applicable, of any relation among the members of the Board of Directors, which links them to significant shareholders in the company and/or in its group:

Director's Name	Name of the Significant Shareholder	Description of the relationship
<i>Eugenio L. Lopez III</i>	<i>Lopez, Inc.</i>	<i>Mr. Lopez is an Executive Director of Lopez, Inc.</i>
	<i>ABS-CBN Holdings Corporation</i>	<i>Mr. Lopez is an Executive Director of ABS-CBN Holdings Corporation.</i>
<i>Oscar M. Lopez</i>	<i>Lopez, Inc.</i>	<i>Mr. Lopez is an Executive Director of Lopez, Inc.</i>
	<i>ABS-CBN Holdings Corporation</i>	<i>Mr. Lopez is the Chairman and President & CEO of ABS-CBN Holdings Corporation.</i>
<i>Manuel M. Lopez</i>	<i>Lopez, Inc.</i>	<i>Mr. Lopez is the Vice Chairman of Lopez, Inc.</i>
<i>Presentacion L. Psinakis</i>	<i>ABS-CBN Holdings Corporation</i>	<i>Mrs. Psinakis is a Director of ABS-CBN Holdings Corporation.</i>
<i>Salvador G. Tirona</i>	<i>ABS-CBN Holdings Corporation</i>	<i>Mr. Tirona is the Comptroller of ABS-CBN Holdings Corporation.</i>
<i>Antonio Jose U. Periquet</i>	<i>ABS-CBN Holdings Corporation</i>	<i>Mr. Periquet is an Independent Director of ABS-CBN Holdings Corporation.</i>

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

No. A director shall exercise sound judgment in accepting directorships outside of ABS-CBN Corporation. He/she may hold any number of directorships outside of the Company, provided these other positions do not hinder him/her from performing with diligence and care his/her obligations as a director of the Company.

(e) Shareholding in the Company³

³ PSE Disclosure (Public Ownership Report) as of 31 December 2016.

Complete the following table on the members of the company's Board of Directors who directly and indirectly own shares in the company:

Name of Director	Number of Direct Shares	Number of Indirect Shares/ Through (name of record owner)	% of Capital Stock
<i>Eugenio L. Lopez III</i>	669,690	0	0.08%
<i>Augusto Almeda Lopez</i>	4,055	249,833	0.03%
<i>Carlo L. Katigbak</i>	12,000	0	0.00%
<i>Oscar M. Lopez</i>	63,605	0	0.01%
<i>Presentacion L. Psinakis</i>	1,988	0	0.00%
<i>Manuel M. Lopez</i>	251,196	0	0.03%
<i>Federico R. Lopez</i>	1	0	0.00%
<i>Federico M. Garcia</i>	13,898	0	0.00%
<i>Salvador G. Tirona</i>	2	0	0.00%
<i>Emmanuel S. de Dios</i>	1	0	0.00%
<i>Antonio Jose U. Periquet</i>	1	0	0.00%
TOTAL	1,016,437	249,833	0.15%

2) Chairman and CEO

- (a) Do different persons assume the role of Chairman of the Board of Directors and CEO? If no, describe the checks and balances laid down to ensure that the Board gets the benefit of independent views.

Yes No

Identify the Chair and CEO:

Chairman of the Board	<i>Mr. Eugenio L. Lopez III</i>
CEO/President	<i>Mr. Carlo L. Katigbak</i>

- (b) Roles, Accountabilities and Deliverables

Define and clarify the roles, accountabilities and deliverables of the Chairman and CEO.

	Chairman	Chief Executive Officer
Role	<i>The Chairman of the Board is responsible for the management, development, and the effective performance of the BOD, and provides leadership to the BOD for all aspects of the BOD's work.</i>	<i>The CEO has the general charge and supervision of the business and affairs of the Company, subject to the BOD.</i>
Accountabilities and Deliverables	<i>The Chairman of the BOD plans and organizes all the activities of the BOD including: preparation for, and the conduct of, Board meetings; the quality, quantity and timeliness of the information that goes to the BOD; formation of the Board committees and the integration of their activity with that of the Board; evaluation of the effectiveness and implementation of improvements; development of the Board, including recruitment of Directors, evaluation and compensation.</i>	<i>The CEO makes, executes, and signs in the name of the Company such contracts as are necessary in the ordinary course of business, and such other contracts as are authorized by the BOD. The CEO also signs such other certificates or instruments of the Company as are proper and necessary for the transaction of its ordinary business. He/she sees that the resolutions of the BOD are duly executed and carried out and performs all such other duties as are incident to his/her office. He/she prepares an annual report, or as often as required, to the BOD and the stockholders regarding the</i>

		<i>business of the Company. The CEO countersigns all checks, drafts, or other payment of money.</i>
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3) Explain how the board of directors plan for the succession of the CEO/Managing Director/President and the top key management positions?

The Board of Directors has established the Succession Planning Committee to ensure that there is a pipeline to key positions in the organization, and that there are ready replacements for any key positions that are suddenly vacated. This committee oversees the replacement-planning table of the organization, and identifies successors and gaps in succession, as well as any measures needed to fill such gaps.

4) Other Executive, Non-Executive and Independent Directors

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

Yes, it is the policy of the Company to have a mix of proficient directors on the Board. In addition, a Board of Advisors provides guidance to the Board. The members of the Board of Advisors attend in all Board meetings and are members of the Board Committees.

Does it ensure that at least one non-executive director has an experience in the sector or industry the company belongs to? Please explain.

Yes, the non-executive directors of the Company have been members of the Board for a number of years. Thus, they already have an extensive experience and knowledge in the sector or industry where the Company and/or its subsidiaries operates in.

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

	Executive	Non-Executive	Independent Director
Role	<i>The directors represent the shareholders' interest in perpetuating a successful business including optimizing long-term financial returns.</i> <i>It is the Board's mission to ensure that the Company is managed in such a way as to safeguard this result while adhering to the laws and rules of the jurisdictions in which it operates, observing the highest standards of corporate governance, and high ethical norms.</i>		
Accountabilities	<i>A director is a fiduciary of the Company and shall not take advantage of the Company by means of fraudulent and unfair transactions.</i> <i>The Board should act and decide on an informed, in good faith, and in an honest manner with due consideration to the best interest of the Company.</i> <i>Further, the Board shall ensure that the Company communicates with its shareholders and other stakeholders in an effective manner.</i>		
Deliverables	<i>The Board establishes the overall goals, strategies, and polies of the Company. It strives to monitor regularly the effectiveness of management's decisions and the execution of strategies.</i>		

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

Under the Company's Manual of Corporate Governance, an independent director is defined as follows:

- Is not a director or an officer or a substantial stockholder of the Company or its related companies, or any of its substantial shareholders (other than as independent director of any of the foregoing);*
- Is not a relative of any director, officer or substantial shareholder of the Company, or any of its related*

- companies, or any of its substantial shareholders;*
- Is not acting as a nominee or representative of a substantial shareholder of the Company, or any of its related companies or any of its substantial shareholder;*
- Has not been employed in any executive capacity by the Company, or any of its related companies or by any of its substantial shareholders within the last two years;*
- Is not retained as professional adviser by the Company, any of its related companies, or any of its substantial shareholders within the last two years, either personally or through their firms;*
- Has not engaged and does not engage in any transaction with the Company, or with any of its related companies, or with any of its substantial shareholders, whether by themselves or with other persons, or through a firm of which they are partners, or companies of which they are directors or substantial shareholders, other than transactions which are conducted at arms-length and are immaterial; and*
- Does not own more than 2% of the shares of the Company and/or its related companies, or any of its substantial shareholders.*

Further, in compliance with the SEC requirement, at least 20% of the Board is comprised of independent directors with no material relationship with the Company. These directors are independent of management, and are free of any relationship that may interfere with their judgment.

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

The Company's independent director is subject to a two-year term limit. He/she can be re-elected as independent director after his/her term, provided that service to the Company shall not exceed five (5) consecutive years, in accordance with SRC Rule 38 and SEC Memorandum Circular No. 9, Series of 2011.

5) Changes in the Board of Directors (Executive, Non-Executive and Independent Directors)

(a) Resignation/Death/Removal

Indicate any changes in the composition of the Board of Directors that happened during the period:

Name	Position	Date of Cessation	Reason
<i>None</i>			

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

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

Procedure	Process Adopted	Criteria
a. Selection/Appointment⁴		
(i) Executive Directors	<i>All nominations for the election of Directors by the stockholders shall be submitted in writing to the Board of Directors at least thirty (30) business days before the scheduled date of the annual stockholders' meeting.</i> <i>The Nomination and Election Committee reviews and evaluates the qualifications of all persons nominated to the Board and</i>	<i>Any stockholder may be elected Director, provided however, that no person shall qualify or be eligible for nomination or election to the Board of Directors if he is engaged in any business or activity, which competes with or is antagonistic to that of the Corporation or any of its subsidiaries and affiliates.</i>
(ii) Non-Executive Directors		
(iii) Independent Directors		

⁴ Amended By-Laws of the Company, May 4, 2011

Procedure	Process Adopted	Criteria
	<p><i>other appointments that require Board approval, and assesses the effectiveness of the Board's processes and procedures in the election or replacement of directors.</i></p> <p><i>The election of directors is held during the annual stockholders meeting and is conducted in the manner provided by the Corporation Law of the Philippines.</i></p> <p><i>In case of vacancies in the Board in between the annual stockholders' meetings, the Board may elect new Director(s) to serve until the next annual stockholders' meeting.</i></p>	<p><i>the following qualifications:</i></p> <ul style="list-style-type: none"> <i>a. He shall have at least one share of stock of the Corporation;</i> <i>b. He shall be at least a college graduate or he shall have been engaged or exposed to the business of the Corporation for at least five (5) years;</i> <i>c. He shall possess integrity and probity; and</i> <i>d. He shall be assiduous.</i> <p><i>Under the Corporate Governance Manual, independent directors shall not have the following disqualifications:</i></p> <ul style="list-style-type: none"> <i>a. are not directors or officers or substantial stockholders of the Company or its related companies, or any of its substantial shareholders (other than as</i> <i>b. independent directors of any of the foregoing);</i> <i>c. are not relatives of any director, officer or substantial shareholder</i> <i>d. of the Company, or any of its related companies, or any of its substantial shareholders;</i> <i>e. are not acting as nominees or representatives of a substantial shareholder of the Company, or any of its related companies or any of its substantial shareholders;</i> <i>f. have not been employed in any executive capacity by the Company, or any of its related companies or by any of its substantial shareholders within the last two years;</i> <i>g. are not retained as professional advisers by the Company, any of its related companies, or any of its substantial shareholders within</i> <i>h. the last two years, either personally or through their firms;</i> <i>i. have not engaged and do not engage in any</i>

Procedure	Process Adopted	Criteria
		<p><i>transaction with the Company, or with any of its related companies, or with any of its substantial shareholders, whether by themselves or with other persons, or through a firm of which they are partners, or companies of which</i></p> <p><i>j. they are directors or substantial shareholders, other than transactions which are conducted at arms-length and are immaterial; and</i></p> <p><i>k. Does not own more than 2% of the shares of the Company and/or its related companies, or any of its substantial shareholders.</i></p>
b. Re-appointment		
(i) Executive Directors	Same as (a).	Same as (a).
(ii) Non-Executive Directors		
(iii) Independent Directors		
c. Permanent Disqualification		
(i) Executive Directors	<p><i>The Nomination and Election Committee reviews and recommends to the Board any disqualification case of a director. The Board has the final decision in disqualifying a director.</i></p>	<p><i>No person shall qualify or be eligible for nomination as a director if:⁵</i></p> <p><i>a. If he is an officer, manager, or controlling person of, or the owner (either of record or beneficially) of 10% or more of any outstanding class of shares of any corporation (other than one in which the Corporation owns at least 30% of the capital) engaged in a business or activity, which the Board, by at least two-thirds (2/3) vote of the directors present constituting a quorum, determines to be competitive or antagonistic to that of the Corporation or its subsidiaries and affiliates; or</i></p> <p><i>b. If he is an officer, manager or controlling person of, or the owner (either of record or beneficial) of 10% or more</i></p>
(ii) Non-Executive Directors		
(iii) Independent Directors		

⁵ Amended By-Laws of the Company, May 4, 2011

Procedure	Process Adopted	Criteria
		<p><i>of any other corporation or entity engaged in any line of business of the Corporation or that of its subsidiaries and affiliates and in the judgment of the Board, by at least two-thirds (2/3) vote of the directors present constituting a quorum, the laws against combinations in restraint of trade shall be violat</i>e by such person's membership in the Board of Directors; or</p> <p>c. <i>If the Board, in the exercise of its judgment in good faith, determines by at least two-thirds (2/3) vote of the directors present constituting a quorum that he/she is a nominee of any person set forth in (a) or (b); or</i></p> <p>d. <i>There is a finding against him by final and executory judgment by the SEC or a court or other administrative body of competent jurisdiction of a willful serious violation, or willful aiding, abetting, counseling, inducing, or procuring or the serious violation of, any material provision for the Securities Regulation Code, the Corporation Code, or any other law administered by the Commission or Bangko Sentral ng Pilipinas, or any material rule, regulation or order of the Commission or Bangko Sentral ng Pilipinas; or</i></p> <p>e. <i>He is judicially declared insolvent; or</i></p> <p>f. <i>There is a finding against him by final judgment by a foreign court or equivalent regulatory authority with competent jurisdiction of acts, violations or misconduct similar to any of the acts, violations or misconduct listed in the foregoing paragraphs; or</i></p> <p>g. <i>He previously committed</i></p>

Procedure	Process Adopted	Criteria
		<p>patently unlawful act(s) and/or other act(s) deemed prejudicial or inimical to the reputation and/or interest of the Corporation; or</p> <p>h. He committed acts causing undue injury to the Corporation, its subsidiaries, or affiliates, or committed acts causing injury to another corporation while acting as a director therein; or</p> <p>i. He previously committed gross negligence or bad faith in directing the affair of another corporation where he serves as a director or officer.</p>
d. Temporary Disqualification		
(i) Executive Directors	<p>The Nomination and Election Committee reviews and recommends to the Board any disqualification case of a director. The Board has the final decision in disqualifying a director.</p>	<p>Any of the following shall be a ground for the temporary disqualification or dismissal for a cause of a director:⁶</p> <p>a. Refusal to fully disclose the extent of his business interest as required under the Securities Regulation Code and its Implementing Rules and Regulations. This disqualification shall be in effect as long as his/her refusal persists;</p> <p>b. Absence of non-participation for unjustifiable reason/s for more than fifty percent (50%) of all meetings, both regular and special, of the Board during his incumbency, or any twelve (12) month period during said incumbency. This disqualification shall apply for purposes of the succeeding elections;</p> <p>c. Dismissal or termination from directorship in another listed corporation for cause. This disqualification shall be in effect until he has cleared himself/herself of any involvement in the alleged irregularity;</p> <p>d. Conviction that has not yet</p>
(ii) Non-Executive Directors		
(iii) Independent Directors		

⁶ Revised Manual of Corporate Governance, May 2017

Procedure	Process Adopted	Criteria
		<i>become final as referred to in the ground for the disqualification of directors.</i>
e. Removal		
(i) Executive Directors	<i>The same as with permanent disqualification.</i>	<i>The same as with permanent disqualification.</i>
(ii) Non-Executive Directors		
(iii) Independent Directors		
f. Re-instatement		
(i) Executive Directors	<i>None</i>	<i>None</i>
(ii) Non-Executive Directors		
(iii) Independent Directors		
g. Suspension		
(i) Executive Directors	<i>None</i>	<i>None</i>
(ii) Non-Executive Directors		
(iii) Independent Directors		

Voting Result of the last Annual General Meeting

Name of Director	Votes Received ⁷
<i>Eugenio L. Lopez III</i>	<i>100%</i>
<i>Augusto Almeda- Lopez</i>	<i>100%</i>
<i>Carlo L. Katigbak</i>	<i>100%</i>
<i>Oscar M. Lopez</i>	<i>100%</i>
<i>Presentacion L. Psinakis</i>	<i>100%</i>
<i>Manuel M. Lopez</i>	<i>100%</i>
<i>Federico R. Lopez</i>	<i>100%</i>
<i>Federico M. Garcia</i>	<i>100%</i>
<i>Salvador G. Tirona</i>	<i>100%</i>
<i>Emmanuel S. De Dios</i>	<i>100%</i>
<i>Antonio Jose U. Periquet</i>	<i>100%</i>

6) Orientation and Education Program

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

New directors are provided with an orientation about the Company's operations, composition of the senior management, and its history. This usually takes one week and is handled by the division heads of the Company. New directors who have no board experience receive orientation in their unaccustomed responsibility. They are also inducted in terms of their fiduciary duties and responsibilities as well as in respect of the Board's expectations.

- (b) State any in-house training and external courses attended by Directors and Senior Management⁸ for the past three (3) years:

In 2016, the Senior Management attended an in-house training entitled, "5 Choices to Extraordinary Productivity for Executive Committee". In addition, on September 2016, the Directors and Senior Management

⁷ Annual Stockholders' Meeting, May 5, 2016

⁸ Senior Management refers to the CEO and other persons having authority and responsibility for planning, directing and controlling the activities of the company.

of the Company have attended the Corporate Governance Seminar conducted by the Institute of Corporate Directors.

- (c) Continuing education programs for directors: programs and seminars and roundtables attended during the year.

Name of Director/Officer	Date of Training	Program	Name of Training Institution
Eugenio L. Lopez III	September 2016	Corporate Governance Seminar, Manila	Institute of Corporate Directors
Carlo L. Katigbak	September 2016	Corporate Governance Seminar, Manila	Institute of Corporate Directors
Augusto Almeda Lopez	September 2016	Corporate Governance Seminar, Manila	Institute of Corporate Directors
Presentacion L. Psinakis	September 2016	Corporate Governance Seminar, Manila	Institute of Corporate Directors
Manuel M. Lopez	September 2016	Corporate Governance Seminar, Manila	Institute of Corporate Directors
Federico R. Lopez	October 2016	Future of Work Innovation, Singapore	McKinsey & Company
	October 2016	Utility of the Future, Singapore	Asia Clean Energy Summit
	September 2016	Verge Summit in California, USA	GreenBiz Group
	September 2016	Corporate Governance Seminar, Manila	Institute of Corporate Directors
	August 2016	Singularity University Global Summit, San Francisco, USA	Singularity University
	March 2016	Climate Reality Leadership Training, Manila	Climate Reality Project
Federico M. Garcia	September 2016	Corporate Governance Seminar, Manila	Institute of Corporate Directors
Salvador Tirona	October 2016	Corporate Governance Seminar, Manila	Institute of Corporate Directors
Emmanuel S. De Dios	September 2016	Corporate Governance Seminar, Manila	Institute of Corporate Directors
Antonio Jose U. Periquet	April 2016	Corporate Governance Seminar, Manila	SGV & Co.

B. CODE OF BUSINESS CONDUCT & ETHICS

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

Business Conduct & Ethics	Directors	Senior Management	Employees
(a) Conflict of Interest	<p>ABS-CBN's directors, senior management and employees are prohibited in directly or indirectly having financial or pecuniary interest in any business, contract or transaction in connection with which he/she intervenes or takes part in his/her official capacity.</p> <p>In addition, ABS-CBN's directors, senior management, and employees are expected not to render services for another employer without the knowledge of the higher management. Failure to disclose other businesses or job undertaken, which is in conflict with existing or future undertaking of the Company.</p>		

Business Conduct & Ethics	Directors	Senior Management	Employees
(b) Conduct of Business and Fair Dealings	<p><i>It is considered an offense if a director, a senior manager, or an employee of ABS-CBN Corporation fails, as provided by existing policies, or in the absence of any policy, in accordance with sound business practice, and without justifiable reason, to timely remit, pay, reimburse, liquidate, any money, collection or cash advance, or return and/ or deliver goods, stocks or other properties, entrusted to him/her by the company, or received by him/her from customer or client or business associate or affiliate of their representative, for his/her administration, or under any other obligation to make delivery or, or return the same.</i></p> <p><i>ABS-CBN's directors, senior management, and an employees are also expected not to favor or connive with suppliers, customers or any other person in consideration of kickbacks, personal rebates or any valuable consideration.</i></p>		
(c) Receipt of gifts from third parties	<p><i>A director, a senior manager, and an employee is prohibited to directly or indirectly request or receive any gift, present, share, percentage or any form of benefit or favor, for himself/ herself or for any other person in connection with any business, contract, application or transaction between the company and any other party, wherein a director, senior manager, or an employee, in his official capacity has to intervene.</i></p>		
(d) Compliance with Laws & Regulations	<p><i>Conviction of a criminal act by judgment in court of law is a ground for dismissal.</i></p> <p><i>ABS-CBN's directors, management and employees should always report violations of the Company's rules and regulations.</i></p>		
(e) Respect for Trade Secrets/Use of Non-public Information	<p><i>ABS-CBN's directors, management and employees are prohibited to reveal, give away, or disclose without the authority of the Company's trade secrets and/or trade practices or trade processes or any valuable information to unauthorized persons or making available such information in advance of its authorized release date. This includes any attempt by unauthorized person to get such information.</i></p>		
(f) Use of Company Funds, Assets and Information	<p><i>The following are considered offenses against the Company:</i></p> <ul style="list-style-type: none"> <i>a. Theft, robbery;</i> <i>b. Misappropriation of funds or property;</i> <i>c. Alteration or removal without authorization, of any property of the Company;</i> <i>d. Using company time and/or resources to do unauthorized work within or outside company premises, for profit;</i> <i>e. Malicious or willful destruction, misuse, or unauthorized use or attempting to damage company property;</i> <i>f. Unlawful use of the Company's intellectual property and facilities as defined in the Anti-Piracy Policy of the Company; and</i> <i>g. Negligence contributing to the damage of Company property.</i> 		
(g) Employment & Labor Laws & Policies	<p><i>Not applicable as directors are not employees of the Company.</i></p>	<p><i>The Company complies with all the labor laws and policies mandated by the Department of Labor and Employment. The Company ensures that policies pertaining to general employment, probation, regularization, termination, work conditions, compensation and benefits, conflict of interest, non-disclosure, special training, copyright, and ownership rights policies as stated in the senior management's contract are discussed. Senior managers and employees are given fixed monthly salaries and bonuses, depending on the performance of the Company.</i></p> <p><i>The Company follows all mandatory regulations for social security contributions (e.g., SSS, HDMF, etc.). On top of these, senior managers and employees are provided life and health insurance, educational</i></p>	

Business Conduct & Ethics	Directors	Senior Management	Employees
		<p><i>allowance, and rice subsidy, among others.</i></p> <p><i>Due process is followed in cases when a senior manager or an employee may have to be terminated due to performance issues or violation of company policies.</i></p>	
(h) Disciplinary action	<p><i>Not applicable as directors are not employees of the Company.</i></p>	<p><i>Disciplinary action is prescribed, and enforced in progressively increasing gravity. However, this does not apply to grave offenses for which the employee may be charged immediately with the heaviest penalty depending on the gravity of the case. As a further action, the Company may institute the necessary civil and/or criminal case against the employee, as it deems necessary.</i></p> <p><i>The company has five (5) levels of disciplinary actions in the following order:</i></p> <ol style="list-style-type: none"> <i>1. Verbal warning,</i> <i>2. Written warning,</i> <i>3. Suspension for less than 30 days</i> <i>4. Suspension for more than 30 days</i> <i>5. Dismissal</i> 	
(i) Whistle Blower	<p><i>Not applicable as directors are not employees of the Company.</i></p>	<p><i>The Whistle Blowing Policy of the Company provides for and encourages employees and others to report, in good faith, any covered wrongful conduct committed by employees of which they have personal knowledge. The policy assures the employees of protection against harassment, threats, and any other form of retaliation from the persons reported.</i></p> <p><i>This policy is a clear statement that if any covered wrongdoing by any of its employees is identified and reported accordingly, it will be dealt with, through a thorough investigation and the proper imposition of accountability. The Company takes steps to ensure that such wrongdoing is prevented in the future.</i></p>	
(j) Conflict Resolution	<p><i>Not applicable as directors are not employees of the Company.</i></p>	<p><i>The senior managers and employees should adhere to the principles of conflict resolution through friendly negotiations in order to avoid losses to both parties because of an open conflict.</i></p> <p><i>The senior managers and employees should make use of the Company's Labor Management Council, Grievance Process and Arbitration to resolve conflicts/disputes.</i></p> <p><i>These mechanisms involve mutual respect and open communication in reaching equally beneficial agreements for two parties in conflict.</i></p>	

2) Has the code of ethics or conduct been disseminated to all directors, senior management and employees?

Yes, this is part of the on-boarding requirements for all directors, senior managers, and employees of the Company.

3) Discuss how the company implements and monitors compliance with the code of ethics or conduct.

Employee discipline is primarily a line function. As such, all officers are entrusted with the responsibility to supervise other employees, whether on a permanent or temporary basis, and are tasked to initiate and conduct administrative

investigations for violations of the Code of Conduct, and impose disciplinary action when warranted.

The HR Department assists in the proper handling of cases and provides supervisors/managers with directions and review decisions, in accordance to the due process required by law before they are released. A comprehensive orientation/on boarding for new employees on the Code of Conduct and other rules and regulations of the Company is key in ensuring compliance and this is being done through an e-learning course.

4) Related Party Transactions

(a) Policies and Procedures

Describe the company’s policies and procedures for the review, approval or ratification, monitoring and recording of related party transactions between and among the company and its parent, joint ventures, subsidiaries, associates, affiliates, substantial stockholders, officers and directors, including their spouses, children and dependent siblings and parents and of interlocking director relationships of members of the Board.

Related Party Transactions	Policies and Procedures
(1) Parent Company	<p><i>Parties are considered to be related, if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Further, parties subject to common control are also considered as related.</i></p> <p><i>It is the policy of the Company to transact sales to and purchases from related parties at normal market prices. Outstanding balances as of year-end are unsecured, interest-free and settlement occurs in cash, and are collectible or payable on demand.</i></p> <p><i>Assessment of provision for doubtful accounts relating to amounts owed by related parties is undertaken each financial year by examining the financial position of the related party and the market in which the related party operates.</i></p> <p><i>Related party transactions or reorganizations that would affect related-party transactions are reported to, reviewed and approved by the Audit Committee.</i></p> <p><i>All related party transactions are reported in the Company’s Annual Audited Financial Statement and Annual Company Report.</i></p>
(2) Joint Ventures	
(3) Subsidiaries	
(4) Entities Under Common Control	
(5) Substantial Stockholders	
(6) Officers including spouse/children/siblings/parents	
(7) Directors including spouse/children/siblings/parents	
(8) Interlocking director relationship of Board of Directors	

(b) Conflict of Interest

(i) Directors/Officers and 5% or more Shareholders

Identify any actual or probable conflict of interest to which directors/officers/5% or more shareholders may be involved.

	Details of Conflict of Interest (Actual or Probable)
Name of Director/s	None
Name of Officer/s	None
Name of Significant Shareholders	None

(ii) Mechanism

Describe the mechanism laid down to detect, determine and resolve any possible conflict of interest between the company and/or its group and their directors, officers and significant shareholders.

Directors/Officers/Significant Shareholders	
Company	<i>The Company has defined cases wherein a possible director or an existing director can be considered as having conflict of interest. The Nomination and Election Committee reviews and evaluates the qualifications, including possible conflict of interest, of all persons nominated to the Board and other appointments that require Board approval.⁹</i>

5) Family, Commercial and Contractual Relations

(a) Indicate, if applicable, any relation of a family,¹⁰ commercial, contractual or business nature that exists between the holders of significant equity (5% or more), to the extent that they are known to the company:

Names of Related Significant Shareholders	Type of Relationship	Brief Description of the Relationship
<i>Lopez, Inc. and ABS-CBN Holdings Corporation</i>	<i>Interlocking Directors</i>	<i>Eugenio L. Lopez III, Oscar M. Lopez, Manuel M. Lopez, and Presentacion L. Psinakis serve as directors of Lopez, Inc. Eugenio L. Lopez III, Oscar M. Lopez and Presentacion L. Psinakis serve as directors of ABS-CBN Holdings Corporation.</i>

(b) Indicate, if applicable, any relation of a commercial, contractual or business nature that exists between the holders of significant equity (5% or more) and the company:

Names of Related Significant Shareholders	Type of Relationship	Brief Description
<i>None</i>	<i>N/A</i>	<i>N/A</i>

(c) Indicate any shareholder agreements that may impact on the control, ownership and strategic direction of the company:

Name of Shareholders	% of Capital Stock affected (Parties)	Brief Description of the Transaction
<i>None</i>	<i>N/A</i>	<i>N/A</i>

6) Alternative Dispute Resolution

Describe the alternative dispute resolution system adopted by the company for the last three (3) years in amicably settling conflicts or differences between the corporation and its stockholders, and the corporation and third parties, including regulatory authorities.

Alternative Dispute Resolution System	
Corporation & Stockholders	<i>None</i>
Corporation & Third Parties	<i>Generally, contracts with third parties contain arbitration clauses.</i>
Corporation & Regulatory Authorities	<i>None</i>

⁹ Board Matters - Selection/Appointment, Re-election, Disqualification, Removal, Reinstatement and Suspension

¹⁰ Family relationship up to the fourth civil degree either by consanguinity or affinity.

C. BOARD MEETINGS & ATTENDANCE

- 1) Are Board of Directors' meetings scheduled before or at the beginning of the year?

The regular meetings of the Board are held immediately after the annual stockholders' meeting and on the fourth Thursday of each month thereafter. In addition, special Board meetings are also convened, when necessary.

- 2) Attendance of Directors

Board	Name	Date of Election	No. of Meetings Held during the year	No. of Meetings Attended	%
Chairman	<i>Eugenio L. Lopez III</i>	<i>May 5, 2016</i>	<i>11</i>	<i>9</i>	<i>82%</i>
Member	<i>Augusto Almeda Lopez</i>	<i>May 5, 2016</i>	<i>11</i>	<i>9</i>	<i>82%</i>
Member	<i>Carlo L. Katigbak</i>	<i>May 5, 2016</i>	<i>11</i>	<i>11</i>	<i>100%</i>
Member	<i>Oscar M. Lopez</i>	<i>May 5, 2016</i>	<i>11</i>	<i>7</i>	<i>64%</i>
Member	<i>Presentacion L. Psinakis</i>	<i>May 5, 2016</i>	<i>11</i>	<i>6</i>	<i>54%</i>
Member	<i>Manuel M. Lopez</i>	<i>May 5, 2016</i>	<i>11</i>	<i>6</i>	<i>54%</i>
Member	<i>Federico R. Lopez</i>	<i>May 5, 2016</i>	<i>11</i>	<i>8</i>	<i>73%</i>
Member	<i>Federico M. Garcia</i>	<i>May 5, 2016</i>	<i>11</i>	<i>7</i>	<i>64%</i>
Member	<i>Salvador G. Tirona</i>	<i>May 5, 2016</i>	<i>11</i>	<i>10</i>	<i>91%</i>
Independent	<i>Emmanuel S. De Dios</i>	<i>May 5, 2016</i>	<i>11</i>	<i>9</i>	<i>82%</i>
Independent	<i>Antonio Jose U. Periquet</i>	<i>May 5, 2016</i>	<i>11</i>	<i>9</i>	<i>82%</i>

- 3) Do non-executive directors have a separate meeting during the year without the presence of any executive? If yes, how many times?

Yes. On December 8, 2016 the non-executive directors had a meeting without the presence of the executive directors.

- 4) Is the minimum quorum requirement for Board decisions set at two-thirds of board members? Please explain.

No, as set in the Amended By-Laws of the Company, a quorum at any meeting of the Directors shall consist of a majority of the entire membership of the Board.

- 5) Access to Information

- (a) How many days in advance are board papers¹¹ for board of directors meetings provided to the board?

The agenda of the meeting is provided to the members of the board three (3) business days before the day of the meeting, while the board papers are provided during the day of the meeting.

- (b) Do board members have independent access to Management and the Corporate Secretary?

Yes.

- (c) State the policy of the role of the company secretary. Does such role include assisting the Chairman in preparing the board agenda, facilitating training of directors, keeping directors updated regarding any relevant statutory and regulatory changes, etc?

The Corporate Secretary issues notices for all board and shareholders meetings. It is required that the Corporate Secretary attends and records the minutes of all board meetings.

Yes, the Corporate Secretary is responsible for assisting the Board in the preparation of the meeting agenda and the Management in the preparation and gathering of materials/documents to be presented to the Board or shareholders.

¹¹ Board papers consist of complete and adequate information about the matters to be taken in the board meeting. Information includes the background or explanation on matters brought before the Board, disclosures, budgets, forecasts and internal financial documents.

In addition, the Corporate Secretary takes charge of the corporate seal and records, and signs, together with the President and Chief Executive Officer, all stock certificates and such other instruments as may require such signature.

- (d) Is the company secretary trained in legal, accountancy or company secretarial practices? Please explain should the answer be in the negative.

Yes, the Corporate Secretary is a lawyer who has attended trainings and seminars in legal updates, disclosure guidelines, corporate governance, and other relevant skills and topics.

- (e) Committee Procedures

Disclose whether there is a procedure that Directors can avail of to enable them to get information necessary to be able to prepare in advance for the meetings of different committees:

Yes No

Committee	Details of the procedures
Executive	<i>The directors can request for information or clarify subject matters through e-mails, phone calls, and meetings with concerned officers of the Company and other members of the committees.</i>
Audit	
Nomination	
Remuneration	
Others (specify)	

- 6) External Advice

Indicate whether or not a procedure exists whereby directors can receive external advice and, if so, provide details:

If deemed appropriate by the Board of Directors and the different committees, they may seek advice from third party experts. The Board or the committee approves any such proposal for third party assistance.

- 7) Change/s in existing policies

Indicate, if applicable, any change/s introduced by the Board of Directors (during its most recent term) on existing policies that may have an effect on the business of the company and the reason/s for the change:

Existing Policies	Changes	Reason
<i>None</i>		

D. REMUNERATION MATTERS

- 1) Remuneration Process

Disclose the process used for determining the remuneration of the CEO and the four (4) most highly compensated management officers:

Process	CEO	Top 4 Highest Paid Management Officers
(1) Fixed remuneration	<i>The Company's Head of Corporate Services Group 1 (CSG1) reviews the fixed remuneration (including salary and benefits) of the CEO. This is benchmarked against the available market data on similar organizations.</i>	<i>The fixed remuneration of the top 4 highest paid management officers may be adjusted, if the Company has met its financial targets for the previous year. The salary adjustment shall be based on the actual financial performance of the Company</i>

	<p><i>The fixed remuneration of the CEO may likewise be adjusted, if the Company has met its financial targets for the preceding year.</i></p> <p><i>Upon determination of the need for remuneration adjustment, the Head of CSG 1 shall convene the Compensation Committee for the Chairman and CEO, where he/she would present his/her recommendation for approval.</i></p>	<p><i>and the subject officer's performance appraisal covering the preceding year.</i></p>
(2) Variable remuneration	<p><i>The annual variable pay plan provides incentive for achieving target performance measures. The variable pay given to the CEO and the top 4 highest paid management is based on the actual financial performance of the Company and the subject officer's individual performance appraisal.</i></p> <p><i>The variable pay is expressed as a percentage of the monthly base salary.</i></p>	
(3) Per diem allowance	<i>None</i>	<i>None</i>
(4) Bonus	<i>Bonus is just another term for "Variable Pay" in item 2.</i>	
(5) Stock Options and other financial instruments	<i>None</i>	
(6) Others (specify)	<i>N/A</i>	

2) Remuneration Policy and Structure for Executive and Non-Executive Directors

Disclose the company's policy on remuneration and the structure of its compensation package. Explain how the compensation of Executive and Non-Executive Directors is calculated.

	Remuneration Policy	Structure of Compensation Packages	How Compensation is Calculated
Executive Directors	<i>Market Rate</i>	<p><i>Each executive director receives a per diem for every board and/or committee he/she attends.</i></p> <p><i>Each executive director is also entitled to profit sharing and bonuses, provided that the aggregate compensation of the directors shall not exceed 10% of the net income before income tax of the Company during the preceding year.</i></p>	<i>Each executive director receives a set amount of PhP20,000 per board meeting and PhP10,000 per committee meeting attended.</i>
Non-Executive Directors	<i>Market Rate</i>	<p><i>Each non-executive director receives a per diem for every board and/or committee he/she attends.</i></p> <p><i>Each non-executive</i></p>	<i>Each non-executive director receives a set amount of PhP20,000 per board meeting and PhP10,000 per committee meeting attended.</i>

		<i>director is also entitled to profit sharing and bonuses, provided that the aggregate compensation of the directors shall not exceed 10% of the net income before income tax of the Company during the preceding year.</i>	
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Do stockholders have the opportunity to approve the decision on total remuneration (fees, allowances, benefits-in-kind and other emoluments) of board of directors? Provide details for the last three (3) years.

Yes, under the Amended By-Laws, aggregate annual remuneration of directors in excess of 10% of the net income before income tax of the Company during the preceding year requires the approval of the stockholders.

Remuneration Scheme	Date of Stockholders' Approval
<i>None</i>	

3) Aggregate Remuneration

Complete the following table on the aggregate remuneration accrued during the most recent year:

Remuneration Item	Executive Directors	Non-Executive Directors (other than independent directors)	Independent Directors
(a) Fixed Remuneration	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>
(b) Variable Remuneration	<i>PhP2,962,333</i>	<i>PhP28,487,237</i>	<i>PhP3,762,976</i>
(c) Per diem Allowance	<i>PhP230,000</i>	<i>PhP1,760,000</i>	<i>PhP540,000</i>
(d) Bonuses	<i>Same as (b)</i>	<i>Same as (b)</i>	<i>Same as (b)</i>
(e) Stock Options and/or other financial instruments	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>
(f) Others (Specify)	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>
Total	PhP3,192,333	PhP30,247,237	PhP4,302,976

Other Benefits	Executive Directors	Non-Executive Director (other than independent directors)	Independent Directors
1) Advances	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>
2) Credit granted	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>
3) Pension Plan/s Contributions	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>
(d) Pension Plans, Obligations incurred	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>
(e) Life Insurance Premium	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>
(f) Hospitalization Plan	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>
(g) Car Plan	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>

Other Benefits	Executive Directors	Non-Executive Director (other than independent directors)	Independent Directors
(h) Others (Specify)	N/A	N/A	N/A
Total	N/A	N/A	N/A

4) Stock Rights, Options and Warrants

(a) Board of Directors

Complete the following table, on the members of the company's Board of Directors who own or are entitled to stock rights, options or warrants over the company's shares:

Director's Name	Number of Direct Option/Rights/Warrants	Number of Indirect Option/Rights/Warrants	Number of Equivalent Shares	Total % from Capital Stock
N/A				

(b) Amendments of Incentive Programs

Indicate any amendments and discontinuation of any incentive programs introduced, including the criteria used in the creation of the program. Disclose whether these are subject to approval during the Annual Stockholders' Meeting:

Incentive Program	Amendments	Date of Stockholders' Approval
N/A		

5) Remuneration of Management

Identify the five (5) members of management who are not at the same time executive directors and indicate the total remuneration received during the financial year:

Name of Officer/Position	Total Remuneration
<i>Ma. Socorro V. Vidanes Chief Operating Officer, Broadcast</i>	PhP 510,597,990
<i>Ma. Lourdes N. Santos Chief Operating Officer, Creatives</i>	
<i>Rolando P. Valdueza Head, Corporate Services Group 2 and Group Chief Financial Officer</i>	
<i>Olivia M. Lamasan Head, Creative & PACT</i>	
<i>Vivian Y. Tin Head, Customer Business Development Research & Analytics</i>	

E. BOARD COMMITTEES

1) Number of Members, Functions and Responsibilities

Provide details on the number of members of each committee, its functions, key responsibilities and the power/authority delegated to it by the Board:

Committee	No. of Members			Committee Charter	Functions/ Key Responsibilities	Power
	Executive Director (ED)	Non-executive Director (NED)	Independent Director (ID)			
<i>Programming</i>	0	1	1	None	<i>The Programming Committee deliberates on the programming issues and strategies of the network, and is primarily a business strategy committee.</i>	<i>Power to decide programs and strategies</i>
<i>Compensation</i>	0	2	1	None	<i>The Compensation Committee reviews any recommendations on incentive schemes and the issuance of stock options to employees.</i>	<i>Power to decide on incentive schemes and stock option policy for employees.</i>
<i>Compensation for the Chairman and the CEO</i>	0	2	1	None	<i>The Compensation Committee for the Chairman and the Chief Executive Officer reviews and approves the recommended changes concerning the salaries and benefits provided to the Company's Chairman and CEO.</i>	<i>Power to approve the fixed remuneration of the Chairman and CEO.</i>
<i>Succession Planning</i>	0	2	1	None	<i>The Succession Planning Committee ensures that there is a pipeline to key positions in the organization, and that there are ready replacements for any key positions that are suddenly vacated.</i> <i>It oversees the replacement-planning table of the organization, and identifies successors and gaps in succession, as well as any measures needed to fill such gaps.</i>	<i>Power to approve succession planning strategy and plans.</i>
<i>Audit and Compliance</i>	0	1	2	Yes	<i>As stated in the Audit Committee Charter, the Audit and Compliance Committee has the following duties and responsibilities:</i> <ul style="list-style-type: none"> • <i>Check all financial reports against its compliance with both the internal financial management handbook and pertinent accounting standards, including</i> 	<i>Power to investigate any matter brought to attention with full access to all book records and personnel of the company using special counsel or outside experts, when necessary.</i>

Committee	No. of Members			Committee Charter	Functions/ Key Responsibilities	Power
	Executive Director (ED)	Non-executive Director (NED)	Independent Director (ID)			
					<p><i>regulatory requirements;</i></p> <ul style="list-style-type: none"> • <i>Perform oversight financial management functions, specifically in the areas of managing credit, market, liquidity, operational, legal, and other risks of the Company and crisis management;</i> • <i>Pre-approve all audit plans, scope, and frequency in connection with the conduct of external audit;</i> • <i>Interface with internal auditors and external auditors;</i> • <i>Elevate to international standards the accounting and auditing processes, practices and methodologies of the Company;</i> • <i>Develop a transparent financial management system that aims to ensure integrity of internal control activities throughout the Company; and</i> • <i>Regularly review the organizational and procedural controls guided by best practices.</i> 	
<i>Risk Management</i>	<i>0</i>	<i>2</i>	<i>1</i>	<i>None</i>	<i>The Risk Management Committee oversees the formulation and establishment of an enterprise wide risk management system, including the review, analysis, and recommendation of policies, frameworks, strategies, and systems to be used by the Company</i>	<i>Power to oversee and monitor the formulation and implementation of the enterprise-wide risk management initiative.</i>

Committee	No. of Members			Committee Charter	Functions/ Key Responsibilities	Power
	Executive Director (ED)	Non-executive Director (NED)	Independent Director (ID)			
					<i>to manage risks, threats, and liabilities.</i>	
<i>Nomination and Election</i>	<i>1</i>	<i>1</i>	<i>1</i>	<i>None</i>	<i>The Nomination and Election Committee reviews and evaluates the qualifications of all persons nominated to the Board and other appointments that require Board approval, and assesses the effectiveness of the Board's processes and procedures in the election or replacement of directors.</i>	<i>Power to approve nomination and other appointments to the Board and power to assess the systems and procedures regarding election and replacement of directors.</i>

2) Committee Members¹²

(a) Programming Committee

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman	<i>Federico M. Garcia</i>	<i>May 5, 2016</i>	<i>0</i>	<i>0</i>	<i>-</i>	<i>9 years</i>
Member (ID)	<i>Emmanuel S. De Dios</i>	<i>May 5, 2016</i>	<i>0</i>	<i>0</i>	<i>-</i>	<i>4 years</i>

(b) Compensation Committee

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman	<i>Augusto Almeda Lopez</i>	<i>May 5, 2016</i>	<i>3</i>	<i>3</i>	<i>100</i>	<i>4 years</i>
Member (NED)	<i>Federico R. Lopez</i>	<i>May 5, 2016</i>	<i>3</i>	<i>3</i>	<i>100</i>	<i>4 years</i>
Member (ID)	<i>Antonio Jose U. Periquet</i>	<i>May 5, 2016</i>	<i>3</i>	<i>3</i>	<i>100</i>	<i>4 years</i>

(c) Compensation for the Chairman and the CEO

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman	<i>Augusto Almeda-Lopez</i>	<i>May 5, 2016</i>	<i>1</i>	<i>1</i>	<i>100</i>	<i>4 years</i>
Member (NED)	<i>Federico Garcia</i>	<i>May 5, 2016</i>	<i>1</i>	<i>1</i>	<i>100</i>	<i>4 years</i>
Member (ID)	<i>Antonio Jose U. Periquet</i>	<i>May 5, 2016</i>	<i>1</i>	<i>1</i>	<i>100</i>	<i>4 years</i>

(d) Succession and Planning Committee

¹² Minutes of the Organizational Meeting of the BOD, May 5, 2016 (immediately after the ASM)

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman	Salvador G. Tirona	May 5, 2016	0	0	-	3 years
Member (NED)	Augusto Almeda Lopez	May 5, 2016	0	0	-	3 years
Member (ID)	Emmanuel S. De Dios	May 5, 2016	0	0	-	3 years

(e) Audit and Compliance Committee

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman	Antonio Jose U. Periquet	May 5, 2016	4	4	100	4 years
Member (NED)	Salvador G. Tirona	May 5, 2016	4	4	100	7 years
Member (ID)	Emmanuel S. De Dios	May 5, 2016	4	4	100	4 years

Disclose the profile or qualifications of the Audit Committee members.

Antonio Jose U. Periquet, Filipino, age 55

Mr. Antonio Periquet is an Independent Director and the Chairman of the Audit Committee of Philippine Seven Corporation. He is also an Independent Director and a member of the Finance Committee of Ayala Corporation. He also serves as an Independent Director on the boards of Bank of the Philippine Islands, BPI Capital, BP Family Savings Bank, DMCI Holdings, and the Max's Group of Companies. Mr. Periquet is a Trustee of the Lyceum of the Philippines University and is a member of the Dean's Global Advisory Board of the Darden School of Business, University of Virginia. Prior to returning to the Philippines in 1999, he was Managing Director at Deutsche Morgan Grenfell in London. He was also a director of Morgan Grenfell Securities in Hong Kong, and Asia Equity Ltd. in London. Mr. Periquet was voted Best Equity Strategist by the Fund Managers Association of the Philippines from 2003 to 2010, and Best Analyst in 2009 and 2010. He was also voted Best Philippine Analyst in an Asiamoney poll in 2004.

Academic Qualification: MBA, Darden Graduate School of Business Administration, University of Virginia
Master of Science in Economics, Oxford University, UK
Bachelor of Arts in Economics, Ateneo de Manila University

Salvador G. Tirona, Filipino, age 62

Mr. Salvador G. Tirona has served as a Director of the Company since 2010. He is the President and Chief Operating Officer and concurrently, Chief Finance Officer of Lopez Holdings Corporation. He initially joined Lopez Holdings Corporation as its Chief Finance Officer in September 2005 and held this position until his appointment to his current position in 2010. He was formerly a Director and the Chief Finance Officer of Bayan Telecommunications, Inc. He joined the Lopez Group in 2003 as the Chief Finance Officer of Maynilad Water Services, Inc.

Academic Qualification: Master's degree in Business Administration from the Ateneo de Manila University
Bachelor's Degree in Economics from the Ateneo de Manila University

Emmanuel S. De Dios, Filipino, age 61

Mr. de Dios is a Professor of Economics at the University of the Philippines School of Economics since 1989. He is also the President of Human Development Network (Philippines) since July 2012. He was the Dean of the University of the Philippines School of Economics from 2007 to 2010. He was a member of the Board of Advisers to the Board of Directors of the Corporation from 2011 until his election as an Independent Director in 2013. He is a member of the Board of Trustees of Pulse Asia (Phils.), Inc. since 2008.

Academic Qualification: Post-Doctoral Studies, Univeritat Konstanz, Germany
Doctor of Philosophy in Economics, University of the Philippines
Bachelor of Arts in Economics, Ateneo de Manila University

Describe the Audit Committee's responsibility relative to the external auditor.

The following are the responsibilities of the Audit Committee relative to the external auditor:

1. Review the external auditor's proposed audit scope and approach, and ensure no unjustified restrictions or limitations have been placed on the scope;
2. Review the performance of the external auditor;
3. Review and confirm the independence of the external auditor by obtaining statements from the auditors on relationship between the auditors and the Company, including non-audit services;
4. Evaluate and determine non-audit work by external auditor, and keep under review the non-audit fees paid to the external auditor both in relation to their significance to the auditor and in relation to the Company's total expenditure on consultancy;
5. Meet separately with the external auditors to discuss any matters that the Committee or auditors believe should be discussed privately;
6. Ensure that significant findings and recommendations made by the external auditor are received and discussed on a timely basis;
7. Recommend, through the BOD, to the stockholders a duly accredited external auditor
8. Ensure that the external auditor is rotated every five (5) years or earlier or the handling partner is changed;
9. Ensure that the reason/s for the resignation, dismissal, or cessation from service and the date thereof of an external auditor are reported in the Company's annual and current reports

(f) Risk Management Committee

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman	Salvador G. Tirona	May 5, 2016	1	1	100	3 years
Member (NED)	Federico M. Garcia	May 5, 2016	1	1	100	3 years
Member (ID)	Emmanuel S. De Dios	May 5, 2016	1	1	100	3 years

(g) Nomination and Election Committee

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman	Eugenio Lopez III	May 5, 2016	1	1	100	4 years
Member (ED)	Carlo L. Katigbak	May 5, 2016	1	1	100	1 year
Member (ID)	Antonio Jose U. Periquet	May 5, 2016	1	1	100	4 years

3) Changes in Committee Members

Indicate any changes in committee membership that occurred during the year and the reason for the changes:

Name of Committee	Name	Reason
Programming	None	N/A
Compensation	None	N/A
Compensation for the Chairman and the CEO	None	N/A
Succession Planning	None	N/A
Audit and Compliance	None	N/A
Risk Management	None	N/A
Nomination & Election	None	N/A

4) Work Done and Issues Addressed

Describe the work done by each committee and the significant issues addressed during the year.

Name of Committee	Work Done	Issues Addressed
<i>Programming</i>	<i>None</i>	<i>None</i>
<i>Compensation</i>	<i>Reviewed compensation and benefits of the executives and employees of the Company</i>	<ul style="list-style-type: none"> • <i>Approved the variable pay for executives and employees</i> • <i>Reviewed the terms of the proposed Employee Stock Purchase Plan.</i>
<i>Compensation for the Chairman and the CEO</i>	<i>Reviewed the compensation and benefits of the Chairman and CEO of the Company</i>	<ul style="list-style-type: none"> • <i>Approved the variable pay for the CEO</i> • <i>Reviewed the terms of the proposed Employee Stock Purchase Plan.</i>
<i>Succession Planning</i>	<i>None</i>	<i>None</i>
<i>Audit and Compliance</i>	<p><i>The Audit and Compliance Committee reviewed the following:</i></p> <ul style="list-style-type: none"> • <i>Reasonableness of the Company's financial statements, efficiency of the financial reporting process, and effectiveness of the internal control environment;</i> • <i>Objectivity, independence, and effectiveness of internal audit functions and processes;</i> • <i>Qualifications, independence, and fees of the external auditors with regard to the annual review of the Company's financial statements; and</i> • <i>Company's compliance with legal and regulatory requirements.</i> 	<p><i>The Committee was able to comply with its Audit Committee Charter and confirm that:</i></p> <ul style="list-style-type: none"> • <i>A majority of the Audit Committee members, including the Chairman, are independent directors;</i> • <i>Quarterly meetings were held and attended by the Chairman and members of the Committee;</i> • <i>The Committee reviewed and approved the internal audit scope, manpower complement, and competencies necessary to carry out the audit plan;</i> • <i>The Committee reviewed the reports of the internal auditors and discussed with concerned management the necessary corrective actions;</i> • <i>The Committee reviewed the audited financial statements of the Company and its Subsidiaries and discussed it with management, internal auditors, and external auditors.</i>
<i>Risk Management</i>	<i>Assessed the Company's risk profile, taking to account all types of risk</i>	<i>Identification and prioritization of key risks and steps taken to mitigate such risks</i>
<i>Nomination & Election</i>	<i>Evaluated the qualifications of the nominated directors</i>	<i>Approved the nominations of the directors for the year 2016/2017</i>

5) Committee Program

Provide a list of programs that each committee plans to undertake to address relevant issues in the improvement or enforcement of effective governance for the coming year.

Name of Committee	Planned Programs	Issues to be Addressed
<i>Programming</i>	<i>Regular review of the program grid</i>	<i>To ensure the achievement of balanced programming and desired</i>

Name of Committee	Planned Programs	Issues to be Addressed
		<i>rating</i>
<i>Compensation</i>	<i>Review and approval of the proposed Stock Purchase Plan and Executive Stock Purchase Plan</i>	<i>To provide long-term incentive schemes for the employees and officers of the Company</i>
<i>Compensation for the Chairman and the CEO</i>	<i>To review and approve, as and if applicable, the recommended changes concerning the salaries and benefits provided to the Company's Chairman and CEO</i>	<i>To ensure that the remuneration of the Chairman and CEO are at par or competitive with the companies/organizations in the same industry</i>
<i>Succession Planning</i>	<i>To provide the identified potential replacements with proper trainings needed for the corresponding key positions in the organization</i>	<i>To ensure that there is a pipeline to key positions in the organization, and that there are ready replacements for any key positions that are suddenly vacated</i>
<i>Audit and Compliance</i>	<p><i>To hold quarterly meetings and conduct the following:</i></p> <ul style="list-style-type: none"> • <i>Review the reasonableness of the Company's financial statements and efficiency of the financial reporting process;</i> • <i>Assess the independence and effectiveness of the external and internal audit functions and processes</i> • <i>Require reporting of significant issues and action plans concerning compliance with legal and regulatory requirements</i> • <i>Review material changes in the Company's organizational structures.</i> 	<i>All significant issues relating to Company's operations, financial reporting, internal controls, legal, compliance, and other matters that may be raised by the Company's management, external and internal auditors, legal counsels, and other concerned parties during its quarterly and special meetings</i>
<i>Risk Management</i>	<ul style="list-style-type: none"> • <i>To finalize the Enterprise Wide Risk Management Framework of the Company</i> • <i>To improve on the Earthquake Emergency Management program of the Company</i> 	<ul style="list-style-type: none"> • <i>Address key risks identified by the Risk Management, and Audit and Compliance Committees</i> • <i>Ensure preparedness of the Company and its employees in the event of an earthquake emergency with an alternate crisis management teams in place</i>
<i>Nomination & Election</i>	<i>Annual Stockholders' Meeting</i>	<i>Ensure that only qualified individuals are nominated to the Board and that the election and replacement process continues to be effective</i>

F. RISK MANAGEMENT SYSTEM

1) Disclose the following:

(a) Overall risk management philosophy of the company;

The Company's corporate strategy formulation and business decision-making processes always take into account potential risks and the steps and costs necessary to minimize, if not eliminate, such risks. As part of its

stewardship responsibility and commitment to deliver optimum value to its stakeholders, ABS-CBN ensures that it has the proper control systems in place, and to the extent possible, adopted global best practices, to identify and assess, analyze and mitigate market, operating, financial, regulatory, community, reputational, and other risks.

- (b) A statement that the directors have reviewed the effectiveness of the risk management system and commenting on the adequacy thereof;

The Company has engaged SGV & Co. to assist in the development of an Enterprise Wide Risk Management Framework and Program. On a regular basis, an update is provided to the Board of Directors through the Risk Management Committee. These updates and/or reports are then reviewed and commented on by the Board.

- (c) Period covered by the review;

For the year ended December 31, 2016

- (d) How often the risk management system is reviewed and the directors' criteria for assessing its effectiveness;

The review of the Company's risk management system is done in conjunction with the 3-year audit cycle that is approved by the Audit Committee.

- (e) Where no review was conducted during the year, an explanation why not.

N/A

2) Risk Policy

- (a) Company

Give a general description of the company's risk management policy, setting out and assessing the risk/s covered by the system (ranked according to priority), along with the objective behind the policy for each kind of risk:

Risk Exposure	Risk Management Policy	Objective
<i>Operational Risk</i>	<i>The Company implements a pay before broadcast policy to new customers. In addition, the Company only extends credit with recognized and accredited third parties.</i>	<i>To manage the Company's exposure to credit risk arising from its operating activities</i>
<i>Cash Flow Interest Rate Risk</i>	<i>It is the Company's policy to enter into interest rate swap whenever the need arises.</i>	<i>To manage interest rate risk due to the Company's debt obligations with floating interest rates in a cost-efficient manner</i>
<i>Foreign Currency Risk</i>	<i>It is the Company's policy to enter into cross currency swaps whenever the need arises.</i>	<i>To manage foreign currency risk and eliminate the variability of cash flows due to changes in the fair value of the foreign-currency denominated debt with maturity of more than one (1) year</i>
<i>Credit Risk</i>	<i>With respect to credit risk arising from financing activities, the policy of the Company is to have the Board of Directors accredit the banks and/or financial institutions before any financing activity takes place.</i>	<i>To manage the Company's exposure to credit risk arising from its financing activities</i>
<i>Liquidity Risk</i>	<i>The Company regularly</i>	<i>To ensure that the Company maintains</i>

Risk Exposure	Risk Management Policy	Objective
	<i>evaluates its actual and projected cash flows. As a rule, the cash balance should be equivalent to at least two (2) months of the projected operational expenses.</i>	<i>healthy capital ratios and strong credit ratings while viably supporting the business to maximize shareholder value</i>

(b) Group

Give a general description of the Group's risk management policy, setting out and assessing the risk/s covered by the system (ranked according to priority), along with the objective behind the policy for each kind of risk:

Risk Exposure	Risk Management Policy	Objective
<i>The same risk exposures, risk management policies, and objectives apply as with the Company above.</i>		

(c) Minority Shareholders

Indicate the principal risk of the exercise of controlling shareholders' voting power.

Risk to Minority Shareholders
<i>None</i>

3) Control System Set Up

(a) Company

Briefly describe the control systems set up to assess, manage and control the main issue/s faced by the company:

Risk Exposure	Risk Assessment (Monitoring and Measurement Process)	Risk Management and Control (Structures, Procedures, Actions Taken)
<i>The formal identification of the control systems is currently being undertaken. The Company has engaged SGV & Co. to assist in the risk identification process and formulation of an Enterprise Wide Risk Management Framework and Program.</i>		

(b) Group

Briefly describe the control systems set up to assess, manage and control the main issue/s faced by the company:

Risk Exposure	Risk Assessment (Monitoring and Measurement Process)	Risk Management and Control (Structures, Procedures, Actions Taken)
<i>The formal identification of the control systems is currently being undertaken. The Company has engaged SGV & Co. to assist in the risk identification process and formulation of an Enterprise Wide Risk Management Framework and Program.</i>		

(c) Committee

Identify the committee or any other body of corporate governance in charge of laying down and supervising these control mechanisms, and give details of its functions:

Committee/Unit	Control Mechanism	Details of its Functions
<i>Risk Management Committee</i>	<i>The Company's Chief Risk Officer reports to the Risk Management Committee.</i>	<i>The Risk Management Committee oversees the formulation and establishment of an enterprise wide risk management system, including the review, analysis, and recommendation of policies,</i>

Committee/Unit	Control Mechanism	Details of its Functions
		<i>frameworks, strategies, and systems to be used by the Company to manage risks, threats, and liabilities.</i>

G. INTERNAL AUDIT AND CONTROL

1) Internal Control System

Disclose the following information pertaining to the internal control system of the company:

- (a) Explain how the internal control system is defined for the company;

Internal controls are processes and methodologies established and implemented by management to effectively manage risks and ensure the achievement of its business objectives encompassing the organization's governance, operations and information systems, including the reliability and integrity of financial and operational information, effectiveness and efficiency of operations, safeguarding of assets and compliance with laws, regulations and contracts.

- (b) A statement that the directors have reviewed the effectiveness of the internal control system and whether they consider them effective and adequate;

In the Report of the Audit Committee for the Year Ended December 31, 2016, it was stated that the Audit Committee represents and assists the Board of Directors in reviewing the effectiveness of the Company's internal control environment.

- (c) Period covered by the review;

For the year ended 31 December 2016

- (d) How often internal controls are reviewed and the directors' criteria for assessing the effectiveness of the internal control system; and

The Audit Committee reviews the internal controls, including the necessary corrective actions; at least four (4) times a year and additional meetings are convened, if necessary. The committee reviews the critical business operations annually, while the assessment for rest of the areas is at least every two (2) to three (3) years using the risk-based approach in accordance with the "Standards for the Professional Practice of Internal Auditing (Philippines)".

In addition, the Audit Committee oversees the preparation of the annual financial statements and ensures that the conduct of the audit complies with the Philippine Financial Standards and International Financial Reporting Standards as appropriate.

- (e) Where no review was conducted during the year, an explanation why not.

N/A

2) Internal Audit

- (a) Role, Scope and Internal Audit Function

Give a general description of the role, scope of internal audit work and other details of the internal audit function.

Role	Scope	Indicate whether In-house or Outsource Internal Audit Function	Name of Chief Internal Auditor/Auditing Firm	Reporting process
<p><i>The Internal Audit Division (“IAD”) is responsible for providing an independent and objective assurance and consulting services to the Board of Directors through its Audit Committee.</i></p>	<ul style="list-style-type: none"> • <i>Evaluation of the Company’s internal control system;</i> • <i>Recommendation of necessary control measures for improvement;</i> • <i>Establishment of an effective follow-up system to monitor the implementation of recommended controls.</i> 	<p><i>In-house</i></p>	<p><i>Carmela Grace C. del Mundo – OIC</i></p>	<p><i>Internal Audit Division reports directly to the Board through the Audit Committee.</i></p> <p><i>The IAD conducts quarterly audits of the Company and its Subsidiaries based on an annual audit plan in a 3-year audit cycle that is approved by the Audit Committee.</i></p> <p><i>Subsequently, the Chief Internal Auditor issues a written report to the management following the conclusion of each internal audit engagement.</i></p>

- (b) Do the appointment and/or removal of the Internal Auditor or the accounting /auditing firm or corporation to which the internal audit function is outsourced require the approval of the audit committee?

The Audit Committee approves the hiring/appointment, and termination of the Chief Internal Auditor. On an annual basis, the Audit Committee also approves the staffing requirements of the Internal Audit Division.

- (c) Discuss the internal auditor’s reporting relationship with the audit committee. Does the internal auditor have direct and unfettered access to the board of directors and the audit committee and to all records, properties and personnel?

The Chief Internal Auditor reports functionally, and has free and unrestricted access to the Board, through the Audit Committee. The internal auditors are authorized full access to all of the Company’s records, physical properties, and personnel pertinent to carrying out their audit functions. The Chief Internal Auditor confirms to the Audit Committee, on an annual basis, the organizational independence of the Internal Audit Division.

- (d) Resignation, Re-assignment and Reasons

Disclose any resignation/s or re-assignment of the internal audit staff (including those employed by the third-party auditing firm) and the reason/s for them.

Name of Audit Staff	Reason
Licia Karen B. Mendez (Manager, IT Audit)	Resigned in May 2016 to pursue career advancement

(e) Progress against Plans, Issues, Findings and Examination Trends

State the internal audit’s progress against plans, significant issues, significant findings and examination trends.

Progress Against Plans	As of December 31, 2016, 98% of the 2016 audit plans has been achieved.
Issues¹³ and Findings¹⁴	<ul style="list-style-type: none"> • Inconsistent compliance with guidelines, policies and procedures • Inconsistent application of controls due to personnel and organizational changes • Delays in processing of transactions • Inadequate documentation and monitoring of transactions • Delays in system enhancements and upgrades • Inadequate physical inventory, reconciliations and warehousing procedures due to manpower and space limitations
Examination Trends	The changing business environment, objectives and strategies require continues improvement of processes and enhancements of systems

(f) Audit Control Policies and Procedures

Disclose all internal audit controls, policies and procedures that have been established by the company and the result of an assessment as to whether the established controls, policies and procedures have been implemented under the column “Implementation.”

Policies & Procedures	Implementation
1.0 General Policy 1.1 Audit Manual 1.2 Statement of Policy	Implemented
2.0 Professional and Organizational 2.1 Responsibilities of Internal Auditors 2.2 Code of Ethics 2.3 Standards for the Professional Practice of Internal Auditing 2.4 Standards for Information Systems Audit 2.5 Internal Audit Organization 2.6 Job Descriptions 2.7 Performance Appraisal 2.8 Values	Implemented
3.0 Annual Strategic Planning 3.1 Annual Audit Master Plan 3.2 Budget Preparation	Implemented
4.0 Audit Process and Reporting 4.1 Planning and Preliminary Survey 4.2 Audit Approach and Work Program 4.3 Audit Fieldwork	Implemented

¹³ “Issues” are compliance matters that arise from adopting different interpretations.

¹⁴ “Findings” are those with concrete basis under the company’s policies and rules.

Policies & Procedures	Implementation
<p>4.4 <i>Audit Report Finalization</i></p> <p>4.5 <i>Follow-Up of Audit Recommendations</i></p>	
<p>5.0 <i>Administrative Matters</i></p> <p>5.1 <i>Daily Time Report</i></p> <p>5.2 <i>Internal and External Communication</i></p> <p>5.3 <i>Safekeeping of Working Papers</i></p> <p>5.4 <i>Report on Internal Audit Activities</i></p> <p>5.5 <i>Audit Library</i></p> <p>5.6 <i>Technology Resource Request</i></p> <p>5.7 <i>Timekeeping and Work Hours</i></p>	<i>Implemented</i>

(g) Mechanisms and Safeguards

State the mechanism established by the company to safeguard the independence of the auditors, financial analysts, investment banks and rating agencies (example, restrictions on trading in the company's shares and imposition of internal approval procedures for these transactions, limitation on the non-audit services that an external auditor may provide to the company):

Auditors (Internal and External)	Financial Analysts	Investment Banks	Rating Agencies
<i>The auditors are free from interference by any element in the organization, including matters of audit, selection, scope, procedures, frequency, timing, or report content.</i>	<i>The Company does not in any way influence the financial analysts to follow its position on certain financial assumptions and analysis even if it sometimes disagrees with the contents of the analyst reports.</i>	<i>The Company does not in any way influence the investment banks in preparing and analyzing their own valuation models even if it sometimes disagrees with the results.</i>	<i>To ensure the independence of the rating process, the Company was not privy of the discussions made by the Rating Committee in coming up with a credit rating.</i>
<i>Internal auditors have no direct operational responsibility or authority over any of the activities audited.</i>			
<i>On an annual basis, the Chief Internal Auditor confirms to the Audit Committee the organizational independence of the Internal Audit Division.</i>			
<i>The Chairman of the Audit Committee is an Independent Director of the Company. Similarly, all members of the Audit Committee are independent of the Company's Management.</i>			
<i>The Audit Committee reviews and confirms the independence of the External Auditor by obtaining statements</i>			

Auditors (Internal and External)	Financial Analysts	Investment Banks	Rating Agencies
<i>from the External Auditor on the relationship between the External Auditor and the Company and its Subsidiaries.</i>			

(f) State the officers (preferably the Chairman and the CEO) who will have to attest to the company's full compliance with the SEC Code of Corporate Governance. Such confirmation must state that all directors, officers and employees of the company have been given proper instruction on their respective duties as mandated by the Code and that internal mechanisms are in place to ensure that compliance.

1. *Chairman – Mr. Eugenio L. Lopez III*
2. *President and Chief Executive Officer – Mr. Carlo L. Katigbak*
3. *Independent Director – Mr. Emmanuel S. De Dios*
4. *Independent Director – Mr. Antonio Jose U. Periquet*
5. *Compliance Officer – Mr. Ricardo B. Tan, Jr.*

H. ROLE OF STAKEHOLDERS

1) Disclose the company's policy and activities relative to the following:

	Policy	Activities
Customers' welfare	<i>We treat our customers as our Kapamilya putting their interests above all because they are the primary reason for our existence.</i>	<i>We continue to create quality contents that touch, inspire, and empower our viewers. Moreover, as our audiences demand greater control over how and when they will consume our content, we ensure our continued relevance by distributing our content in the widest array of platforms that technology will allow.</i>
Supplier/contractor selection practice	<i>The Company has a general policy on the conduct of its bidding process to ensure fair and honest competition.</i> <i>Further, in dealings with suppliers and contractors the Company abides by its Code of Conduct, wherein it is stated that favoring or conniving with suppliers, customers or any other person in consideration of kickbacks, personal rebates or any valuable consideration is considered an offense. Company personnel who do not adhere to this policy are dealt with, accordingly.</i>	<i>Each purchase is subject to an open bidding or a sealed bidding depending on the amount of transaction.</i> <ul style="list-style-type: none"> • <i>All transactions amounting to PhP500,000 up to PhP5,000,000 shall be subject to open bidding.</i> • <i>All transactions amounting to more than PhP5,000,000 shall be subject to sealed bidding.</i>
Environmentally friendly value-chain	<i>The Company shall be actively involved in the preservation of natural resources.</i>	<i>The Company complies with several government environmental laws through the following initiatives: re-use or recycling of effluent water (PD984</i>

	Policy	Activities
		<p>or Clean Water Act); proper disposal of busted lamps used oil and used/spent batteries (RA6969 or Toxic Substance and Hazardous and Nuclear Waste Control Act) and annual stack emission testing of generator sets (RA8749 or Clean Air Act).</p> <p>The Company saves energy in its office headquarters by installing variable frequency drives for chilled water pump operations in the centralized air conditioning system. It also has materials recovery facilities for solid waste management, which results in an average reduction of 25 tons per year of solid waste for disposal.</p> <p>The vermicomposting facilities reduce solid waste from tree and plant trimmings and the resulting organic fertilizer is used for plants propagation. The Company uses mostly “green sealed” or “designed for the environment” chemicals for housekeeping, which reduces the health risk among cleaners. The Company also has properly labeled trashcans (reusable, biodegradable, non-biodegradable) which makes it easy to segregate waste. It also uses biodegradable trash bags.</p>
Community interaction	<p>ABS-CBN’s enviable position of being in media opens up opportunities to render public service. The driving philosophy underpinning the Company’s business is to be of service to the Filipino people.</p>	<p>ABS-CBN Lingkod Kapamilya Foundation, Inc. (ALKFI), a non-stock, non-profit organization, was incorporated in 1989 to address the plight of the disadvantaged and to ensure that solicited help are properly allotted and utilized. ALKFI has 3 flagship programs, namely:</p> <ul style="list-style-type: none"> • Sagip Kapamilya – provides relief assistance to victims of calamities and natural disasters; • Bantay Bata 163 – evolved from being a national call center to an institution that provides holistic and

	Policy	Activities
		<p>comprehensive programs and services; and</p> <ul style="list-style-type: none"> • Bantay Kalikasan – promotes the cause of the environment.
Anti-corruption programs and procedures	<p>ABS-CBN Corporation fosters and promotes an environment of professionalism based on integrity, competence, self-discipline and responsible behavior. In establishing such an environment a set of defined standards of acceptable behavior in performing one's job and in dealing with co-employees and the public that is consistent with corporate policies and core values is necessary – our Code of Conduct.</p>	<p>Company personnel who do not follow the policies are given appropriate disciplinary actions.</p> <p>Employees who commit fraud can be charged criminally with the appropriate authorities.</p>
Safeguarding creditors' rights	<p>The Company complies with the debt servicing requirements of the creditors. The Company also ensures that the documentary requirements of the creditors are complete, accurate and submitted on time.</p>	<p>Creditors are regularly provided with financial and operational information about the Company through quarterly and annual investors' briefings. The Company's Treasury Head updates the creditors of the Company's performance on a regular basis and when there is an immediate need.</p> <p>New contracts or agreements for investments, loan availments, asset disposals, mergers and acquisitions, etc. are reviewed by the Company's Legal Department in order to determine if certain provisions may violate existing loan covenants. In cases when certain covenants will be breached, the Treasury seeks the consent of creditors to undertake the new initiative or when appropriate, negotiate with counter parties to remove/modify provisions that may have a consequence of breaching any loan covenants.</p>

2) Does the company have a separate corporate responsibility (CR) report/section or sustainability report/section?

Yes, in the 2016 Annual Report of ABS-CBN Corporation, the Sustainability and Corporate Social Responsibility activities of the Company are provided in detail on pages 62-79.

In addition, the ABS-CBN Lingkod Kapamilya Foundation, Inc. has a website that is accessible to the public for regular updates/reports on each of its programs (Sagip Kamilya, Bantay Bata 163, and Bantay Kalikasan).

ABS-CBN Lingkod Kapamilya website - <http://corporate.abs-cbn.com/lingkodkapamilya/>

3) Performance-enhancing mechanisms for employee participation.

(a) What are the company's policy for its employees' safety, health, and welfare?

	POLICY
<i>Health and Wellness</i>	<p><i>Our employees are our most important resource. Consequently, the Company implements various health and wellness programs. These include programs mandated by the government and those initiated by the Company.</i></p> <p><i>The Philippine Labor Code and other statutory enactments provide the minimum benefits that employers must grant to their employees, which include certain social security benefits, such as benefits mandated by the Social Security Act of 1997 (R.A. No. 8282), the National Health Insurance Act of 1995 (R.A. No. 7875), as amended, and the Home Development Fund Law of 2009 (R.A. No. 9679).</i></p>
<i>Safety and Security</i>	<p><i>The protection of the Company's assets (i.e., people, property, information and reputation), is essential to the long-term success of the business. Security and safety of these assets are therefore of paramount importance.</i></p> <p><i>For this purpose, management shall ensure that adequate resources are available to support and sustain security and safety programs, projects and activities.</i></p>
<i>Welfare</i>	<p><i>Aligned with the Company's mission of being in the service of the Filipino, the Company takes this mission to heart, foremost, to its very own "Kapamilya," its workforce.</i></p> <p><i>It provides support to its employees during emergencies such as calamities, accidents, illness and bereavement, among others.</i></p>

(b) Show data relating to health, safety and welfare of its employees.

	PROGRAMS/INITIATIVES
<i>Health and Wellness</i>	<ul style="list-style-type: none"> • <i>Medical insurance with the Company's accredited HMO provider is a standard benefit for all regular employees including their immediate dependents.</i> • <i>The Company has a flexible benefits program (Flexben) for its regular employees wherein allowances for medical, optical, rice and educational expenses may be availed of either in lump amounts or in the form of purchases of vaccine or medical insurance package for family members.</i> • <i>The Company has medical clinics, which operates 24/7 in its premises. Competent registered doctors and nurses who have varied specializations such as internal medicine, family medicine, pulmonary medicine, OB/gynecology and nutrition operate these clinics.</i> • <i>The annual physical exam and follow thru consultation for each employee are done regularly.</i> • <i>Health and Wellness Fair, sports/fitness activities, health symposium and awareness campaigns are regularly conducted to increase employees' health consciousness and promote healthy lifestyle.</i> • <i>In 2016, the Kilos Kapamilya Wellness 360 program was launched. This program is geared towards a culture of health & wellness that encourages and empowers the employees to take action for their well-being.</i>
<i>Safety and Security</i>	<p><i>In 2016, following are the Safety and Security activities:</i></p> <ul style="list-style-type: none"> • <i>5,252 ABS-CBN employees participated in the Emergency and Disaster Preparedness Training Program. This program aims to train ABS-CBN</i>

	PROGRAMS/INITIATIVES
	<p>employees for them to be self-reliant and self-sustained during an emergency, and be able to help/assist others in times of an emergency and disaster.</p> <ul style="list-style-type: none"> • Two (2) runs of unarmed defense training for Event Marshals • One (1) run of crowd management refresher training • All remote location shoots of TV Prod and Star Cinema now have at least one (1) safety officer as of Jan 2016 and July 2016, respectively. • One unannounced daytime compound-wide fire evacuation drill conducted on 9 June 2016, with 70% participated and evacuation was recorded at 20 minutes • One announced daytime evacuation drill conducted in RNG Stations, Bacolod, Iloilo, Dumaguete, Cebu, Tacloban, Batangas, Iligan and CDO • Tactical Driving for Execomm and selected VIP drivers conducted last August 4 & 5
Welfare	<ul style="list-style-type: none"> • Regular and covered program employees are extended assistance in the event of natural calamities.

(c) State the company's training and development programmes for its employees. Show the data.

ABS-CBN University, a corporate learning environment, offers courses that aims to empower ABS-CBN employees to be more competitive in their respective fields. In 2016, the University conducted over 37 unique face-to-face courses and learning events. These were delivered through the various academies to 2,143 participants in 67 runs, ending the year with total 26,898 training hours.

In addition, 755 employees have spent 4,204 training hours on over 40 unique E-Learning courses provided by the University. Similarly, via the E-Learning platform, 360 users were able to train on Office 365.

2016 Course Offerings

Academy	Course Title
Leadership and Innovation Academy	<p>5 Choices to Extraordinary Productivity Basic Management Program Coaching for Peak Performance Critical Thinking Engineering the Performance System Making Change Happen Self-Discovery</p>
Service Excellence Academy	<p>Kapamilya Experience Excellence Program (KEEP) Winning Customer Loyalty</p>
Journalism Academy	<p>Visual Storytelling for Journalists The Broadcast Voice: Speech and Delivery Broadcast Journalism Journalism Research Producing the Newscast How Government Works Media Law and Ethics Big Data Journalism Drone Training</p>
Liberal Arts Academy	<p>Appreciative Inquiry Enneagram for Creatives: Understanding Personality Types for Character Development Creative Thinking ELJ Talk: Finding the Filipino Soul in the Stories of Philippine History The Global Filipino: A Yearly Workshop on the State of the World and Its impact on Filipinos</p>

Academy	Course Title
	<i>ELJ Talk: An Afternoon with Julie Yap Daza</i> <i>Research as an Element of the Creative Process</i> <i>Filipino Family Dynamics</i> <i>ELJ Talk: The United Nations World Happiness Reports: How Filipinos Stack Up</i>
Moving Images Academy	<i>Film and Appreciation 101</i> <i>Self-Discovery for Creatives</i> <i>Introduction to Storytelling</i>

(d) State the company's reward/compensation policy that accounts for the performance of the company beyond short-term financial measures

The annual variable pay provides incentive for achieving target performance measures. Company officers and employees are given a variable pay based on the actual financial performance of the Company and on the individual performance appraisal of the officer or employee.

4) What are the company's procedures for handling complaints by employees concerning illegal (including corruption) and unethical behaviour? Explain how employees are protected from retaliation.

The Company has a Whistle Blowing Policy, which provides for and encourages employees and others to report, in good faith, any covered wrongful conduct committed by employees of which they have personal knowledge. The policy assures the employees of protection against harassment, threats, and any other form of retaliation from the persons reported. Any employee, who attempts, performs, causes or encourages any retaliatory actions against a whistleblower and/or the whistleblower relatives up to the fourth degree of consanguinity or affinity, will be subjected to disciplinary action and may be either suspended or dismissed, without prejudice to other legal actions that the Company may take, upon showing that the motive of the said employee was due to the disclosure made whistleblower.

The Whistle Blowing Policy is a clear statement that if any covered wrongdoing by any of its employees is identified and reported accordingly, it will be dealt with, through a thorough investigation and the proper imposition of accountability. To provide employees several avenues to report illegal or wrongful activities, the Policy allows reporting to any of the following: Head of Human Resources and Organizational Development, Head of Audit, Head of Legal, and employee's Division Head.

I. DISCLOSURE AND TRANSPARENCY

5) Ownership Structure ¹⁵

(a) Holding 5% shareholding or more

Shareholder	Number of Shares	Percent	Beneficial Owner
<i>Lopez, Inc.</i>	<i>480,933,747</i>	<i>56.53%</i>	<i>None</i>
<i>ABS-CBN Holdings Corporation</i>	<i>329,801,100</i>	<i>38.36%</i>	<i>None</i>

Name of Senior Management	Number of Direct shares	Number of Indirect shares / Through (name of record owner)	% of Capital Stock
<i>Carlo L. Katigbak</i>	<i>12,000</i>	<i>0</i>	<i>0.00%</i>
<i>Ma. Socorro Vidanes</i>	<i>10,000</i>	<i>0</i>	<i>0.00%</i>
<i>Ma. Regina Reyes</i>	<i>48</i>	<i>0</i>	<i>0.00%</i>
<i>Mario Carlo P. Nepomuceno</i>	<i>35,351</i>	<i>0</i>	<i>0.00%</i>
<i>Rolando P. Valdeza</i>	<i>91,500</i>	<i>0</i>	<i>0.01%</i>

¹⁵ Public Ownership Report as of December 31, 2016

Name of Senior Management	Number of Direct shares	Number of Indirect shares / Through (name of record owner)	% of Capital Stock
<i>Vivian Tin</i>	8,600	0	0.00%
<i>Martin Lopez</i>	19,659	0	0.00%
<i>Raymund Martin Miranda</i>	6,700	0	0.00%
<i>Higino Dungo, Jr.</i>	1,000	0	0.00%
<i>Enrique Quiason</i>	9,615	0	0.00%
<i>Philip Lamberto Berba</i>	13,100	0	0.00%
TOTAL	207,573	0	0.02%

6) Does the Annual Report¹⁶ disclose the following:

Key risks	Yes
Corporate objectives	Yes
Financial performance indicators	Yes
Non-financial performance indicators	Yes
Dividend policy	Yes
Details of whistle-blowing policy	Yes
Biographical details (at least age, qualifications, date of first appointment, relevant experience, and any other directorships of listed companies) of directors/commissioners	Yes
Training and/or continuing education programme attended by each director/commissioner	Yes
Number of board of directors/commissioners meetings held during the year	11
Attendance details of each director/commissioner in respect of meetings held	Yes
Details of remuneration of the CEO and each member of the board of directors/commissioners	Yes

Should the Annual Report not disclose any of the above, please indicate the reason for the non-disclosure.

N/A

7) External Auditor's fee

Name of auditor	Audit Fee	Non-audit Fee
<i>SYCIP GORRES VELAYO & CO.</i>	<i>PhP 23,334,000</i>	<i>PhP 11,284,645</i>

8) Medium of Communication

List down the mode/s of communication that the company is using for disseminating information.

ABS-CBN uses the following modes of communication for disseminating corporate developments and financial and operational results on a regular basis to its stakeholders:

- a. Structured and unstructured report disclosures to PSE and SEC*
- b. Company Website*
- c. Regular Analysts' and Press Briefings*
- d. Investors' Briefings/Forums*
- e. Company Annual Report*
- f. Annual Stockholders' Meeting*

¹⁶ SEC 17-A and/or ABS-CBN Annual Report for the period ended December 31, 2016

- g. Conference Calls
- h. Press Releases

9) Date of release of audited financial report:

2015 Audited Financial Statements – April 13, 2016
 2016 Audited Financial Statements – March 16, 2017

10) Company Website

Does the company have a website disclosing up-to-date information about the following?

Business operations	Yes
Financial statements/reports (current and prior years)	Yes
Materials provided in briefings to analysts and media	Yes
Shareholding structure	Yes
Group corporate structure	Yes
Downloadable annual report	Yes
Notice of AGM and/or EGM	Yes
Company's constitution (company's by-laws, memorandum and articles of association)	Yes

Should any of the foregoing information be not disclosed, please indicate the reason thereto.

N/A

11) Disclosure of RPT

Below are the details of the Company's Related Party Transactions. (Amounts in PhP'000s)

RPT	Relationship	Nature	Value (in PHP'000s)
Blocktime fees paid to Amcara	Associate	Blocktime fees	34,964
Advances to ALA Sports	Joint Venture	Advances	18,239
Airtime revenue from A C J O	Joint Venture	Airtime fees	6,000
Expenses paid by the Parent Company and subsidiaries to Goldlink, Bayantel and other related parties	Entities under Common Control	Service fees and utilities expenses	164,182
Revenue of API and subsidiaries from other related parties		Print revenue and Other service Fees	29,091
Expenses and charges paid for by the Parent Company which are reimbursed by the concerned related parties		Rent and utilities	5,105
DUE FROM RELATED PARTIES			
Amcara	Associate	Trade & Other	137,295

RPT	Relationship	Nature	Value (in PHP'000s)
		<i>Receivables</i>	
<i>ABS-CBN Lingkod Kapamilya</i>	<i>CSR arm of ABS-CBN</i>	<i>Trade & Other Receivables</i>	32,492
<i>Skyworks, Inc.</i>	<i>Affiliate</i>	<i>Trade & Other Receivables</i>	31,722
<i>ALA Sports</i>	<i>Joint Venture</i>	<i>Trade & Other Receivables</i>	31,379
<i>First Gas Power Corp.</i>	<i>Affiliate</i>	<i>Trade & Other Receivables</i>	26,330
<i>INAEC</i>	<i>Affiliate</i>	<i>Trade & Other Receivables</i>	22,235
<i>A C J O</i>	<i>Joint Venture</i>	<i>Trade & Other Receivables</i>	16,767
<i>Star Cinema</i>	<i>Associate</i>	<i>Trade & Other Receivables</i>	7,924
<i>Goldlink</i>	<i>Affiliate</i>	<i>Trade & Other Receivables</i>	5,772
<i>First Philippine Holdings Corporation</i>	<i>Affiliate</i>	<i>Trade & Other Receivables</i>	2,124
<i>Rockwell Land Corporation</i>	<i>Affiliate</i>	<i>Trade & Other Receivables</i>	1,844
<i>Others</i>	<i>Affiliate</i>	<i>Trade & Other Receivables</i>	10,583
TOTAL DUE FROM RP			326,467
DUE TO RELATED PARTIES			
<i>Lopez Holdings</i>	<i>Affiliate</i>	<i>Trade & Other Payables</i>	29,575
<i>Beyond Cable Holdings</i>	<i>Affiliate</i>	<i>Trade & Other Payables</i>	16,690
<i>ABS-CBN Bayan Foundation</i>	<i>CSR arm of ABS-CBN</i>	<i>Trade & Other Payables</i>	11,878
<i>Others</i>	<i>Affiliates</i>	<i>Trade & Other Payables</i>	87,274
TOTAL DUE TO RP			145,417

When RPTs are involved, what processes are in place to address them in the manner that will safeguard the interest of the company and in particular of its minority shareholders and other stakeholders?

None

J. RIGHTS OF STOCKHOLDERS

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

(a) Quorum

Give details on the quorum required to convene the Annual/Special Stockholders' Meeting as set forth in its By-laws.

Quorum Required	<i>A majority of the outstanding stock entitled to vote shall be necessary to constitute a quorum at meetings of stockholders, unless otherwise expressly provided by law.</i>
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(b) System Used to Approve Corporate Acts

Explain the system used to approve corporate acts.

System Used	<i>Unless a motion is duly made and seconded, the voting shall be made viva voce and counted manually by the Corporate Secretary.</i>
Description	<i>Motions in general require the affirmative vote of a majority of the share of the Company's common stock that is present and/or represented and entitled to vote. However, certain proposed actions may require the vote of at least a majority or at least two-thirds of the outstanding capital stock of the Company. The manner of voting is non-cumulative, except as to the election of directors.</i>

(c) Stockholders' Rights

List any Stockholders' Rights concerning Annual/Special Stockholders' Meeting that differ from those laid down in the Corporation Code.

Stockholders' Rights under The Corporation Code	Stockholders' Rights <u>not</u> in The Corporation Code
<i>Right to Vote</i>	<i>The Articles of Incorporation ¹⁷denies the pre-emptive rights of stockholders to any issuance or disposition of shares of the Company.</i>
<i>Pre-emptive Rights</i>	
<i>Power of Inspection</i>	
<i>Rights to Dividends</i>	
<i>Appraisal Rights</i>	
<i>Rights to Information</i>	

Cash to Dividends to Common Shareholders

Declaration Date	Record Date	Payment Date
<i>March 18, 2016</i>	<i>April 11, 2016</i>	<i>April 29, 2016</i>
<i>February 22, 2017</i>	<i>March 8, 2017</i>	<i>March 22, 2017</i>

Cash to Dividends to Preferred Shareholders

Declaration Date	Record Date	Payment Date
<i>May 05, 2016</i>	<i>May 20, 2016</i>	<i>June 7, 2016</i>
<i>February 22, 2017</i>	<i>March 8, 2017</i>	<i>March 22, 2017</i>

(d) Stockholders' Participation

1. State, if any, the measures adopted to promote stockholder participation in the Annual/Special Stockholders' Meeting, including the procedure on how stockholders and other parties interested may communicate directly with the Chairman of the Board, individual directors or board committees. Include in the discussion the steps the Board has taken to solicit and understand the views of the stockholders as well as procedures for putting forward proposals at stockholders' meetings.

Measures Adopted	Communication Procedure
<i>None</i>	<i>None</i>

2. State the company policy of asking shareholders to actively participate in corporate decisions regarding:
 - a. Amendments to the company's constitution

¹⁷ Amended Articles of Incorporation, October 24, 2014

- b. Authorization of additional shares
- c. Transfer of all or substantially all assets, which in effect results in the sale of the company

The actions listed above require the approval of the stockholders. The details of the proposed actions are presented in the Definitive Information Statement.

During the regular or special meeting, the Company's board and/or management shall present the proposed actions. The vote of two-thirds of the entire outstanding voting stock of the Company is required for the approval of the above items except for item b.

- 3. Does the company observe a minimum of 21 business days for giving out of notices to the AGM where items to be resolved by shareholders are taken up?

- a. Date of sending out notices:

April 14, 2016 (The Company is compliant with paragraph (3)(c) of the SRC Rule 20 wherein the notice and the Definitive Information Statement is given to the security holders at least fifteen (15) business days prior to the meeting date.)

- b. Date of the Annual/Special Stockholders' Meeting:

May 5, 2016

- 4. State, if any, questions and answers during the Annual/Special Stockholders' Meeting.

- a. *A stockholder inquired if the Company plans to introduce television programs about the environment. In response, Ms. Vidanes said that we would consider the suggestion and work on a project dealing with the conservation of the environment.*

- b. *Another stockholder asked the Chairman's view if Ferdinand Marcos, Jr. will be elected as Vice President of the Philippines. In response, the Chairman said that we live in a democracy and if he is elected it will be the will of the people.*

- c. *Another stockholder inquired about the earning guidance of the Company for 2016. In response, Mr. Cerrado said that the earning guidance for 2016 is between P3.2 billion to P3.5 billion.*

- d. *Another stockholder inquired if the auditing fee includes out-of-pocket expenses and value added taxes. In response, Mr. Cerrado said that for 2015, total auditing fees of the external auditors amounted to P24 million. Out-of-pocket expenses did not exceed 5% of the auditing fees.*

- 5. Result of Annual/Special Stockholders' Meeting's Resolutions

Resolution	Approving	Dissenting	Abstaining
<i>Approval of Annual report and Audited Financial Statements for the Year Ended December 31, 2015;</i>	<i>100%</i>		
<i>Ratification and approval of all acts and resolution of the Board of Directors and of Management</i>	<i>100%</i>		

<i>for the fiscal year 2016 adopted in the ordinary course of business such as the approval of investments, treasury matters related to the opening of accounts and bank transactions, appointment of signatories and amendment thereof;</i>			
<i>Appointment of External Auditors;</i>	100%		

6. Date of publishing of the result of the votes taken during the most recent AGM for all resolutions:

May 5, 2016 (Disclosure of the Results of Annual Stockholders' Meeting)

(e) Modifications

State, if any, the modifications made in the Annual/Special Stockholders' Meeting regulations during the most recent year and the reason for such modification:

Modifications	Reason for Modification
<i>None</i>	<i>N/A</i>

(f) Stockholders' Attendance

(i) Details of Attendance in the Annual/Special Stockholders' Meeting Held:

Type of Meeting	Names of Board members / Officers present	Date of Meeting	Voting Procedure (by poll, show of hands, etc.)	% of SH Attending in Person	% of SH in Proxy	Total % of SH attendance
<i>Annual</i>	<i>Eugenio Lopez III Augusto Almeda Lopez Carlo L. Katigbak Oscar M. Lopez Federico R. Lopez Federico M. Garcia Salvador G. Tirona Antonio U. Periquet Emmanuel S. De Dios</i>	<i>May 5, 2016</i>	<i>Viva Voce</i>	<i>0.01%</i>	<i>96.03%</i>	<i>96.04%</i>

(ii) Does the company appoint an independent party (inspectors) to count and/or validate the votes at the ASM/SSMs?

Yes, the Company's Corporate Secretary counts the votes in the presence of the current external auditor and stock transfer agent.

- (iii) Do the company's common shares carry one vote for one share? If not, disclose and give reasons for any divergence to this standard. Where the company has more than one class of shares, describe the voting rights attached to each class of shares.

Yes, stockholders are entitled to one vote for each share of stock held in his/her name.¹⁸

(g) Proxy Voting Policies

State the policies followed by the company regarding proxy voting in the Annual/Special Stockholders' Meeting.

	Company's Policies
Execution and acceptance of proxies	<i>Any stockholder entitled to vote may be represented at any regular or special meeting of stockholders by a duly executed proxy. Proxies shall be in writing, properly signed and witnessed by one witness.</i>
Notary	<i>Not required</i>
Submission of Proxy	<i>The written proxy shall be filed with the Office of the Corporate Secretary of the Company not later than ten (10) calendar days prior to the scheduled stockholders' meeting.</i>
Several Proxies	<i>Allowed</i>
Validity of Proxy	<i>Up to five (5) years unless indicated in the proxy or superseded</i>
Proxies executed abroad	<i>Allowed</i>
Invalidated Proxy	<i>Proxies submitted should be in accordance with the existing laws, rules and regulations of the Securities and Exchange Commission. Proxy forms received after the prescribed date of submission shall be invalid.</i>
Validation of Proxy	<i>The validation of proxy shall be conducted by the Office of the Corporate Secretary of the Company at least ten (10) calendar days prior to the scheduled stockholders' meeting.</i>
Violation of Proxy	<i>None</i>

(h) Sending of Notices

State the company's policies and procedure on the sending of notices of Annual/Special Stockholders' Meeting.

Policies	Procedure
<i>Paragraph (3)(c) of the SRC Rule 20 – the notice and the Definitive Information Statement are sent to the security holders at least fifteen (15) business days prior to the meeting date.</i>	<i>The Corporate Secretary and the Investor Relations Group prepare the notice and the Definitive Information Statement. Upon approval of the SEC, the notice and the Definitive Information Statement are sent to the shareholders through the stock transfer agent.</i>

(i) Definitive Information Statements and Management Report

Number of Stockholders entitled to receive Definitive Information Statements and Management Report and Other Materials	5,488
Date of Actual Distribution of Definitive Information Statement and Management Report and Other Materials held by market	April 14, 2016

¹⁸ Amended By-Laws, May 4, 2011

participants/certain beneficial owners	
Date of Actual Distribution of Definitive Information Statement and Management Report and Other Materials held by stockholders	<i>April 14, 2016</i>
State whether CD format or hard copies were distributed	<i>Hard copies</i>
If yes, indicate whether requesting stockholders were provided hard copies	<i>Yes</i>

(j) Does the Notice of Annual/Special Stockholders' Meeting include the following:

Each resolution to be taken up deals with only one item.	<i>Yes</i>
Profiles of directors (at least age, qualification, date of first appointment, experience, and directorships in other listed companies) nominated for election/re-election.	<i>Yes</i>
The auditors to be appointed or re-appointed.	<i>Yes</i>
An explanation of the dividend policy, if any dividend is to be declared.	<i>Yes</i>
The amount payable for final dividends.	<i>Yes</i>
Documents required for proxy vote.	<i>Yes</i>

Should any of the foregoing information be not disclosed, please indicate the reason thereto.

N/A

2) Treatment of Minority Stockholders

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

Policies	Implementation
<i>None</i>	<i>None</i>

(b) Do minority stockholders have a right to nominate candidates for board of directors?

Yes

K. INVESTOR RELATIONS PROGRAM

1) Discuss the company's external and internal communications policies and how frequently they are reviewed. Disclose who reviews and approves major company announcements. Identify the committee with this responsibility, if it has been assigned to a committee.

ABS-CBN's external and internal communications programs are handled by both the Corporate Communications and Investor Relations groups. The major company announcements are reviewed and approved by the Chairman, President and Chief Executive Officer, Group Chief Finance Officer, and Chief Finance Officer.

The company's communication policies are reviewed on an as needed basis.

2) Describe the company's investor relations program including its communications strategy to promote effective communication with its stockholders, other stakeholders and the public in general. Disclose the contact details (e.g. telephone, fax and email) of the officer responsible for investor relations.

	Details
(1) Objectives	<ul style="list-style-type: none"> To comply with the reporting requirements prescribed by the authorities, including the SEC and the PSE, among others. To provide the shareholders timely and transparent information about the Company.
(2) Principles	The Company fully respects shareholder rights and complies with regulatory and legal requirements that enforce and ensure that such rights are respected.
(3) Modes of Communications	<ul style="list-style-type: none"> Structured and unstructured report disclosures to PSE and SEC Company Website Regular Analysts' and Press Briefings Investors' Briefings/Forums Company Annual Report Annual Stockholders' Meeting Conference Calls Press Releases
(4) Investors Relations Officer	Ricardo B. Tan, Jr. Phone No. – (632) 415-2272 Email Address – ir@abs-cbn.com

- 3) What are the company's rules and procedures governing the acquisition of corporate control in the capital markets, and extraordinary transactions such as mergers, and sales of substantial portions of corporate assets?
None

Name of the independent party the board of directors of the company appointed to evaluate the fairness of the transaction price.

None

L. CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

ABS-CBN Lingkod Kapamilya Foundation, Inc. (ALKFI) is one facet of our corporate social responsibility. We aim to strengthen and focus our efforts by aligning our various advocacies with our business core competence. ALKFI is a holistic organization with three (3) flagship programs, namely: Bantay Bata, Sagip Kapamilya, and Bantay Kalikasan.

Bantay Bata – Asia's model for childcare services, Bantay Bata 163 is a helpline devoted to receiving and responding to child abuse reports. Through the years, the program has grown to include therapy, after care, and preventive programs. Following are the 2016 highlights of Bantay Bata 163:

Hotline	9,409 reports received and acted upon	
Medical	7,568 patients served	
Bantay Edukasyon	467 scholars for SY 2016-2017	
Legal	115 legal clients served	
Community Based Services	121,930 beneficiaries served:	
	Community Outreach	33,640
	Dental and Medical Missions	4,712
	Advocacy trainings, seminars, forums	20,440
	RNG initiated trainings with BB163	39,866
	Feeding/Soup kitchen	6,858
	Special Events for children and their families	14,619
	Relief Operations	1,795

Sagip Kapamilya – Sagip Kapamilya was a direct response to successive typhoons that hit the Philippines in the early 2000s. In 2013, when Yolanda, one of the strongest typhoons, hit the country, Sagip Kapamilya reached out and has since then embarked on rehabilitation projects that emphasize continuity and community synergy. In 2016, four (4) more classrooms were inaugurated and turned over, making 131 the number of the total classrooms built to help rehabilitate Yolanda-affected communities. Following are the 2016 highlights of Sagip Kapamilya:

El Niño	4,173 families served
Habagat	4,504 families served
Fire Victims	6,444 families served
Typhoons Ferdie, Gener, and Helen	2,100 relief packs and 320 school kits distributed
Typhoon Lawin	9,753 families served
Typhoon Nina	6,280 families served
PCG and Philippine Chinese General Hospital Medical Mission in Masinloc, Zambales	500 fisher folks' families served
Tulong Center 2 nd Year Anniversary	2,000 special packs
DZMM Teaching Learning Caring (TLC) / Medical Mission in San Jose, Del Monte, Bulacan and Cavite	2,744 special packs
Integrated Public Service (IPS) Parents' Day	100 family packs
TOTAL SERVED	33,254 families (166,270 individuals)

Bantay Kalikasan – Bantay Kalikasan is the environmental section of ALKFI. Through Bantay Kalikasan, ALKFI oversees the management and protection of La Mesa Ecopark and Watershed, a well-loved tourist destination in Quezon City, the only forest remaining in the metro, and an important reservoir that supplies Metro Manila most of its water. Given its importance, it is almost unbelievable to think that this watershed was almost decommissioned.

In 1999, forest experts pronounced the 2,700 hectares watershed, consisting of the 700-hectares reservoir and the 2,000-hectares land area, totally disturbed. ALKFI stepped in to intervene and reverse the deterioration, gathering private and public support.

In 2002, when the Memorandum of Understanding between the Metropolitan Waterworks and Sewerage System (MWSS) was signed, ALKFI was formally put in charge of the property and since turned it around, making it a revenue-generating nature attraction and a place for the public to appreciate the environment through outdoor activities.

Those working on this project acknowledge that the environment tends to be our foremost thought when there are disasters. This does not have to be the case. The La Mesa Ecopark aims to encourage visitors and students to appreciate the environment more through hands-on activities like bird watching, eco-trailing, and composting. In 2016, the La Mesa Ecopark hosted 420,077 visitors and generated PHP 34,852,915.88 in donations.

M. BOARD, DIRECTOR, COMMITTEE AND CEO APPRAISAL

Disclose the process followed and criteria used in assessing the annual performance of the board and its committees, individual director, and the CEO/President.

	Process	Criteria
Board of Directors	None	None
Board Committees	None	None
Individual Directors	None	None
CEO/President	The Board of Directors assesses the performance of the CEO.	Various metrics, including meeting key performance indicators.

N. INTERNAL BREACHES AND SANCTIONS

Discuss the internal policies on sanctions imposed for any violation or breach of the corporate governance manual involving directors, officers, management and employees

Violations	Sanctions
<i>Non-compliance with the Corporate Governance Manual</i>	<p><i>To strictly observe and implement the provisions of the Corporate Governance Manual, the Board may take appropriate actions, after notice and hearing, on the individual directors, officers and employees, such as censure, suspension, or removal from office depending on the gravity of the offense as well as the frequency of the violation.</i></p> <p><i>The commission of a serious violation of a material provision of the Corporate Governance Manual by any member of the Board of the Corporation shall be sufficient cause for removal from directorship.</i></p>

Pursuant to the requirement of the Securities and Exchange Commission, this Annual Corporate Governance Report is signed on behalf of the registrant by the undersigned, thereunto duly authorized.

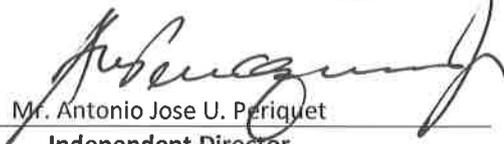
SIGNATURES



Mr. Eugenio L. Lopez III
Chairman of the Board



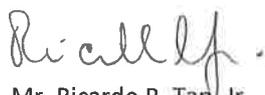
Mr. Carlo L. Katigbak
Chief Executive Officer



Mr. Antonio Jose U. Periquet
Independent Director



Mr. Emmanuel S. de Dios
Independent Director



Mr. Ricardo B. Tan, Jr.
Compliance Officer

SUBSCRIBED AND SWORN to before me this 4th day of May 2017, affiant(s) exhibiting to me their identifications, as follows:

NAME	VALID ID NO.	DATE OF ISSUE/EXPIRY	PLACE OF ISSUE
Eugenio L. Lopez III	Passport No. EB8352063	07 June 2018	DFA, Manila
Carlo L. Katigbak	Passport No. EC6618200	26 Jan 2021	DFA, Manila

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 Series of 2017


GIANNA MARIA C. COMSTI
 NOTARY PUBLIC
 FOR AND IN THE CITY OF PASIG, TAGUIG AND
 SAN JUAN AND IN THE MUNICIPALITY OF PATEROS
 UNTIL DECEMBER 31, 2017
 PTR NO. 2542848, 1/9/2017, PASIG CITY
 IBP NO. 1057000, 1/3/2017, RSM
 NCLE COMPLIANCE NO. V-0011903, 4/14/19
 ROLL NO. 83071/APPOINTMENT NO. 25 (2016-2017)
 21/F Robinsons-Equitable Tower, 4 ADB Ave. cor. Poveda St.
 1805 Ortigas Center, Pasig City

SUBSCRIBED AND SWORN to before me this 23rd day of May 2017, affiant(s) exhibiting to me their identifications, as follows:

NAME	VALID ID NO.	DATE OF ISSUE/EXPIRY	PLACE OF ISSUE
Emmanuel S. de Dios	GSIS CRN No. 006-0086-9258-2		
Antonio Jose U. Periquet	SSS No. 03-8032428-6		
Ricardo B. Tan, Jr.	Passport No. P1587882A	11 Jan 2022	DFA, Manila

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 Book No. II
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GIANNA MARIA C. COMSTI
 NOTARY PUBLIC
 FOR AND IN THE CITY OF PASIG, TAGUIG AND
 SAN JUAN AND IN THE MUNICIPALITY OF PATEROS
 UNTIL DECEMBER 31, 2017
 PTR NO. 2542648, 10/2017, PASIG CITY
 IBP NO. 1057096, 1/3/2017, RSM
 MCLE COMPLIANCE NO. V-4011903, 4/14/19
 ROLL NO. 63071/APPOINTMENT NO. 25 (2016-2017)
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