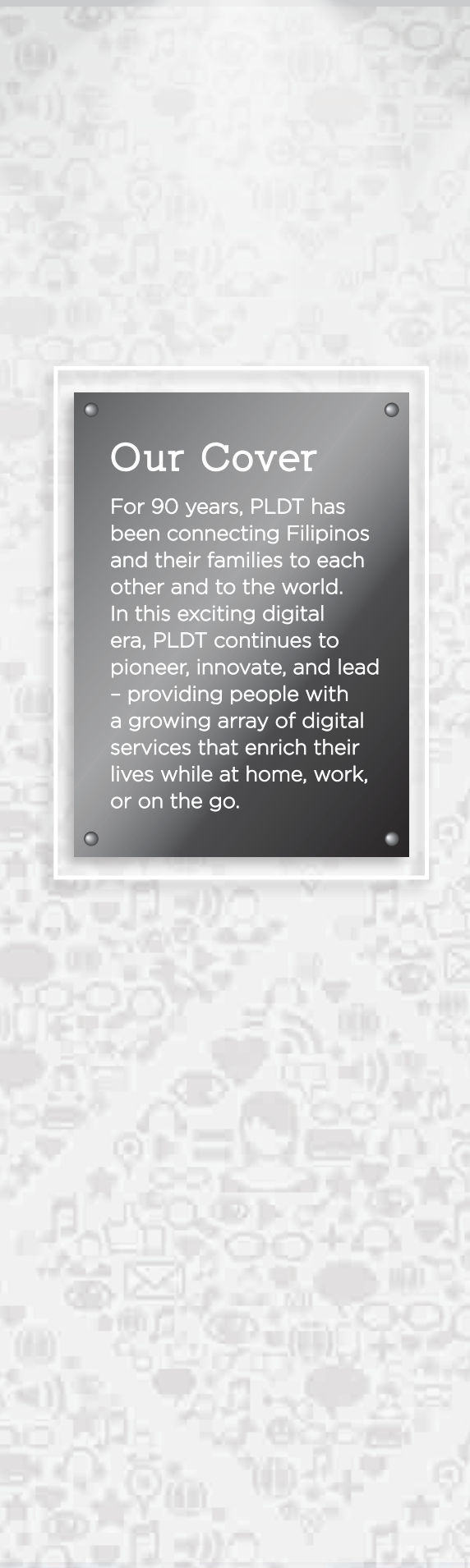


Pioneering. **Innovating.** **Leading.**

2017 ANNUAL REPORT



## Our Cover

For 90 years, PLDT has been connecting Filipinos and their families to each other and to the world. In this exciting digital era, PLDT continues to pioneer, innovate, and lead – providing people with a growing array of digital services that enrich their lives while at home, work, or on the go.





**It's you that counts**

As PLDT celebrates its 90th anniversary, the Company is pursuing a comprehensive digital transformation program. This effort involves a massive modernization of its networks and IT platforms to deliver rich digital services and solutions. But the thrust of this transformation springs from an old-fashioned idea: it's the customer that counts. It's about serving you in the best possible way, in the personalized manner that digital technology makes possible.

## 1928

Governor General Henry Stimson signed into law on November 28 Act No. 3436, which provided then Philippine Long Distance Telephone Company (PLDT) the franchise to establish and operate telephone services in the country. International calls became possible with Commonwealth President Manuel L. Quezon receiving the first call.



## 1936

A nationwide telephone system linked the Philippines at strategic points in Luzon, Visayas, and in Mindanao on July 7. Nucleus of operations included Manila, Cebu, Negros, and Iloilo.



## 1967

A new era of PLDT leadership was ushered in as the Company became a Filipino-controlled corporation when a group of Filipino industrialists and businessmen headed by Ramon Cojuangco acquired the block of shares owned by the General Telephone and Electronics (GTE) Corporation of New York on December 20.



## 1978

System modernization involved the introduction of direct distance dialing (DDD) for domestic and overseas toll services, and introduction of electronic telephone special services; upgrading of toll centers from analog to digital; data transmission facilities. DDD was made available to 6,397 subscribers and 117 countries and from Manila to 23 cities in the country. The electronic switching system provided for automated special services, call barring, hotline, call waiting, abbreviated dialing, recorded messages, and subscriber number change notification.

## 1987

The country's first cellular telephone network was established, which were then bulky and installed only in cars, enabling people to communicate while on the go.



## 1933

Overseas radio-telephone service was also established between the Philippines and the US and other parts of the world linking Filipinos to the world with the first overseas calling service.



## 1953

The Company had 33,712 stations by December, exceeding for the first time the number of telephones in service before the war.



## 1968

The Filipino group, formally assumed PLDT management on January 1 with Gregorio Licaros, Sr. as chairman of the board and Ramon Cojuangco as president.

The first major television broadcast via the facilities of Intelsat II-F4 and PLDT was brought to the Philippines direct from the US during the funeral of Senator Robert F. Kennedy. Another milestone in satellite communications was achieved, with PLDT playing a major role, in the subsequent TV coverage of the Apollo 8 flight.



## 1982

DDD was becoming a byword for Filipinos. Subscribers then could call long distance to nine major cities across the nation and 22 countries around the world and reach through direct dialing more than 400 million telephones overseas.

## 1985

DDD service eventually evolved into National Direct Dialing (NDD) and International Direct Dialing (IDD).

## 1991

Anticipating the liberalization of the Philippine telecommunications industry, a group of Filipino investors led by Orlando B. Veja and David T. Fernando organized Smart Communications, Inc., (then named Smart Information Technology, Inc.).



## 1993

Smart was granted provisional authority to operate a mobile cellular service.

## 1997

PLDT led the establishment of the first internet hub in the country called the Philippine Internet Exchange or PhIX after signing a deal with US-based software giant Oracle Corporation that enabled internet surfing.



## 1999

PLDT formed a strategic partnership with NTT Communications Corp. (NTTCom), a wholly-owned subsidiary of Nippon Telegraph and Telephone Corp. of Japan, the world's leading telecommunications company in terms of revenues. Smart, the country's largest mobile phone operator, was also acquired by PLDT with the issuance of 35.1 million new common shares to Smart's shareholders at a value of P37.9 billion.



## 2010

PLDT transformed the face, feel and future of the fixed line business with a new bundled landline service featuring a touch-screen tablet and high-speed myDSL service all under one service plan.

## 2012

The PLDT Group continued its efforts to provide the most powerful, reliable and extensive network services maintaining its position as the leading network provider of landline, fiber, wireless, internet and Cloud infrastructure projects.



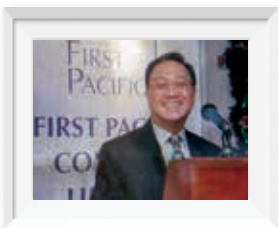
## 2017

PLDT increased the coverage of its fiber-powered fixed broadband network by 1.2 million homes passed to over four million homes passed by year-end. In the same period, it doubled its fixed broadband capacity to over one million lines.



## 1998

PLDT announced the entry of Hong Kong-based First Pacific Co. Ltd. acquiring a 17% stake in PLDT for approximately P29.7 billion or some US\$749 million. The entry of the First Pacific Group brought in a new culture in PLDT and new expertise. Manuel V Pangilinan replaced Antonio O. Cojuangco as president and chief executive officer. Cojuangco then assumed the position of chairman of the board.



## 2000

PLDT invested in information and communications technology (ICT) with the formation of ePLDT Inc., the PLDT Group's principal vehicle for investments in internet, e-commerce, and multimedia businesses and served as the holding company for PLDT's existing interests in a number of businesses including the cable television operator, Home Cable, and internet service provider Infocom.

**ePLDT**

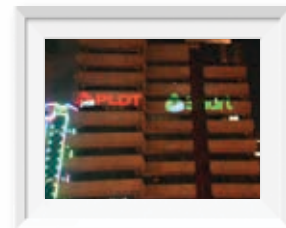
## 2011

PLDT acquired 51.55% of the shares of Digital Telecommunications Philippines, Inc. (Digitel) from JG Summit Holdings and thus enhanced its ability to provide customers with the best range of products in terms of price and quality -- including "unlimited" offerings.



## 2016

PLDT and Smart welcomed a new day with a fresh brand identity that reflects their desire to empower their customers who are increasingly embracing digital services in their daily lives. The new logo also comes with the recent change in name of the company from Philippine Long Distance Telephone Company to PLDT Inc. to better represent the Company's current thrust to decisively shift its business to data-driven services.



## Contents

06	Comparative Highlights
07	Consolidated Financial Performance Highlights
08	Message from the Chairman and CEO
14	The PLDT Group Corporate Milestones
22	The PLDT Group Corporate Social Responsibility Report
30	People and Culture
32	The PLDT Group Corporate Governance Report
56	The PLDT Group Enterprise Risk Management Report
58	Board of Directors
58	Advisory Board/Committee
62	Executive Officers
66	Officers
67	Financial Review
107	Audit Committee Report
108	Statement of Management's Responsibility for Consolidated Financial Statements
109	Independent Auditor's Report
114	Consolidated Statements of Financial Position
116	Consolidated Income Statements
117	Consolidated Statements of Comprehensive Income
118	Consolidated Statements of Changes in Equity
119	Consolidated Statements of Cash Flows
121	Notes to Consolidated Financial Statements
274	Contact Information











PLDT is the leading telecommunications and digital services provider in the Philippines. Through its principal business segments – fixed line, wireless, digital and others – PLDT offers the most diversified range of communications and digital services across the Philippines' most extensive fiber optic, wireless and fixed line networks.

PLDT is listed on the Philippine Stock Exchange (PSE:TEL) and its American Depositary Shares are listed on the New York Stock Exchange (NYSE:PHI). In 2017, PLDT was one of the largest Philippine-listed companies in terms of market capitalization.

## Vision

Lead and inspire Filipinos to create a better tomorrow.

## Mission

Empower Filipinos everywhere with customer-focused digital innovations that unlock and share their infinite potential.

## Values

Deliver awesome customer experience  
Take care of our people  
Collaborate to win  
Fast is better than perfect  
*Malasakit*  
Humility to listen and learn

## Subsidiaries

### WIRELESS

Smart Communications, Inc. and Subsidiaries  
Digitel Mobile Philippines, Inc.  
Smart Broadband, Inc. and Subsidiary  
Voyager Innovations, Inc. and Subsidiaries

### FIXED LINE

PLDT Clark Telecom, Inc.  
PLDT Subic Telecom, Inc.  
PLDT Global Corporation and Subsidiaries  
PLDT-Philcom, Inc. and Subsidiaries  
PLDT-Maratel, Inc.  
Digital Telecommunications Philippines, Inc.  
ePLDT, Inc. and Subsidiaries  
Pilipinas Global Network Limited and Subsidiaries

### OTHERS

PLDT Communications and Energy Ventures, Inc.  
PLDT Digital Investments Pte. Ltd. and Subsidiaries  
PLDT Global Investments Holdings, Inc.  
PLDT Global Investments Corporation  
Mabuhay Investments Corporation

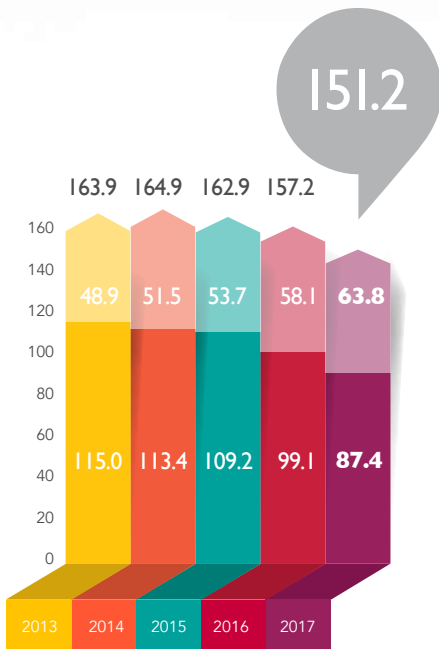
*The PLDT headquarters, an iconic landmark in the Makati Commercial and Business District, was designed by National Artist for Architecture Leandro V. Locsin.*

# Comparative Highlights

	2013 <sup>(1)</sup>	2014 <sup>(1)</sup>	2015 <sup>(1)</sup>	2016 <sup>(1)</sup>	2017
<b>FINANCIAL INFORMATION</b>					
(in million pesos, except cash dividends declared per common share)					
Revenues	168,211	170,835	171,103	165,262	159,926
Service Revenues	163,932	164,943	162,930	157,210	151,165
Non-Service Revenues	4,279	5,892	8,173	8,052	8,761
Expenses	125,514	130,457	139,268	140,559	150,415
Selling, general and administrative expenses	67,252	68,483	70,289	67,196	68,990
Depreciation and amortization	30,304	31,379	31,519	34,455	51,915
Cost of sales and services	11,806	14,129	17,453	18,293	13,633
Interconnection costs	10,610	10,420	10,317	9,573	7,619
Noncurrent asset impairment	2,142	3,844	5,788	1,074	3,913
Provisions	3,400	2,202	3,902	9,968	4,345
Net Income for the Year	35,453	34,090	22,075	20,162	13,466
Continuing operations	33,384	34,090	22,075	20,162	13,466
Discontinued operations	2,069	-	-	-	-
Core income	38,717	37,410	35,212	27,857	27,668
Continuing Operations	38,816	37,410	35,212	27,857	27,668
Discontinued Operations	(99)	-	-	-	-
EBITDA	77,432	76,750	70,218	61,161	66,174
Property and Equipment	581,286	605,598	632,918	665,653	690,520
Accumulated Depreciation, Amortization and Impairment	388,621	413,614	437,136	462,465	503,613
Carrying Value	192,665	191,984	195,782	203,188	186,907
Capital Expenditures	28,838	34,759	43,175	42,825	40,299
Short and Long-Term Debts	104,090	130,123	160,892	185,032	172,611
Net Debt	71,467	102,821	113,008	143,572	138,632
Equity Attributable to Equity Holders of PLDT	137,147	134,364	113,608	108,175	106,842
Cash Dividends Declared Per Common Share					
Out of the Earnings for the Year	179	156	122	77	76
<b>OPERATING INFORMATION</b>					
Number of Mobile Subscribers	72,063,359	72,511,422	68,612,118	62,763,209	58,293,908
Number of Fixed Line Subscribers	2,069,419	2,207,889	2,303,454	2,438,473	2,663,210
Number of Broadband Subscribers	1,415,478	1,481,109	1,514,640	1,720,753	1,950,881
Wireless	436,094	331,781	258,776	270,203	237,354
Fixed Line	979,384	1,149,328	1,255,864	1,450,550	1,713,527
Total Number of Subscribers	75,548,256	76,200,420	72,430,212	66,922,435	62,907,999
Number of Stockholders	12,005	11,880	11,837	11,774	11,712
Number of Employees	17,899	17,496	17,176	18,038	17,779
Wireless	7,745	7,786	7,505	7,343	7,042
Fixed Line	10,154	9,710	9,761	10,695	10,737

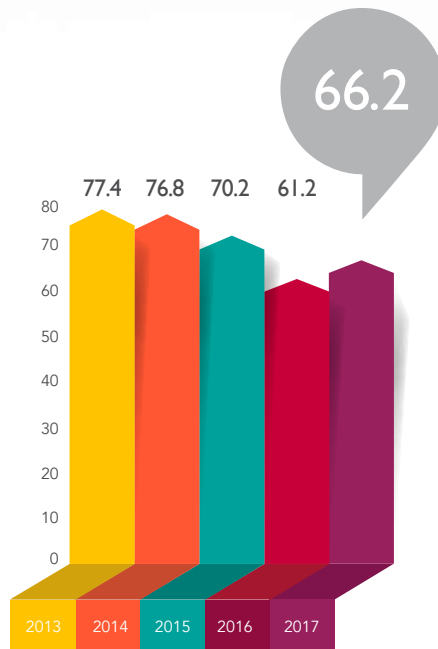
<sup>(1)</sup> Certain comparative information for 2013 - 2016 were reclassified to conform with the 2017 presentation.

# Consolidated Financial Performance Highlights

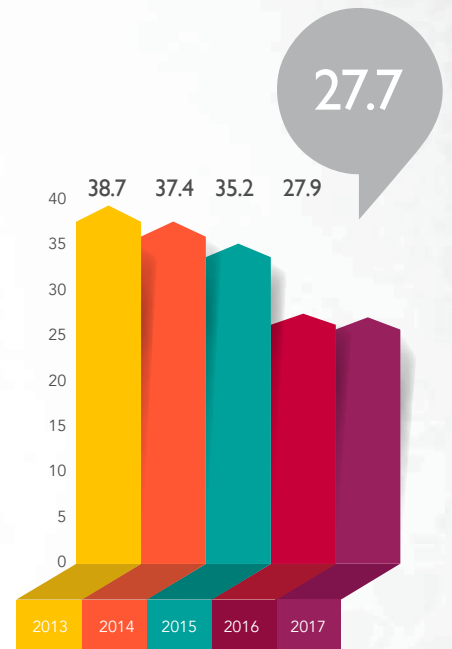


**SERVICE REVENUES**  
(in billion pesos)

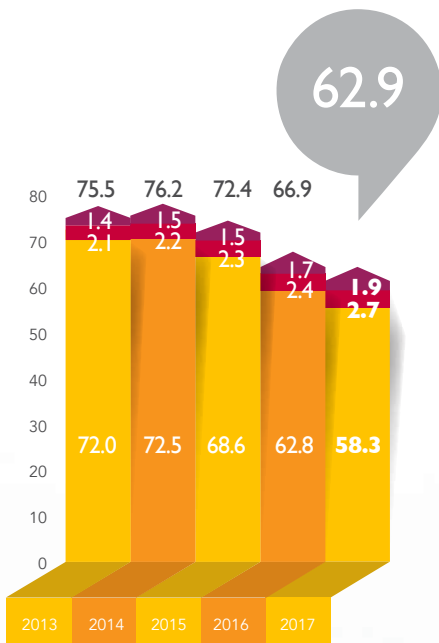
■ WIRELESS ■ FIXED LINE



**EBITDA**  
(in billion pesos)



**CORE INCOME**  
(in billion pesos)

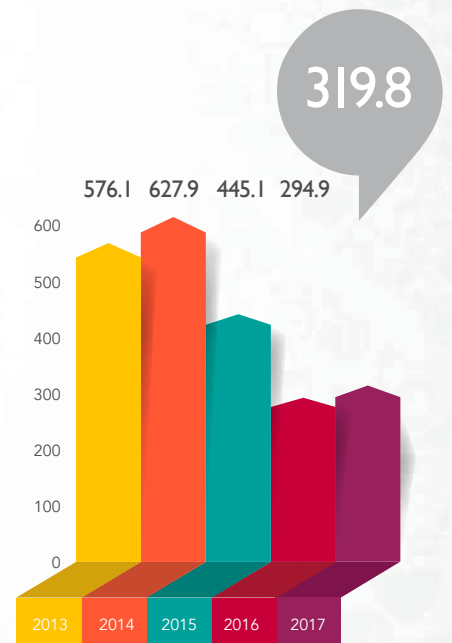


**SUBSCRIBER BASE**  
(in millions)

■ MOBILE ■ FIXED LINE ■ BROADBAND



**CASH FLOW FROM OPERATIONS**  
(in billion pesos)



**MARKET CAPITALIZATION**  
(Year-end, in billion pesos)



Convergence has acquired a deeper meaning today, when digital connectivity, content and solutions are coming together to provide customers with richer experiences.

# Message from the Chairman and CEO

## TO MY FELLOW SHAREHOLDERS

Over the past year, through painstaking and persistent efforts, we have sustained the upward momentum of PLDT's fixed line business and stemmed the decline of our wireless business. This has resulted in stabilizing our overall business and laying the ground for future growth. We have done this by building on our strengths and leveraging our capabilities as the country's leading integrated fixed and mobile telecoms, and digital services provider. As a result, we have moved further along the path of digital transformation that we set in 2016, particularly in undertaking three critical tasks that I identified at the start of this process:

*First*, we have made significant progress in rolling out our fiber-powered high-speed fixed and mobile networks in various parts of the country. Our customers are now feeling the difference. This has enabled us to further drive the growth of our data and digital businesses – the key to our future. *Second*, PLDT and Smart have begun to offer converged service packages that combine fixed and mobile connectivity with digital content and services and in certain instances, the video content of Signal TV. *Third*, we have taken further steps to reshape the organization, culture and capabilities of PLDT and Smart into a much more collaborative mold and with a digital mindset so that we can better understand the changing needs of our customers and thus provide them better converged and personalized services moving forward.

Convergence has acquired a deeper meaning today, when digital connectivity, content and solutions are coming together to provide customers with richer experiences. PLDT is uniquely positioned to meet this need. This advantage is providing us a critical edge in building our Company's future and helping the country become a *Smart Nation*.

### OUR FINANCIAL RESULTS

Our full year results for 2017 still present a mixed picture, but the overall direction of change is encouraging.

Our **Consolidated Service Revenues** (net of interconnection costs) reached P143.5 billion. This represents a 3% reduction from the previous year, similar to the 3% decline in 2016. However, in 2017, we posted three quarters of modest sequential increases in service revenues, starting in the second quarter. This is unlike 2016, when service revenues fell quarter on quarter.

As in the previous year, the Home and Enterprise Business Groups continued to set the pace, boosting revenues to P33.0 billion and P34.1 billion, growth rates of 13% and 11%

respectively. Wireless Consumer Group revenues slipped 11% to P58.9 billion. However, on a quarterly basis, revenues were relatively stable, with a modest uptick in the last quarter. We made steady progress in shifting the base of our revenues towards data and digital services. Across all business groups, revenues from data, broadband and digital platforms grew 11% to P67.0 billion, raising their share of service revenues from 41% to 47%.

**Consolidated EBITDA** for 2017 reached P66.2 billion – 8% higher than the previous year and in sharp contrast to 2016, when EBITDA went down by 13%. This was due to reduced subsidies and provisions offsetting lower service revenues, higher cost of services and manpower reduction program (MRP) expenses. Excluding MRP expenses of P1.6 billion, Consolidated EBITDA was higher by 11%. **Consolidated EBITDA margin** increased from 39% in 2016 to 44% in 2017, as both fixed line and mobile businesses improved their margins.

Our **Recurring Core Income** increased 11% to P22.3 billion versus the previous year. **Consolidated Core Income** was 1% lower at P27.7 billion, including the impact of gains from assets sales, MRP costs, accelerated depreciation and EBITDA adjustments. **Reported Net Income** declined 33% to P13.4 billion due to non-core capex-related expenses of P16.7 billion, related to PLDT's aggressive network upgrade which aimed to achieve dramatic improvements in customer experience.

In line with the Company's dividend policy, 60% of 2017 core earnings of P27.7 billion has been declared as dividends.

PLDT's **Net Debt** and **Net Debt to EBITDA** stood at US\$2.8 billion and 2.10x, respectively, as of end December 2017. Gross Debt stood at US\$3.5 billion, of which only 8% was unhedged. Maturities are well distributed and 92% of the Company's debt are fixed-rate. PLDT's Credit Ratings remain investment grade.

## DELIVERING WORLD-CLASS INTERNET

The focus of our efforts in 2017 was the transformation of our fixed and mobile networks so that we can deliver world-class internet services. This is the lynchpin of our digital shift and, in this pivotal area, we made substantial progress.

PLDT expanded the coverage of its fiber-powered broadband network to over 4 million homes passed by end-2017, adding 1.2 million homes from end-2016. At the same time, we doubled available port capacity to over one million lines. In this expansion program, PLDT is deploying fiber-to-the-home (FTTH) and technologies such as VDSL and G.fast that deliver fiber-fast speeds over copper lines.

Meanwhile, Smart more than doubled the number of LTE base stations in its mobile phone network to over 8,700 and increased by 60% to over 4,300 the cell sites equipped with LTE base stations. Smart also increased its 3G base stations to about 9,850 and its cell sites equipped with 3G base stations to about 7,500. Base stations are the cellular radio equipment that run on specific radio frequencies like 700 Mhz and 1800 Mhz while cell sites refer to the towers that house several of these base stations.

As a result, Smart's mobile data speeds and coverage have improved markedly, as confirmed by third party studies. In its report covering November 2017 to January 2018, for example, mobile analytics firm OpenSignal gave Smart its Best in 4G download speed award for posting data rates of 12.5 Mbps (versus 7.69 Mbps of the competition). Smart also won the awards for Best in Overall Download Speed, and Best in 4G and 3G Latency Performance.

Complementing this network build-up, PLDT and Smart signed multi-year agreements with leading global technology companies – Huawei Technologies and Amdocs – to overhaul and manage the IT systems and platforms that support their network management and business operations. This will enable PLDT and Smart to design and deliver more relevant and personalized services to their customers individually, and as well in a converged manner.

In 2018, we are stepping up our efforts. PLDT will double the capacity of its fiber-fast broadband network to over 2.2 million ports and expand its coverage to 5.1 million homes passed by end-2018. By 2019, virtually all of PLDT's 1.2 million copper-based DSL subscribers will be upgraded to fiber-fast broadband.

In mobile, Smart will double the number of LTE base stations to about 17,700 and raise the number of LTE-equipped cell sites to over 6,800. With this massive rollout, Smart is raising the ante further: As it installs multiple LTE base stations in cell sites, it is activating LTE Advanced or LTE-A with carrier aggregation – which combines the capacity of two or up to four frequency bands. We have already fired up LTE-A with four carriers or frequency bands in Marikina and Quezon City and have started work in the rest of Metro Manila. We are also doing this in key cities and towns in many areas of the country.

Combined with the right handsets, LTE-A delivers world-class, high-speed mobile internet to Smart, TNT and Sun customers. Smart's internal tests in areas like Marikina and Quezon City have shown that download speeds using smartphones like Samsung Galaxy S8 or S8+, which can handle carrier aggregation of four bands (4CC), averaged over 60 Mbps while peak speeds topped 240 Mbps. Tests in Marikina of five-carrier aggregation (5CC) using capable handsets like Samsung Galaxy S9 and S9+ produced peak download speeds of over 500 Mbps.

Smart is also deploying another LTE-based technology called 4x4 Multiple Input Multiple Output (MIMO) which uses multiple antennas to push more data traffic through available radio frequencies. Designed for use in densely populated areas, MIMO has posted peak download speeds of up to 400-500 Mbps on live network tests using MIMO-capable handsets.

Underpinning these network transformation efforts is the continuing expansion of PLDT's fiber optic network. We grew the coverage of this fiber network by 45% from 120,000 kilometers (kms) in end-2015 to over 174,000 kms by end-2017. We will add another 33,000 kms of fiber cable in 2018, raising the total to about 210,000 kms. At the same time, we are increasing the capacity of our overseas fiber cable system by 80% to 8.9 Terabits per second (Tbps) by end-2019 from 5.0 Tbps in end-2017.

## TARGETED CAPEX

To support network transformation, PLDT is investing resources at unprecedented levels.

In 2017, our capital expenditures reached P40.3 billion, or over roughly one-fourth of our service revenues. This amount was split approximately 70-30 between mobile and fixed networks. For 2018, we have allotted P58 billion in capex, with a little over 50% to be invested in the fixed line. The higher allocation for fixed will support the more aggressive roll-out of fiber broadband to address the strong demand for fiber service and which providentially also supports high-speed mobile data. Moreover, we expect that capex for 2019-2020 will stay at approximately the 2018 level.

Aside from its size, what sets this historic capex program apart is that it is very targeted and coordinated. Our network team has worked closely with our business units so that the final capex plan was guided by clearly-defined priorities that would serve the largest number of customers in the most rapid and efficient way. The process of setting these priorities was informed not only by data analytics derived from network-generated and other information but also by on-the-ground feedback from our sales teams and trade partners.

This unprecedented collaboration explains how the network roll-out has given our business a quick lift. For instance, PLDT Home's robust 13% revenue growth rate in 2017 was driven by the 12% growth in subscriptions, which added some 431,000 new Home customers. That subscriber growth was powered largely by the increase in fiber customers which grew by 131% – an increase made possible by the roll out of fiber lines in the priority areas identified during the network planning process. In short, we are building where we know there are ready customers for fiber services.

## THE ENHANCED POWER OF CONVERGENCE

Faster internet on our fixed and mobile networks is naturally stimulating customer demand and usage of more data and digital services and solutions. Our approach to this unfolding situation is not just to offer more connectivity services, but also to move up the value chain of services and solutions to deliver richer, more fulfilling experiences for our customers.

Our Enterprise Group for example posted robust double-digit growth rates in 2017 in all its business lines. The pace was set by the Group's ICT revenues, which increased 26% to P3.3 billion. ICT growth was led by Managed ICT Security Services which jumped by 59%. This includes such services as Managed Service Desk, Managed Infrastructure and Application Lifecycle Support. Next were cloud services (such as infrastructure-as-a-service and software-as-a-service) which rose 49%. These are the high-value services that build more enduring customer relationships.

PLDT Home and the Wireless Consumer Group have both launched enhanced data plans for our fixed fiber and LTE-powered mobile data services. Smart has for example launched several data plans that enhance video streaming. Recently, it unveiled a path-breaking promo in partnership with Youtube to provide Smart, TNT and Sun subscribers free one-hour viewing time daily on the world's most popular video sharing service.

Our consumer business units are raising the bar further by pushing bundled offers. In December 2017, PLDT Home launched its first "Best Buy Bundle" as a Christmas promo. Under this package, customers can sign up for two or three services – either a PLDT Home *Fibr* plan, a Smart mobile phone subscription and/or a Cignal TV subscription – with discounts ranging from 10% to 15% off their combined bill. There are more Best Buy Bundles in the pipeline.

In February 2018, PLDT and Smart launched its Most Valuable Partner (MVP) Rewards Program, which offers converged customer benefits. Under this program, PLDT, Smart and Sun customers earn reward points by paying their bills on time and putting load into their prepaid mobile phones. Points earned are converted to cash and placed in a virtual *PayMaya* prepaid wallet that customers can use to pay for online purchases. Members also have the option of getting a physical MVP Rewards Visa card linked to their *PayMaya* wallet which they can use to pay when shopping or dining in about 37 million establishments worldwide.

Indeed, *PayMaya* and the other digital payments and marketing services of Voyager Innovation are growing not only as standalone businesses; these are also becoming vital components of converged programs of PLDT and Smart.

In the past year, *PayMaya* strengthened its position as the country's leading mobile payment app by introducing *PayMaya* in Messenger, which allows users to access the payment app via the popular messaging service. *PayMaya* has also made available its scan-to-pay *PayMaya QR* at the payment counters of many large merchants.

Meantime, Voyager's *FINTQ*nologies (*FINTQ*) fortified its leadership in providing inclusive financial services. Its *Lendr* is the country's premier platform for digital lending, with over P27 billion in loans disbursed since 2015. Last year, it launched *KasamaKA*, a national program that combines a referral and community income building component with micro-savings, micro-investments and micro-insurance.

These and other Voyager services have become part of the growing portfolio of services being offered by PLDT Enterprise through its Smart City program. The first initiative of this program was *#Ready* which equips local governments with digital communications and information management solutions to better manage emergency and disaster situations. We now have begun to offer platforms and services that improve public services, people's welfare and stimulate local economic and social development.

*PayMaya*, for instance, is now increasingly being used by local governments as a secure and efficient channel for distributing benefits for senior citizens and student scholars. Nearly 50 LGUs have signed up and are in the process of onboarding

In a related initiative, PLDT Enterprise has partnered with *Go Negosyo* to launch the SME e-commerce enablement program. Working with the Department of Trade and Industry and local governments, the program will train and enable small businesses to set up and manage online stores using *Tackthis!*, Voyager's online store builder. This platform also provides small businesses with nationwide logistics support, online payments via *PayMaya* and marketing support through *Takatak* ([www.takatak.com](http://www.takatak.com)), Voyager's virtual marketplace.

## ONE CONSUMER ORGANIZATION

To enable our consumer businesses to become more effective, we have brought PLDT Home and the Wireless Consumer Group under a single Consumer Organization with two pillars. The first pillar is led by Consumer Market Development Group, which handles product development, marketing and loyalty, customer experience and consumer analytics. The second is run by the Consumer Customer Development Group, which handles revenue generation from all consumer sales channels.

With this One Consumer Group, we will be able to align the efforts of the PLDT and Smart organizations to serve our Home and Wireless Individual customers by shifting from silo-driven to converged ways of working. Together with our Enterprise Group which has been converged for the past several years, we will be in a better position to address the needs of all our customers at home, at work and on the move.

## CORPORATE ACTION: RESPONDING TO URGENT NEEDS

The year 2017 posed special challenges to the country that required extraordinary corporate action.

The six-month battle for Marawi City between Government forces and Islamic State-inspired militants devastated the Philippines' only Islamic City and drove about 400,000 people from their homes. Working with kindred companies and corporate organizations, PLDT through the PLDT Smart Foundation (PSF) provided immediate relief to soldiers and affected communities.

Under the banner of *Tulong Kapatid* of TV5, PLDT joined hands with Meralco, Philex Mining Corporation and Metro Pacific Investments Corporation (MPIC) to deliver food packs to more than 1,000 people in evacuation centers near Marawi. Working with the Duterte Cabinet Spouses Association, *Tulong Kapatid* also gave financial assistance to the families of about 100 soldiers and officers who were killed in the fighting. On its own, the PSF gave 1,000 food packs to soldiers of the 4th Mechanized Infantry Brigade in Iligan City. It also provided 100 portable water filters to both government troops and evacuees.

Moving forward, PLDT has pledged support for the rehabilitation of Marawi in cooperation with the Philippine Business for Social Progress (PBSP) and the Philippine Disaster Resilience Foundation (PDRF). In this way, we are continuing our practice to actively participate in the recovery efforts of areas hit hard by calamities. In line with this, the PSF, in cooperation with One Meralco Foundation and Ciena Communications, turned over the *Tulong Kapatid* Multi-Purpose and Evacuation Center to the Archdiocese of Palo, Leyte which had been heavily damaged by Typhoon Yolanda in November 2013.

We also remained very active in disaster preparedness. Through the PDRF, we joined the effort to set up the Emergency Operations Center (EOC) in Clark, Pampanga, which was inaugurated in April 2018. Smart invested in and activated its Emergency Cell Broadcast System which provides the government a rapid channel for issuing disaster alerts. Smart also conducted disaster preparedness training programs for seven state universities, five dioceses of the Catholic Church and 10 communities in various parts of the country.

We also stayed focused on education, particularly public schools. In 2017, the *Gabay Guro* Program (the flagship program of the PLDT Managers' Club and the PSF) celebrated its 10th anniversary by supporting 542 public school teacher scholars. PLDT's Infoteach Program is providing digital literacy training for about 6,000 public high school teachers and students in the school year 2017-2018. It also introduced a new training curriculum to include current concerns such as media and social media literacy, cybercrime law and data privacy.

Smart's education programs cover the primary level to college, and also include out of school youth. Its School-in-a-Bag program, for example, uses backpacks loaded with an LED TV, a laptop, five tablets for students, a solar power pack, hard drive and a mobile WiFi device to bring 21st Century learning content and systems to barangay grade schools and out-of-school youth in remote communities. Since the start of the program in 2016, about 65 schools and communities have been reached by this program with pledges from partners to support the deployment to 50 more.

The Smart Wireless Engineering Education Program delivered industry-grade training to engineering and IT colleges in 42 partner schools also over the country. The SWEEP Innovation Challenge to develop mobile innovations drew 312 entries from 78 schools.

## OUTLOOK

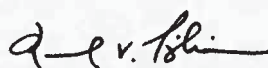
In my message last year, I highlighted the need for us to reboot the business and to use 2016 as the period for resetting our profitability to a new baseline of P20.2 billion in recurring core income without exceptionals. The intention was to gradually raise profitability, starting with an increase in underlying core income to P21.5 billion in 2017 as our target. As it turned out, we exceeded that goal, as recurring core income for 2017 reached P22.3 billion.

Moving forward, our task is to build on these modest, but real gains. In terms of business units, the targets are clear. Home and Enterprise must maintain their double-digit momentum, while our Individual Wireless Group must stabilize revenues, or better yet register some growth. Given this, we expect service revenues to rise by about 4% and our recurring core income to grow by between P1.0 to P2.0 billion to P23.0 to P24.0 billion in 2018, excluding the impact of Voyager Innovations.

To achieve this goal, we must remain focused on executing our key tasks. This means pursuing our aggressive network roll out to bring world-class fixed and mobile internet services to more parts of the country, as well as provide added capacity to handle the growing data traffic arising from greater data usage of our customers. We shall also develop and deploy more compelling, converged, personalized digital services and solutions for both our consumer and enterprise customers. And finally, we shall keep transforming our organization to make it more nimble, innovative and customer-focused.

And despite all the disruptions and changes happening around us, serving our customers in the best possible way remains our overarching goal. As our tagline for PLDT's 90th anniversary this year says: "It's you that counts" – it is all about serving each customer better.

Let me close by thanking our shareholders for their generous support, our Board of Directors for their judicious counsel, and our Management and Staff for their relentless efforts to put our Company back on the path of growth and profitability – and for building a robust and inclusive digital economy.



Manuel V Pangilinan  
Chairman of the Board and Chief Executive Officer



🗨️ And despite all the disruptions and changes happening around us, serving our customers in the best possible way remains our overarching goal. As our tagline for PLDT's 90th anniversary this year says: "It's you that counts" – it is all about serving each customer better. 🗨️





Connecting people today conveys  
much more color, content and meaning.

## THE PLDT GROUP

# Corporate Milestones

In line with its digital pivot, PLDT stepped up in 2017 the roll-out of high-speed internet on its fixed and mobile networks, launched converged digital bundles and fine-tuned its service offers to better serve its customers.

### FIBERIZING THE NATION

By end-2017, PLDT's fiber network had grown in reach to 174,000 kilometers, stretching as far north as Ilocos Norte and to down south in the provinces of Davao and Sarangani. This enabled PLDT to expand the coverage of its fiber-fast broadband network to four million homes passed and to increase its capacity to over one million lines.

The fiber roll-out was two-pronged. PLDT deployed fiber-to-the-home (FTTH) facilities that can deliver speeds of up to 1 Gbps and "fiberized" its existing copper network through the use of hybrid fiber technologies like G.fast and VDSL capable of speeds of up to 600 Mbps.

To speed up its fiber roll-out, PLDT launched the "Smart City" program which was implemented with the cooperation of Local Government Units (LGUs). The first Smart City was set up in Toledo City, Cebu in March 2017, followed by General Santos City, Naga, South Metro Manila, East Metro Manila, and central business districts like Rockwell Makati and Bonifacio Global City, while Cavite became the first "Smart Province."

Aside from the Smart Cities, the PLDT Home Fibr rollout also covered key areas in and around Metro Manila, including Makati, Pasay, Parañaque, Las Piñas, Antipolo, Marikina, Pasig, Taguig, Laguna, and Caloocan. Fiber was also deployed in key areas in Luzon, such as the cities of Laoag, Baguio, Vigan, Tuguegarao, Tarlac, Cabanatuan, San Fernando, Puerto Princesa, El Nido, Sorsogon, and Legazpi. Cities in Mindanao such as South Cotabato, Cotabato, Davao, Koronadal, Zamboanga, Sarangani, and Sultan Kudarat were also covered.

### POWERING UP LTE

Alongside the aggressive fixed network expansion was the massive upgrade of Smart's mobile network. Smart doubled the number of LTE base stations in its cellular network to over 8,700 and increased its 3G base stations to about 9,850.

This has boosted Smart's mobile internet coverage, particularly in key metropolitan areas like Metro Manila, Cebu, Davao and other parts of the country. This new LTE base stations are using low-frequency bands such as 700 MHz and 850 MHz to provide better indoor coverage combined with high-frequency

bands like 1800 MHz and 2100 MHz to increase capacity. Third party studies confirm that Smart's LTE speeds and coverage have improved significantly. A report of mobile analytics firm OpenSignal covering the last quarter of 2017 cited Smart for its leadership in LTE data speeds and LTE and 3G latency.

Leveraging on its LTE deployment, Smart activated LTE-Advanced (LTE-A) in more cell sites, particularly its carrier aggregation feature which combines the capacity of two or more frequency bands to deliver progressively higher data speeds. First, in Boracay and then in Marikina and Quezon City, it fired up LTE-A using four frequency bands or four component carriers (4CC), thus boosting mobile data speeds to more than 200 Mbps using 4CC-capable smartphones such as the Samsung Galaxy S8 and S8+. Smart is also firing 3CC in more cell sites in different parts of the country.

To complement its fixed and mobile internet roll outs, PLDT is also rolling out carrier-grade WiFi in more areas throughout the country. By early 2018, Smart WiFi had been installed in nearly 400 sites nationwide offering high-speed, carrier-grade internet service. These areas included key transport hubs, such as airports, seaports, bus terminals and train stations all over the country. In June 2017, for example, Smart expanded its Free WiFi service along the MRT line on EDSA. Smart WiFi has also been deployed in schools, malls and commercial areas, and public spaces of local governments.

Complementing their network transformation activities, PLDT and Smart are also overhauling the IT systems and platforms that support their network and business operations. Leading global technology companies Huawei Technologies and Amdocs have been tapped to install and manage new IT platforms and solutions that will enable PLDT and Smart to better serve their customers in terms of service provisioning and after sales. They will also be able to develop and deliver more personalized services for customers.





## SERVING THE DIGITAL CUSTOMER

As it worked on turning its fixed and mobile networks into high-speed internet highways, PLDT and Smart expanded their portfolio of digital solutions for entertainment, home and personal security, automation, and connectivity.

The most visible use case for fiber-speed internet is high definition video. In June 2017, PLDT made video viewing much easier through a partnership with American video streaming pioneer Roku Inc. It launched a new *TVolution box* – an all-in-one, plug-and-play entertainment solution loaded not only with video-on-demand titles from *iFlix* and *Netflix*, but also pay-TV channels from *Signal*, free content from *YouTube*, and over 100 other streaming channels.

To promote peace of mind at homes, PLDT brought Australia's top parental control device *FAM ZONE* to the country. This device helps parents manage the internet usage of their children to create a safe internet experience for the entire family while enjoying the benefits of a digitally connected smart home.

PLDT also introduced the *Whole Home WiFi* - the Philippines' first intelligent wifi technology designed to blanket the entire home with wireless connectivity. The *Whole Home WiFi Plan* comes with a 50 Mbps Fibr connection. The design and installation service is provided by the *Home Geek Squad*, a group of technical architects pioneered by PLDT Home to provide subscribers end-to-end servicing.

In a sign of what's to come, PLDT launched in December 2017 its first "Best Buy Bundle" that combines its fiber connectivity packages with pay TV offers of *Signal* and mobile phone service plans of *Smart*. Aside from the convenience of a unified bill, subscribers can save up to 15% off their combined bill when they choose to sign up for two or three services from PLDT Home, *Smart*, and *Signal TV*.

On mobile, PLDT's cellular brands *Smart*, *TNT*, and *Sun* focused on offering targeted, largely data-driven packages to identified groups of subscribers.

*TNT* was repositioned from being a call-and-text, value brand to a data-oriented service addressing a young, digital market with an enhanced, LTE-powered service. The shift started in 2016 when *Talk N Text* was rebranded to *TNT* and started offering sachet data packs called *Babad Apps*, which let customers use his data load for an app of his choice such as Facebook, Instagram

or *Viber*. In 2017, *TNT* offered open-access data packs – first with *SuperCombo30* with 200 Mb of open access data load and then later with *Panalo Data 30* and *60* which offered 500 Mb and 1 Gb open access data load.

Similarly, *Sun* was relaunched with a strong data thrust as well, offering LTE service with new SIMs and devices.

As part of the growing emphasis on mobile video, *Smart* offered in April 2017 *Fox+* subscription, a new loaded app that features the latest movie blockbusters, TV series, documentaries, and live sporting events. This service was accessible for *Smart*, *PLDT*, and *Signal* subscribers, to be added on top of any postpaid plan for P390 per month.

Postpaid customers also enjoyed data access even while travelling abroad with *Surf Abroad 550*. They can avail of *Surf Abroad* with no need for registration, no manual network selection and usage charged as part of the plan's consumables.

*Smart* offered *Smart Travel WiFi* powered by virtual SIM technology, which enabled local connectivity for up to five devices and provided high-speed internet service in over 100 countries. *Smart Travel WiFi* offered both 3G and 4G services for as low as P290 per day for select Asian countries and P490 per day for the rest of the world.

*Smart* also launched its groundbreaking app *RoamFree*, which allows users to connect to travel services without data roaming charges. A one-stop portal, *RoamFree* gives free instant access to up to 21 partner apps at the user's destination, even without a roaming data package.

The app is now available for use in 26 destinations, including the United States, Australia, Canada, China, Hong Kong, Macau, Japan, Singapore, Thailand, Taiwan, and United Kingdom.

But it wasn't all data. In June 2017, *Smart* offered *ALL TALK 299* for postpaid plans 1499 and above, that allowed subscribers to call across all networks, with 300 all-net minutes.

To foster loyalty among its retail trade partners and distributors, *Smart* provided incentives via the *Ka-Partner Rewards* program, which culminated in annual conventions in Metro Manila, Cebu, and Davao featuring the country's top celebrities and a raffle draw for a brand-new car and P1 million. *Smart* also conducted financial literacy sessions for its *Ka-Partner Millionaires Circle*.



## HELPING IN NATION-BUILDING

Carrying out its mandate of nation-building, PLDT Enterprise launched its Smart City program to offer local governments and communities digital connectivity and solutions that would promote economic growth, public safety, citizen welfare and digital infrastructure.

The first initiative under this program was #READY, which seeks to boost the ability of local governments to handle and manage emergency and disaster situations. One solution being offered through this initiative is the Smart SOS Dispatch, an emergency communications and information management system.

To assist its customers in addressing new challenges, PLDT Enterprise mounted several major events such as the Cyber Security Summit in February 2017 and the Philippine Digital Convention in June 2017 with the theme "Redefining the Experience."

To strengthen the country's digital infrastructure, the VITRO Network of Data Centers continued its expansion program across the Philippines, with two new locations in Clark, Pampanga and Davao City, the country's first commercial data center in Mindanao. This brought the Group's data center capacity to over 9,000 racks.

To bring more technology innovations to customers, PLDT Enterprise sealed key partnerships with leading international and local technology providers, such as Cignal TV, Cisco Systems, Inc., The BT Group and Akamai Technologies, to better serve the Philippine enterprise Market.

## PUSHING DIGITAL LIFE SERVICES

Nearly 20 million Filipinos are now enjoying various digital services through the platforms of PLDT subsidiary Voyager Innovations. These include digital payments via *PayMaya*, remittances through *Smart Padala*, digital lending via *Lendr*, digital commerce with *Takatak*, sponsored data access and rewards with *Freenet*, as well as digital marketing customer engagement through *Hatch*.

To boost the usage of cashless technologies, Voyager's financial services arm *PayMaya Philippines* introduced *PayMaya* in Messenger in October 2017, allowing customers to create a *PayMaya* wallet and access financial services through the popular messaging app. It also introduced its scan-to-pay service *PayMaya QR* through key merchants such as The SM Store, Robinsons Retail Holdings and its various brands, McDonalds and Mercury Drug and many others.

On the enterprise side, Voyager equipped over 300 businesses – ranging from banks to government agencies, large firms, and small and medium enterprises (SMEs) – so they can expand their reach and enrich their services to customers through digital channels. To support this thrust, Voyager launched its *Voyager DigiHub* Program in December 2017, as well as affordable bundles for micro, small and medium enterprises (MSMEs) under its Digital Plus packages, in cooperation with PLDT.

On the financial technology side, Voyager's *FINTQnologies* (*FINTQ*) now has the most extensive digital lending footprint nationwide, with over P27 billion in loans disbursed through its *Lendr* platform since 2015.

In September 2017, Voyager launched *KasamaKA*, a cost-efficient, convenient, secured, and transparent shared services platform to help Filipinos access banking services. At the same time, *KasamaKA* is also a community income builder program whose members are rewarded for doing financial transactions. Through *KasamaKA*, *FINTQ* is providing one million free microinsurance policies to unbanked and underserved Filipinos, in cooperation with the *Liga Ng mga Barangay sa Pilipinas*, through its *KasamaKA Microinsurance* program.

To encourage greater participation in the growing digital economy, Voyager has also expanded its free internet platform *Freenet* beyond merely providing sponsored data access to its partner apps and sites. It is now also providing reward points that users can exchange to redeem prepaid load and data packages from all mobile networks within the *Freenet* app.

*TackThis!*, Voyager's online store builder platform, signed a partnership with *Go Negosyo* to provide e-Commerce capabilities to MSMEs all around the country. Through *TackThis!*, small merchants from the 81 provinces of the Philippines will be able to create their own online storefronts and expand their market to the rest of the country.

## THE PLDT GROUP

# Awards and Recognitions

### INVESTOR RELATIONS

#### Institutional Investor All-Asia Executive Team

- Best IR Professional #2 – Melissa Vergel de Dios
- Best Website #3

#### Finance Asia

- Best at Investor Relations #2
- Best at Social Corporate Responsibility #5 – PLDT
- Most Committed to Corporate Governance #4

### SMART

#### Asia Communications Awards (ACA)

- Digital Service Provider of the Year
- Welcome Change Campaign: Best Brand Campaign

#### World Communication Awards (WCA)

- Welcome Change Campaign: Best Brand Campaign
- SHINE OS+ (Secured Health Information Network and Exchange): Social Contribution Award

#### International Public Relations Association's Golden World Awards (GWA)

- SHINE OS+ (Secured Health Information Network and Exchange): Healthcare Category
- TNT Super Panalo Day: Events Management Category

#### Public Relations Society of Philippines (PRSP) Anvil Awards

- Company of the Year for second consecutive year (with 17 Gold Anvils and seven Silver Anvils)

#### International Association of Business Communicators Philippine Quill Awards

- 2nd Runner-up: Company of the Year (with 12 Excellence Awards and nine Merit Awards)

#### Open Signal Awards

- Fast Network Overall in the Philippines
- Fastest LTE Network in the Philippines
- Lowest Latency on LTE in the Philippines
- Lowest Latency on 3G in the Philippines

#### LinkedIn Awards

- Most Socially Engaged Company

#### World Branding Institute

- Asia's Best Employer Brands

### ePLDT

- 2017 Microsoft Country Partner of the Year
- Cisco 2-Tier Partner of the Year
- AGS subsidiary: ToP SAP Business One Award for the Philippines & Southeast Asia
- AGS: SAP certifications – SAP S4 HANA Partner Center of Expertise, SAP SuccessFactors Certified Partner, and SAP C4C Certified Partner

### PLDT ENTERPRISE

#### PRSP Anvil Awards

- PLDT ALPHA
  - 2017 Customer Engagement Campaign
  - Changing the Way You Do Business Campaign
  - Customer Satisfaction Campaign
  - Hot Joe Magazine Volumes 24 – 28
- PLDT SME Nation
  - BIG Talks Series
  - Make it BIG Campaign
  - #BeTheBoss Awards
  - Tech Mobile
  - TechIsland 3.0: Challenge, Change, Conquer

#### IABC Quill Awards

- PLDT ALPHA
  - Hot Joe Magazine Volumes 24 -28
  - PLDT Pasasalamat Night
  - 2016 Philippine ICT Leadership Convention: Digital Now!
- PLDT SME Nation
  - #BeTheBoss Awards
  - BIG Talks Series
  - TechIsland 3.0: Challenge, Change, Conquer

#### MEF 2017 Awards

- Retail Service Provider of the Year – APAC
- Wholesale Service Provider of the Year – APAC
- Enterprise Application of the Year – Business Process Services

## PLDT HOME

### PRSP Anvil Awards

- PLDT HOME ULTERA: Strengthening the Volleyball Community with the Volleyfriends  
*GOLD AWARD for PR Programs Directed at Specific Stakeholders – Communities*
- PLDT HOME DSL: #MostBeautifulConnection Video  
*GOLD AWARD for PR Tools Multimedia / Digital – Online Video*
- PLDT GABAY GURO  
*GOLD AWARD for PR Programs on a Sustained Basis – Social Responsibility*
- PLDT GABAY GURO: Teacherfest  
*SILVER AWARD for PR Tools, Exhibits, and Special Events – Milestones*
- PLDT HOME: Regine Series Nationwide Tour  
*SILVER AWARD for PR Tools, Exhibits and Special Events – Launches*
- PLDT HOME FIBR: Planner  
*SILVER AWARD for PR Tools Publications*
- PLDT HOME DIGITAL SERVICES: New Kiddie Gadget Alert—the Smart Watch by PLDT Home!  
*SILVER AWARD for PR Programs Directed at Specific Stakeholders – External Consumers*
- PLDT HOME DSL: Data Sharing with PLDT Home  
*SILVER AWARD for PR Programs Directed at Specific Stakeholders – External Consumers*

### PANATA Awards 2017

- PLDT HOME DIGITAL SERVICES: New Kiddie Gadget Alert—the Smart Watch by PLDT Home!  
*Awardee for Brand-Integrated Program-Tactical (Promotions) Category*
- PLDT HOME DSL: Data Sharing with PLDT Home  
*Awardee for Brand-Integrated Program-Tactical (Promotions Category)*
- PLDT GABAY GURO: TeacherFest  
*Awardee for Brand-Single Medium-Activation Category*

### PR Week Asia 2017

- PLDT HOME ULTERA: Strengthening the Volleyball Community with the VolleyFriends

### Quill Awards 2017

- *FINALIST for Brand Development Campaign of the Year (Service)*
- PLDT HOME: Pay to Win with PLDT Home  
*Category: Communication Management - Customer Relations*
- PLDT Gabay Guro Training and Scholarships  
*Category: Communication Training and Education*
- PLDT Home Fibr Planner  
*Category: Communication Skills—Publications*
- PLDT Home DSL #MostBeautifulConnection Video  
*Category: Communication Skills—Audio/Visual*

### Readers' Digest Trusted Brand 2017

- PLDT HOME Fibr  
*GOLD AWARD for Broadband Services*
- PLDT HOME  
*PLATINUM AWARD for Landline Phone Services*

### World Communication Awards by Total Telecom

- PLDT Home  
*Finalist – Digital Lifestyle Award*
- PLDT Home Fibr  
*Finalist – The Broadband Pioneer Award*

## PLDT

### JobStreet Awards

- Among Top Ten Companies Filipinos Aspire To Work For



A person is sitting on a red blanket on a green lawn. The background features lush tropical vegetation, including palm trees and a large green tree on the left. In the distance, a modern building is visible under a clear blue sky. The overall scene is bright and sunny, suggesting a relaxed outdoor environment.

Enabling a  
delightful  
digital lifestyle.







Opening doors for young minds.

THE PLDT GROUP

# Corporate Social Responsibility Report

Continuing its efforts to improve the lives of Filipinos, PLDT pursued innovative programs in various fields such as education, health, disaster resiliency and preparedness, environmental protection, and sports – with an increasingly digital spin.

## PROMOTING DIGITAL LITERACY

In 2017, PLDT's Infoteach Outreach Program provided digital literacy training for some 3,400 teachers and 3,000 students in 10 schools divisions of the Department of Education (DepEd) covering 15 cities and municipalities. This brought the total graduates of the program since its launch in 2004 to over 25,000. Working with the University of the Philippines Open University (UPOU), PLDT Infoteach launched its latest training curriculum, which included modules on such subjects of current interest as social media for education and responsible citizenship; media literacy on fake news and alternative facts; global citizenship including computer ethics, cybercrime law and data privacy. Other partners in the program were DepEd, the UPOU Foundation, the Department for Information and Communications Technology (DICT) and the local governments where the participating schools are located.

2017 also marked the 10th anniversary of the *Gabay Guro* Program, the flagship program of the PLDT-Smart Foundation (PSF) and the PLDT Managers' Club, Inc. (MCI). The program supported 542 public school teacher-scholars of which 155 graduated – 67 with Latin honors. In addition, 80 *Gabay Guro* scholars passed the Licensure Examinations for Teachers (LET). *Gabay Guro* also continued its advocacy on equal learning opportunities for all. They participated anew in *Brigada Eskwela* (School Brigade) through the Juan M. Alberto Memorial Elementary School, which was in disrepair due to the damage inflicted by typhoon Nina in 2016.



**3,400**  
TEACHERS AND  
**3,000**  
STUDENTS WERE  
PROVIDED DIGITAL  
LITERACY TRAINING



**542**  
GABAY GURO PUBLIC  
SCHOOL TEACHER-  
SCHOLARS IN 2017



Photo from left to right:

The annual Gabay Guro Teacher Fest is a fitting tribute to all pillars of education.

The PLDT Broadband Quiz under the PLDT Infoteach Program showcases the IT know-how of teachers and students beneficiaries.

In August 2017, the *Pamantasan ng Lungsod ng Maynila* (PLM) inaugurated a high-tech facility for its IT and Engineering students with upgraded equipment and an improved learning environment that was built through the financial assistance of PLDT and Smart Chairman and CEO Manuel V. Pangilinan, the PLDT-Smart Foundation (PSF) and the One Meralco Foundation (OMF). Called the MVP Technology and Innovation Center, this facility was set up through the renovation and re-fitting of PLM's five-storey College of Engineering building.

Smart Communications further advanced its School-in-a-Bag (SIAB) and Technocart programs, which use technology to promote education, especially for schools in remote areas with no power or water, and, for the out-of-school youth. In 2017, Smart distributed 18 Technocarts and 17 Schools-in-a-Bag. A TechnoCart contains 20 tablets, a projector, a laptop-tablet, and a pocket Wi-Fi with starter load, and can be wheeled from one classroom to the next. The tablets and laptops are preloaded with educational content. Each School-in-a-Bag comes in a large backpack containing solar power equipment, an LED TV, a laptop and teacher's tablet, five tablets for students, and Wi-Fi with starter load. Fourteen of these backpacks were given to schools in remote areas, while three were given to mobile teachers who teach out of school youth in 31 schools. Interestingly, the School-in-a-Bag program has become a partnership vehicle for like-minded companies and organizations. For example, UBS Investments Philippines donated funds through the PSF for 10 School-in-a-Bag units, of which four were delivered in 2017. More units that were donated in 2017 will be delivered to schools and communities in 2018.

In 2017, the SWEEP provided industry-level training for over 1,100 teachers and students of its 42 partner engineering and IT schools in various parts of the country. The SWEEP Innovation and Excellence Award Competition was won by the University of San Jose Recoletos for its mobile app "Blood Seeker" which is designed to expedite the search for blood donations.

In 2017, Smart partnered with the DepEd and various colleges and universities to develop mobile apps in various local languages to help improve learning in the primary grades. This is in support of the DepEd's implementation of Mother Tongue-Based Multilingual Education.

The first two learning apps include one being developed with the Bangsamoro Development Agency (BDA) and the Far Eastern University – Institute of Technology that is aligned with the *Tahderiyyah* kindergarten curriculum. Another is an app that teaches Arabic language and Islamic values while promoting independent learning among Arabic Language and Islamic Values Education (ALIVE) students in General Santos and Sarangani. An Ilokano learning is now under development in partnership with the Mariano Marcos State University in Batac, Ilocos Norte while a Cebuano literacy app is being done in collaboration with the University of Cebu.

Smart has integrated the Dynamic Learning Program (DLP) as a teaching strategy into its various programs like School-in-a-Bag and the learning apps. Developed by Ramon Magsaysay awardees Dr. Christopher Bernido and Dr. Ma. Victoria Carpio-Bernido, DLP has proved to be an effective system for helping students learn under challenging circumstances.

### ENHANCING DISASTER PREPAREDNESS AND RESILIENCY

2017 was a difficult year for the Philippines as the scenic lakeside City of Marawi in Lanao del Sur became the battleground between government troops and Islamic groups linked to the Islamic State of Iraq and the Levant (ISIL). Over a thousand people were killed, communities were devastated by bombs and bullets, and, tens of thousands of families were left homeless by five months of intense fighting.

In response, PLDT and Smart joined hands with kindred companies to help the displaced communities and the soldiers. The largest such effort was the relief mission conducted by the PSF and the OMF in cities of Iligan and Marawi, where



Photo from left:

School-in-a-Bag and TechnoCart program beneficiaries from remote areas enjoy the benefits that come with the packages.

Kids have fun at the Puppet Show during the Marawi Kids CSR Day led by MVP Tulong Kapatid.



many families fleeing the fighting had sought refuge. The PSF donated food packs and clothing for 500 people while OMF and Smart gave additional food packs for more than 1,000 people in evacuation centers. PSF also delivered ice cream to the Maria Cristina evacuation center in Iligan, to bring some much-needed cheer to the children.

Working with the Duterte Cabinet Spouses Association, PSF, OMF, the Philex Mining Corporation, and the MPIC, extended help to the families of 98 soldiers and three police officers who were killed during the Marawi siege.

PSF also provided 1,000 “care packs” for soldiers of the 4th Mechanized Infantry Brigade, in Iligan City as well as 100 portable water filtration devices to address the problem of potable water for both the troops and the evacuees. The care packs contained snacks, cookies, and sports drinks to supplement the soldiers’ usual food rations. PSF also donated lifesaving chest seals and hemostatic agents to the Camp Evangelista Hospital in Cagayan de Oro.

Smart set up a mobile cell site to serve government troops in the Marawi military camp. PLDT and Smart provided internet service so that soldiers could communicate more easily with their families at home. Smart also set up Libreng Tawag (Free Calls) booths for evacuees and provided text blast services via Smart Infocast to help government and the military communicate with the public.

Looking forward, PLDT, Smart, Meralco and MPIC also pledged support for the rehabilitation of Marawi during with a summit sponsored by the United for Marawi consortium. The consortium is made up of the PDRF and the PBSP which are both chaired by Pangilinan.

In 2017, PSF conducted follow-through activities to help communities hard hit by Super Typhoon Yolanda in 2013. In partnership with One Meralco Foundation and Ciena Communications, PSF inaugurated the *Tulong Kapatid* Multi-Purpose and Evacuation Center. Donated to the Archdiocese of Palo, Leyte, this multi-purpose center can accommodate up to 1,500 people during emergencies. It can also be used for gatherings and community events during normal times. The *Kapatid* Village Program was also started where PSF, OMF and MPIC pledged a total of 40 houses to the Siasi Municipality, an island municipality of Sulu.

Meanwhile, Smart has enhanced the capability of the National Disaster Risk Reduction and Management Council (NDRRMC) to issue disaster alerts by activating its P500-million Emergency Cell Broadcast System (ECBS). Smart’s ECBS issues quick location- and hazard-specific alerts using a communications channel separate from that used by calls and text messages, which may get congested in times of calamities. This makes ECBS a more effective disaster communications system. It is now being used by the NDRRMC.





Smart also provided anew emergency communications support during the National Simultaneous Earthquake Drills held in Cebu, Davao and Cavite. The services deployed include mobile cell sites, ECBS, free calls and charging, satellite communications, and the SOS Dispatch solution, which enables LGUs to monitor, record, and dispatch reported incidents while keeping responders connected in near real-time.

Smart rolled out its TNT *Tropang* Ready Caravan in state universities to train the students in mobilizing their communities in times of disasters. *Tropang* Ready schools include Batangas State University, Bulacan State University, Southern Leyte State University, University of Science and Technology of Southern Philippines–Cagayan de Oro, University of Baguio, Isabela State University, Eastern Visayas State University and public and private educational institutions in Ormoc, including St. Peter’s College.

PDRF also began to build the permanent Emergency Operations Center (EOC) in Clark, Pampanga. The EOC in Pampanga serves as the first national private sector emergency center of its kind. It monitors typhoons and earthquakes, helps with disaster response, and engages members in table-top exercises, workshops, and drills.

### QUALITY HEALTHCARE

PLDT continued to conduct the “*Dugong PLDT*” blood-letting program in offices of PLDT and the Philippine Red Cross (PRC). This was done in partnership with Philippine Children’s Medical Center (PCMC) and PRC. Some 700 PLDT employees from various offices and some outsiders donated blood in support of the Department of Health’s (DOH) campaign of providing safe blood to those in need.

In early 2017, Smart unveiled the latest version of the Operation Smile app for both Android and iOS mobile devices. The updated app was launched as part of Operation Smile Philippines’ (OSP) 35th anniversary, with the campaign #UntilWeHeal. The app, being used by volunteers from OSP and International Care Ministries, helps in digitizing medical information and mapping cleft patients. It enables OSP to plan medical missions in a more efficient manner, by identifying areas with high number of children with cleft conditions.

Smart supported OSP’s medical missions in the following areas: Batangas, Bacolod, Dumaguete, and Iloilo. Since the organization’s launch in 1982, more than 31,000 children in the Philippines have been operated upon by Operation Smile volunteer doctors. This year alone, around 900 beneficiaries have been treated, while more than 600 patients have been encoded in the app.

### PROTECTING THE ENVIRONMENT

PLDT has continued its support for the Motolite-PBSP Balik-Bateria Program which promotes proper disposal and recycling of used batteries. Funds from donated used batteries are used to support CSR projects identified by both PLDT and PBSP. In 2017, PLDT raised P10.7 million from this program. These funds will be used in 2018 to fund key programs like schools in Marawi and other areas.

Harnessing technology to protect the environment, Smart teamed up with technology partner Ericsson to implement the Connected Mangroves project in Bangkung Malapad, Sasmuan, Pampanga. This IoT (internet of things) solution uses Smart’s wireless connectivity to transmit data about the condition of the mangroves, such as water level, humidity, soil moisture and temperature.



Smart also collaborated with startup Instigators Inc. for the Biosentinel environment monitoring system, to be deployed in Mt. Makiling Forest Reserve. The system has three components: the web dashboard; the app, which can be used by forest patrollers; and the analytics data software.

Smart and PSF also renewed their commitment to the Marikina Watershed Initiative (MWI) by expanding their livelihood assistance to the communities working to rehabilitate the protected area. They also provided funding in support of the *Tayabasang Umuusad ng Pangkatutubong Asosasyon* (Tupai) community and Forest Families project, which give incentives to families for their efforts to protect forest areas. The two organizations are committed to the protection of 13 hectares of remaining forest and restoration of five hectares within the high conservation areas of the Marikina watershed for a period of five years.

### UNIFYING THE NATION THROUGH SPORTS

The MVP Sports Foundation (MVPSF) actively supported the Philippine participation in the 29th Southeast Asian (SEA) Games and 9th Association of Southeast Asian Nations (ASEAN) Para Games held at Kuala Lumpur, Malaysia. The country competed in 38 sports categories garnering a total of 121 medals – 24 gold, 33 silver, and 64 bronze. MVPSF supported athletes in eight sports, namely: badminton, basketball, boxing, cycling, football, golf, rugby, and taekwondo.

The big sports news for 2017 was the successful bid of the *Samahang Basketbol ng Pilipinas* (SBP) for the Philippines to co-host the 2023 FIBA World Cup together with Indonesia and Japan. This is the first time that this global competition will be co-hosted by several countries. Though the tournament is still several years away, preparations have begun.

*Photo from left:*

*A student volunteer uses SHINE OS+ to encode the health information of a resident from the Gawad Kalinga Ark of Noah community in Bocaue, Bulacan.*

*An Operation Smile volunteer takes a photo of a young cleft patient using the Operation Smile app during a medical mission in Batangas City.*

*This phone screen shows the Connected Mangroves dashboard, which reflects data transmitted by sensors attached to the mangrove trees in Sasmaun, Pampanga.*

*A big day for Philippine basketball with SBP's successful bid to co-host the 2023 FIBA World Cup.*



**P10.7M**  
RAISED THROUGH  
BALIK-BATERYA PROGRAM



MORE THAN  
**31,000**  
LIVES CHANGED BY  
OPERATION SMILE

A fresh  
view of our  
changing  
world.







PEOPLE AND CULTURE

# Enhancing Employee Experience

2017 was a pivotal year for the ongoing business and culture transformation journey of PLDT and Smart. Amid all the challenges that rapid changes bring, our people are rising to the challenge of reinventing our business and organization as a digital market leader. This task has become more urgent with the advent of new technologies such as 5G, artificial intelligence and the internet of things (IoT). While embracing disruption, our people's passion for their work continues to be driven by our rich heritage of connecting families and individuals, empowering businesses and building communities and the nation.

## EMPLOYEE EXPERIENCE: Central to Culture Transformation

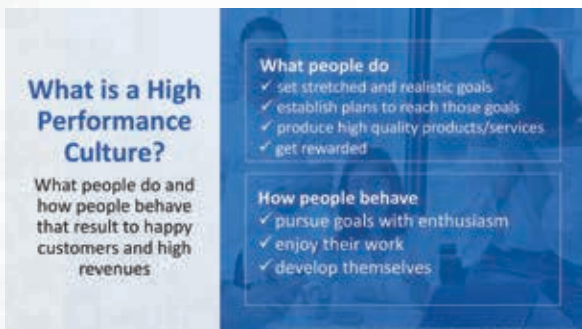
In the digital economy, experience is the new currency. To deliver awesome customer experience (CX), we have set employee experience (EX) as central to our culture transformation. It rests on the simple premise that the way we treat our employees influences how they deliver service to our customers. In designing and assessing people programs and processes, we are guided by the EX principles: leader-led, employee-owned, and digital-enabled.



## PERFORMANCE AND REWARDS: Fundamentals for Aspiring for a High Performance Culture

In 2017, we focused on two key steps to shift PLDT and Smart onto transformation mode:

- Align groups and individuals to the company's High 5 goals;
- Ensure the performance management system is business-driven, merit-based, goals/values-oriented, and coaching-centered.



To lay the foundation for a pay for performance culture, we revamped our total rewards program addressing both short-term and long-term transformation goals, anchored on our two-pronged philosophy of rewarding for impact and line of sight. We standardized the performance management system using a global online platform across PLDT and Smart to provide a common yardstick in assessing, managing, and rewarding performance. A combination of mobile learning and social communication helpdesk was deployed to equip employees for the new performance excellence program (PEP).

Going beyond the basics of performance management, we piloted a talent tiering program geared towards the retention of critical talents. While the program roll-out is still at its infancy stage, this has already yielded positive results in improving the retention of identified top-tier talents.

## WORKFORCE 2020: Empowering Employees to Own Their Development

Going digital requires digital skills adoption. Our comprehensive corporate university provides a rich portfolio of learning experiences and culture-building interventions. We launched a new Workforce Learning 2020 Curriculum aligned with new technology requirements of PLDT and Smart (such as 5G, IPv6, SDN, Cloud, Virtualization, Artificial Intelligence, Programming and Coding) coupled with our internally-crafted competency requirements for all employees.



About 25 learning sessions are held weekly in our learning center's classrooms, PC Training rooms, as well as IP and equipment laboratories. The learning ecosystem also includes a residence hall, a digital learning portal and a multi-media library to ensure real-time Learning and Development (L&D) capability-building for all our critical talents.

The creation of a synergized L&D group across PLDT and Smart in 2017 has widened the reach of our corporate academe to address the competency development requirements of employees. About 66% of the employee population went through PLDT-Smart's corporate training programs in 2017. They took various courses on technology, behavioral, leadership and business, and process skills trainings. In terms of e-learning, there were more than 26,000 course completions on both mandatory and development-oriented digital learning modules. This brings our Classroom to E-learning Ratio to 1:3, signifying a high comfort level among employees to now learn in the digital mode which is a more efficient delivery of learning programs.

The development of Globally Certified Technical Talents has been a priority of our Learning and Development Center. In 2017, PLDT produced a total of 243 new technical certifications on Computing Technologies Industries Association (CompTIA) Network Professional, Metro Ethernet Forum Carrier Ethernet Certified Professional (MEF-CECP), Professional Project Management, Fiber Optics, Huawei and Cisco (i.e. Cisco Certified Network Associate (CCNA) Wireless, Cisco Certified Network Professional (CCNP) and including Cisco Certified Internet Experts (CCIE) – the highest level of certification in the Cisco standard). As of end-December 2017 PLDT and Smart has more than 1,000 globally certified employees in its roster of key technical talents, including 32 CCIEs.

**LEADERSHIP DEVELOPMENT:**  
**Inspiring a New Breed of Talents**

The tidal wave of digital disruption sweeping businesses all over the world requires a new breed of leadership talent. To address this need, we have implemented the Next Generation Leaders Program where new officers are put through a year-long series of mentoring and practical skill-building activities where the Chairman and CEO and the Top Management Team take on the role of coaches and mentors.

We have also defined a new leadership standard for PLDT and Smart, with attributes much needed in a digital environment: strategic foresight, data-driven decision-making, customer obsession, innovation and creativity, change leadership, constructive communication, and technology aptitude.

**CULTURE:**  
**Amplifying Digital Vehicles for Engagement**

Behind the success of every digital business transformation is culture transformation. In this regard, PLDT and Smart were the first companies in the Philippines to conduct a culture assessment survey in 2017. The Top Management and senior leaders defined the ideal performance culture based on transformation objectives. Hitting over 93% survey participation rate and completing over thirty (30) qualitative world coffee sessions attested to a strong interest across the organization to shift to a more high-performing digital culture.

One of the fundamental culture-shaping actions in 2017 was to define and cascade “High 5” - the first ever company goals shared across PLDT and Smart. This was deployed largely through digital channels complemented by face-to-face huddles facilitated by leaders.



By end of 2017, 90% of executives had already aligned their respective group's functional goals with High5. The new performance excellence program and the enhancements on total rewards are anchored likewise anchored on High 5 goals.

An effective internal communication process is important in shaping culture. For this, we have increasingly tapped social and digital communication platforms. Employee response has been generally positive. Digital Dialogues conducted by top management reached over 15,000 internal social engagement while the online communication platform has a weekly average of 4,000 active employees.

The creation of a synergized communication and engagement team across PLDT and Smart has opened the doors for more high-impact programs catering to a multi-generation workforce while at the same time maintaining cost. Our reach is an average of two (2) engagement programs per employee with an engagement coverage ratio of 212% (i.e. total attendees versus total population). The recognition program, Heroes and Rock Stars, has been synergized for adoption across PLDT and Smart.

**EMPLOYER BRAND:**  
**Back-to-back-to-back Wins**

While the road to 2020 stretches ahead of us, we have already reached three significant milestones in raising our employer brand with PLDT ranking among the top companies Filipinos aspire to work for and with Smart being recognized as among Asia's best employer brands and the most socially engaged in the country.





Securing sustainable value for the  
Company and its stakeholders.

## THE PLDT GROUP

# Corporate Governance Report

**Corporate Governance is the cornerstone of our strategy.** It ensures that our business environment breeds a culture of good governance, excellence and commitment to achieve our Mission and strategic objectives. It entails working together in order to secure sustainable value for the Company to the benefit of our stakeholders. In the PLDT Group, corporate governance is everyone's business - the Board, Management and employees, who have pledged to uphold the Company's core principles of integrity, accountability, fairness, and transparency in all business dealings and transactions.

PLDT follows the corporate governance standards prescribed by Philippine law and rules and regulations of the Philippine Securities and Exchange Commission (PSEC) and the Philippine Stock Exchange (PSE). As a foreign private issuer with American Depositary Shares listed and traded in the New York Stock Exchange (NYSE), PLDT also complies with certain governance standards laid out in the relevant laws of the U.S. and rules and regulations of the U.S. Securities and Exchange Commission (US SEC) and NYSE. Being an associated company of First Pacific Company Ltd., a company listed in the Hong Kong Stock Exchange, PLDT also benchmarks with the governance standards of Hong Kong.

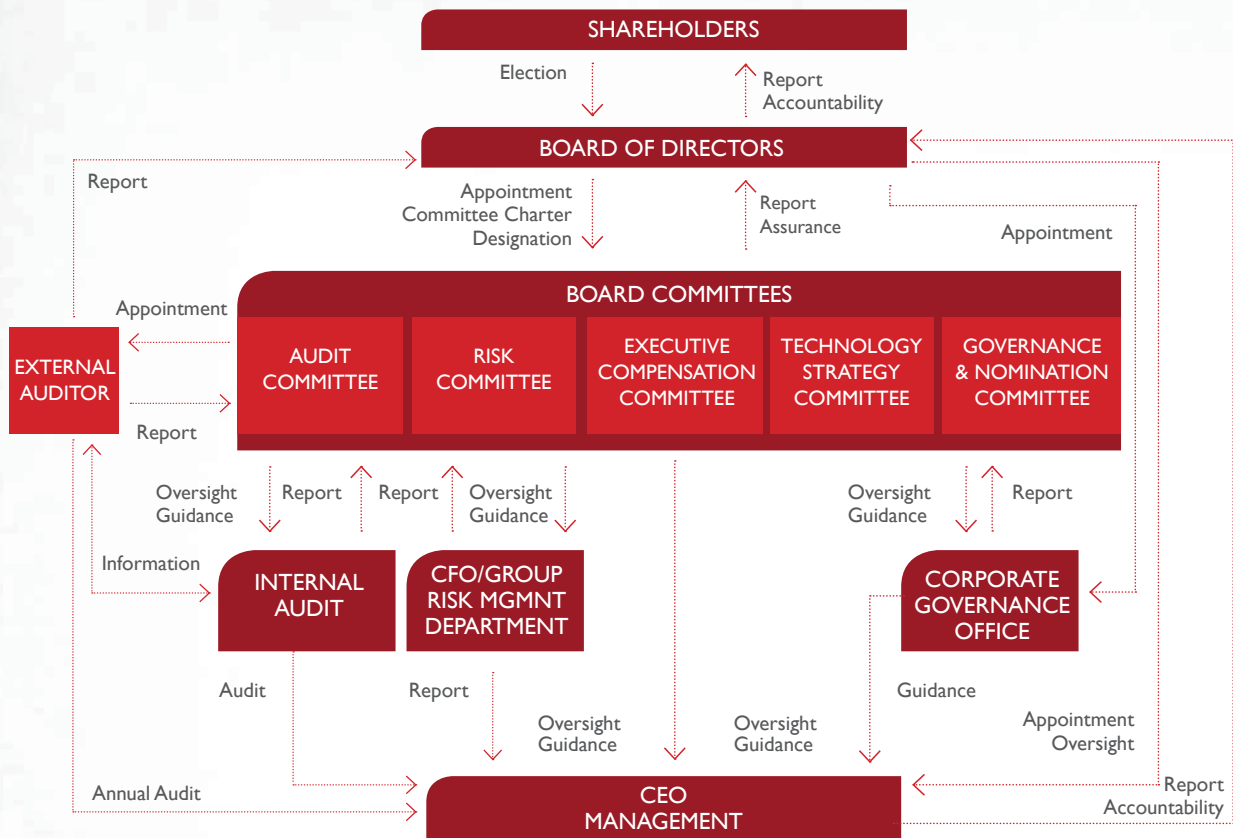
PLDT's corporate governance framework is embodied in the integrated system of governance structures, policies and processes set forth in PLDT's Articles of Incorporation, By-Laws, Manual on Corporate Governance (CG Manual), Code of Business Conduct and Ethics (Code of Ethics) and Corporate Social Responsibility Statement. Our business principles are threshed out in implementing policies including the Supplier/Contractor Relations Policy, Conflict of Interest Policy, Expanded Whistleblowing Policy, Policy on Gift-Giving Activities, Policy on Gifts, Entertainment and Sponsored Travel, Guidelines on Related Party Transactions, and Disclosure Rules, among others.

On May 12, 2017, the Board of Directors approved the Company's new CG Manual which contains most of the governance standards and best practices recommended in the Code of Corporate Governance for Publicly-Listed Companies issued by the PSEC on November 22, 2016 (the "New CG Code").

## HIGHLIGHTS IN 2017

- Board Charter and Board Diversity Policy
- New Corporate Governance Manual
- Annual Stockholders' Meeting
- 12 Board Meetings and 29 Board Committee Meetings
- Training on Governance and Customer Experience; People and Culture Transformation Strategies; Risks and Strategies in the Digital Age
- Transformation Incentive Plan

## CORPORATE GOVERNANCE & COMPLIANCE SYSTEM



### BOARD OF DIRECTORS

#### Charter

Our Board of Directors (“Board”) adopted its Charter on November 9, 2017. The Charter is intended to serve as guide for the Board and each director in performing their functions and fiduciary duties.

#### Duties and Responsibilities

The primary responsibility for ensuring good corporate governance in PLDT is vested in our Board. As the body entrusted with authority to act for and on behalf of the Company, acts of the Board are expressions of the Company’s will, including its exercise of the corporate powers, conduct of business and control of the properties of the Company. Directors are expected to perform their duties diligently and in good faith and devote sufficient time and attention for such purpose. The Board and the directors are bound to act in the best interest of the Company and for the common benefit of its stockholders and other stakeholders.

To ensure a high standard of governance for the Company, the Board performs the following functions and duties with the assistance of the Board Committees:

- Corporate Governance.** The Board, with the assistance of the Governance and Nomination Committee, establishes the Company’s corporate governance framework and policies and oversees their implementation.
- Determination and review of Company’s Vision, Mission and strategic objectives.** The Board, in coordination with Management, determines the Vision, Mission and strategic objectives of the Company and reviews the same annually in relation to corporate performance in its annual strategic planning session with Management.
- Management oversight.** The Board exercises oversight on Management in its execution of the strategic direction and implementation of the policies set by the Board.
- Corporate Social Responsibility and Stakeholder engagement.** The Board oversees the Company’s stakeholder engagement and corporate social responsibility programs. It ensures that the Company has an investor relations program and programs for engagement and communication with sectors of the community in which the Company operates, including the Company’s disclosure of material and reportable information regarding non-financial and sustainability issues, with focus on the management of economic, environmental, social and governance (EESG) issues of the business.
- Financial reporting, internal control, internal audit and independent audit.** The Board, with the assistance of the Audit Committee, carries out its oversight responsibilities for the Company’s financial reporting, internal control system, internal audit and independent audit mechanisms.

- **Enterprise risk management.** The Board, with the assistance of the Risk Committee, fulfills its oversight responsibilities for the Company's assessment and management of enterprise risks, and reviews and discusses with Management the Company's major risk exposures and the corresponding risk mitigation measures.
- **Technology.** The Board, with the assistance of the Technology Strategy Committee, reviews and approves the Company's technology strategy and roadmap and capital expenditures for network and technology.
- **Succession planning, professional development and executive compensation.** The Board, through its Executive Compensation Committee, reviews the criteria for employment and promotion and professional development plans for Senior Management, keeps track of their performance, and evaluates their potential career paths. To facilitate the succession planning process within the PLDT Group, a succession planning process referred to as the Leadership Succession Planning and Development has been established. The Board is assisted by the Executive Compensation Committee in developing the compensation philosophy or policy consistent with the culture, strategy and control environment of the Company.
- **Selection process for directors and appointment of officers.** The Board, with the assistance of the Governance and Nomination Committee, implements a selection process to ensure that the Board has an effective and balanced mix of knowledge, expertise, experience and diversity in terms of, among others, age, gender and ethnicity, and reviews the qualifications of officers to be appointed.
- **Annual Board assessment.** The Board conducts an annual self-assessment to evaluate the performance of the Board as a whole, the Board Committees and the individual directors. Each Board Committee also conducts an annual self-assessment of its performance.

Our Board and our directors have access to independent professional advice, at the Company's expense, as well as access to Management as they may deem necessary to carry out their duties.

### Board Diversity

The Company recognizes that diversity at the Board level in a broad range of aspects including, but not limited to, knowledge, skills, professional or business experience, cultural and educational background, ethnicity, gender, age, length of service, and mix of executive, non-executive and independent directors, contributes to the enhancement of the quality of performance and decision-making capability of the Board. It also considers having an optimally performing diverse Board as an essential element for the attainment of the Company's strategic objectives and its sustainable development. Accordingly, on November 9, 2017, the Board approved the Company's Board Diversity Policy. This policy provides that without infringing the cardinal right of the stockholders to nominate and vote for the election of directors, the Governance and Nomination Committee and the Board shall consider the appropriate mix, complementation and interplay of the various diversity aspects in the selection of qualified director-nominees, including independent director-nominees, who will be recommended for election by the stockholders or the Board, as the case may be, for the Company to achieve the benefits of Board diversity as well as to fairly and effectively promote the interest of all the stakeholders, particularly the long term interest of the stockholders of the Company.

For the purpose of selecting the members of our Board, the Governance and Nomination Committee follows the Company's *Guidelines on the Search, Screening and Selection of Directors* and *Screening Checklist* which contain, among others, the criteria and qualifications for directorship and a matrix on the skills, expertise and experience relevant to the responsibilities of the Board, and considers other relevant factors, such as conflict of interest and directorships and/or positions in other corporations. The process ensures that the selection of directors and independent directors is aligned with the Board Diversity Policy and the Company's Mission, Vision and strategic objectives.

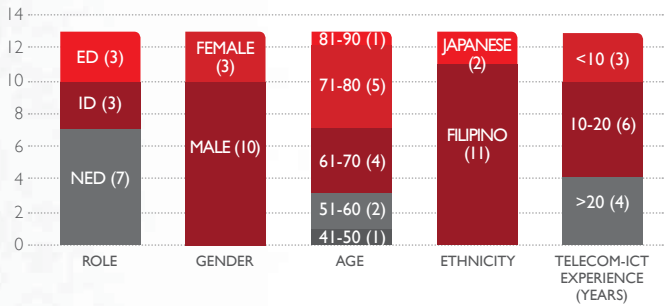


### Composition

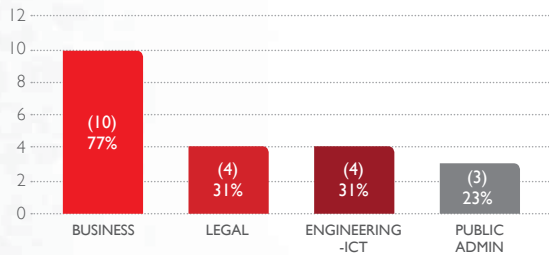
Our Board is composed of 13 members, with 3 independent directors, 7 non-executive directors and 3 executive directors. Three directors are female and two are Japanese citizens. All the members of our Board are qualified and competent directors with diverse and complementing skills, expertise, experience and knowledge which enrich the collective processes and practices of our Board. Our directors have extensive experience in their respective fields or industries, such as telecommunications, Information and Communication Technology (ICT), business processing, infrastructure, power, banking, insurance, real property development, retail and agriculture businesses, law and public administration. At least three of our non-executive directors have extensive experience in the telecommunications industry.



### Board Composition



### Directors' Professional Background



**Independent Directors.** Our independent directors, namely, former Supreme Court Chief Justice Artemio V. Panganiban, Mr. Pedro E. Roxas and Mr. Bernido H. Liu, were selected pursuant to the specific independence criteria set out under applicable laws and rules, our By-Laws and CG Manual. Under our CG Manual, an independent director is, broadly, "a person who is independent of Management and who, apart from his fees and shareholdings, is free from any business or other relationship with the Company which could, or could reasonably be perceived to, materially interfere with his exercise of independent judgment in carrying out his responsibilities as a director of the Company." More specific independence standard criteria are enumerated in our By-Laws and CG Manual.

**Chairman.** The Chairman provides leadership for the Board and ensures that the Board works effectively and performs its duties responsibly. He presides and facilitates discussions in Board meetings focusing on strategic matters, risk management, key issues and governance concerns that will affect the business operations.

The incumbent Chairman, Mr. Manuel V. Pangilinan, concurrently holds the position of President and CEO since January 1, 2016. With the guidance of the Governance and Nomination Committee, Mr. Pangilinan is managing the search for a new President and CEO of PLDT. Meanwhile, the Board is assured of the benefit of independent views with the checks and balances in place: (i) clearly defined duties and responsibilities of the Chairman and the President & CEO in the By-Laws, CG Manual and Board Charter; (ii) independent Board oversight, supported by 3 independent directors, 7 non-executive directors, Audit Committee composed entirely of independent directors, and Governance and Nomination Committee, Executive Compensation Committee and Risk Committee with independent directors constituting majority of their respective voting members; and (iii) Company policies and procedures which have been established to manage conflicts of interests.

**Directorships in other corporations.** Our Board adheres to a performance-based standard in determining whether other directorships compromise the capacity of a director to serve or perform his/her duties and responsibilities to the Company diligently and efficiently. Differences in individual capabilities and the nature and demands of directorships in other companies are given due consideration in determining fitness and capacity to serve in our Board.



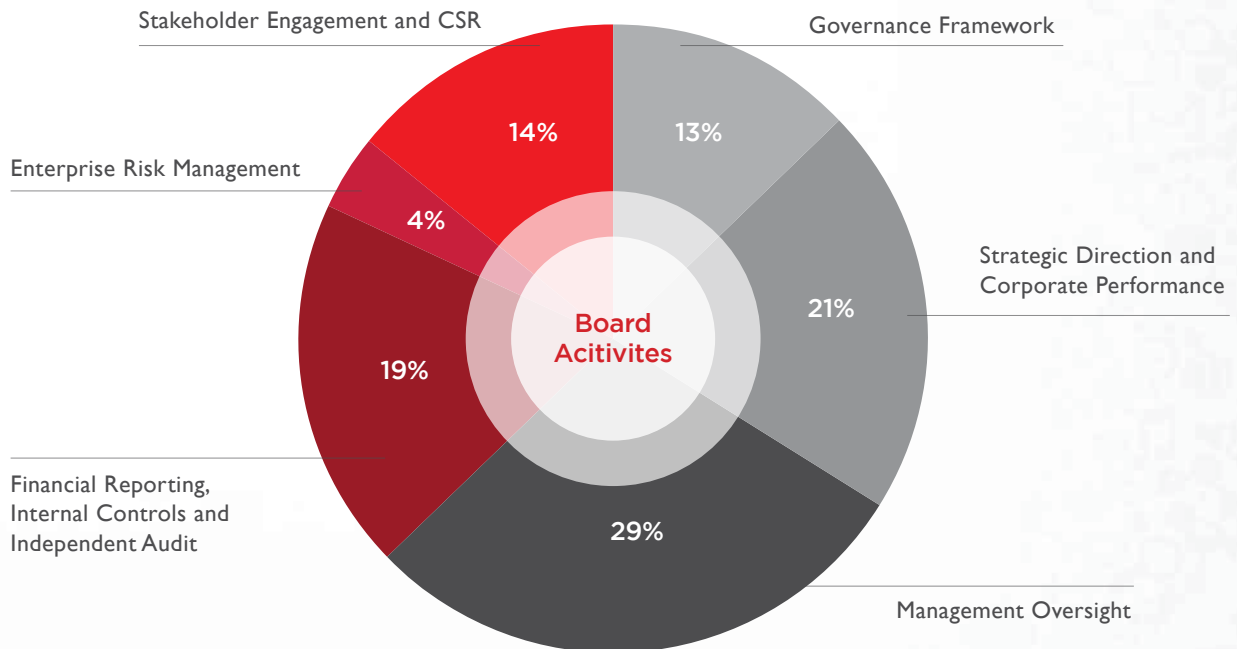
**Meetings**

Our Board meets, more or less, on a monthly basis, in accordance with the schedule of meetings that it sets at the end of the preceding year. Invariably, some of these meetings are devoted to the review and/or approval of the Company's Vision and Mission, the strategic plans and budget, business operations updates, network and technology updates, capital expenditures and investments, risk management reports and CSR programs. Once every quarter, our Board reviews the quarterly financial reports.

In 2017, our Board held 12 meetings (9 regular Board meetings, 2 special Board meetings and 1 organizational Board meeting). In each meeting, a quorum of at least two-thirds of the Board members, including at least one independent director, was present. All independent directors were present in the Annual Stockholders' Meeting held on June 13, 2017. The respective Chairmen of the Audit, Governance and Nomination, Executive Compensation, Risk, and Technology Strategy Committees were likewise present in the said meeting.

The Board holds executive sessions with the independent directors and non-executive directors, excluding executive directors, at least once a year and at such other times as the Board may deem necessary or appropriate. The Board held one executive session in 2017.

**Compensation.** All our directors are entitled to a per diem of Php250 thousand for attendance in each Board meeting and Php125 thousand for attendance in each meeting of the Board Committees in which some of them are members. Save for our executive directors, our directors do not receive stock options, performance incentives, bonuses or any other form of compensation from the Company.



### ATTENDANCE IN BOARD MEETINGS AND ANNUAL STOCKHOLDERS' MEETING

Director	Designation	Board Meetings	Annual Stockholders' Meeting
Manuel V. Pangilinan	Executive Director	12/12	✓
Ray C. Espinosa	Executive Director	11/12	✓
Ma. Lourdes C. Rausa-Chan	Executive Director	12/12	✓
Bernido H. Liu	Independent Director	12/12	✓
Artemio V. Panganiban	Independent Director	12/12	✓
Pedro E. Roxas	Independent Director	12/12	✓
Helen Y. Dee	Non-Executive Director	11/12	✓
James L. Go	Non-Executive Director	12/12	✓
Shigeki Hayashi	Non-Executive Director	5/5	--
Hideaki Ozaki	Non-Executive Director	7/7	✓
Albert F. del Rosario	Non-Executive Director	12/12	✓
Atsuhisa Shirai	Non-Executive Director	12/12	✓
Amado D. Valdez	Non-Executive Director	11/12	✓
Marife B. Zamora	Non-Executive Director	12/12	✓

### BOARD REMUNERATION IN 2017 (IN PHP)

Director	Remuneration for ASHM and Board Meetings Attended	Remuneration for Committee Meetings Attended	Total
<b>Executive Directors</b>			
Manuel V. Pangilinan	2,750,000	1,625,000	4,375,000
Ray C. Espinosa	2,500,000	750,000	3,250,000
Ma. Lourdes C. Rausa-Chan	2,750,000	750,000	3,500,000
<b>Independent Directors</b>			
Bernido H. Liu	2,750,000	2,500,000	5,250,000
Artemio V. Panganiban	2,750,000	2,875,000	5,625,000
Pedro E. Roxas	2,750,000	2,500,000	5,250,000
<b>Non-executive Directors</b>			
Helen Y. Dee	2,500,000	--	2,500,000
James L. Go	2,750,000	2,500,000	5,250,000
Hideaki Ozaki	1,500,000	--	1,500,000
Shigeki Hayashi	1,250,000	--	1,250,000
Albert F. del Rosario	2,750,000	750,000	3,500,000
Atsuhisa Shirai	2,750,000	3,500,000	6,250,000
Amado D. Valdez	2,500,000	--	2,500,000
Marife B. Zamora	2,750,000	--	2,750,000
<b>Total</b>	<b>35,000,000</b>	<b>17,750,000</b>	<b>52,750,000</b>

\* Only one *per diem* was given to directors for attendance in the Annual Stockholders' Meeting, Regular Meeting and Organizational Meeting on June 13, 2017.

## Training

The Board keeps abreast of industry developments, business trends and legal requirements relevant to the Company and its operations. In this regard, the Company conducts regular and continuing training for its directors, including PLDT's Annual Corporate Governance Enhancement Session which provides an opportunity for its leadership to engage in discussion with international and local experts on selected topics, including emerging technologies, new laws, and best business practices. In 2017, the Company organized an Annual Corporate Governance Enhancement Session for its directors and officers on: (i) *Governance & Customer Experience: A Survey of Global Customer Experience Strategies*, (ii) *People and Culture Transformation Strategies in the Digital Age*, and (iii) *Charting the Digital Age, its Risks and Strategies, through Governance and a Responsive Corporate Culture*.

For the orientation of new directors, the Chairman, President and CEO, Chief Financial Officer, Corporate Secretary and Chief Governance Officer give a briefing on the Company's structure, business, operating and financial highlights, responsibilities of the Board and its Committees and how each operates. The new director is also furnished with copies of all relevant corporate documents, including the Company's Articles, By-Laws, Annual Report, CG Manual, Code of Ethics, and the Charters of the Board Committees. Updates on business and governance policies and requirements principally from the PSEC, PSE, US SEC, and NYSE, and new laws applicable or relevant to the Company and its business, particularly on financial reporting and disclosures and corporate governance, are presented in Board meetings and/or furnished to the directors.

### BOARD TRAINING

Program	Date of Training	Training Institution/Speaker	Name of Director
Governance & Customer Experience: A Survey of Global Customer Experience Strategies	September 7, 2017	Ralph W. Brunner Chief Customer Experience and Data Analytics Advisor, PLDT Inc. & SMART Communications, Inc.	Manuel V. Pangilinan Albert F. del Rosario Bernido H. Liu Ma. Lourdes C. Rausa-Chan
People and Culture Transformation Strategies in the Digital Age		Maria Elizabeth S. Sichon Chief People and Culture Officer, PLDT Inc. & SMART Communications, Inc.	Pedro E. Roxas Atsuhisa Shirai Marife B. Zamora
Charting the Digital Age, its Risks and Strategies, through Governance, and a Responsive Corporate Culture		Aaron Dignan Founder, The Ready	
5th Annual GGAPP Forum on Good Governance, Ethics and Compliance	May 24, 2017	Good Governance Advocates and Practitioners of the Philippines (GGAPP)	Albert F. del Rosario
Corporate Governance Seminar	August 9, 2017	SGV & Co.	Artemio V. Panganiban
Cybersecurity Seminar with Anti-Money Laundering Updates	September 26, 2017	Rizal Commercial Banking Corporation	Helen Y. Dee
Corporate Governance Seminar	December 6, 2017	SGV & Co.	Shigeki Hayashi
Corporate Governance & AMLA Seminar: Updates on Corporate Governance Regulatory Developments in 2016 & Pointers to Ensure Effective Corporate Governance	December 20, 2017	Catherine N. Saplala Former Director, Investments & Research Dept. Securities and Exchange Commission	Ray C. Espinosa
Corporate Governance & AMLA Seminar: Corporate Risk Management – An Effective Framework in Corporate Governance		Mercedes B. Suleik Former Deputy Director, Bangko Sentral ng Pilipinas; Former Vice-President, Development Bank of the Philippines	
Corporate Governance & AMLA Seminar: Compliance with Anti-Money Laundering Law		Richard David C. Funk II Former Deputy Director/Head, Compliance & Investigation Group Anti-Money Laundering Secretariat, Bangko Sentral ng Pilipinas	

## Board Assessment

Our directors take part in an annual assessment process which reviews and evaluates the performance of the whole Board, the Board Committees and the individuals that comprise these bodies. This process enables the Board to identify its strengths and areas for improvement and elicit individual directors' feedback and views on the Company's strategies, performance and future direction. Each Board Committee also conducts an annual self-assessment of its performance. The Board assessment process is further discussed under the Section Monitoring and Evaluation of this report.

## BOARD COMMITTEES

### Advisory Committee

Our Board is supported by an Advisory Committee that provides guidance and suggestions, as necessary, on matters deliberated upon during Board meetings. Our Advisory Committee is composed of Mr. Roberto R. Romulo, Mr. Benny S. Santoso, Mr. Orlando B. Vea, Mr. Christopher H. Young, Mr. Oscar S. Reyes and until October 7, 2017, Mr. Washington Z. SyCip.

PLDT's other Board Committees, namely Audit, Governance and Nomination, Executive Compensation, Risk, and Technology Strategy Committees assist the Board in the performance of its functions and responsibilities. The respective charters of the Board Committees provide that each shall have the necessary resources and authorities to discharge their responsibilities, including obtaining external legal or professional advice.

### Audit Committee (AC)

The Audit Committee assists the Board in fulfilling its oversight responsibility for: (i) accounting and financial reporting principles and policies, system of internal controls and the integrity of financial statements; (ii) compliance with legal and regulatory requirements; and (iii) the performance of the internal audit organization and the external auditors.

Our AC is composed of three members, all of whom are independent directors. The Audit Committee members are former Supreme Court Chief Justice Artemio V. Panganiban, Mr. Bernido H. Liu and Mr. Pedro E. Roxas who is the chairman of this committee. All members of our Audit Committee are financially literate. The Audit Committee has four advisors, namely, Mr. Atsuhisa Shirai and Mr. James L. Go, non-executive members of our Board; Mr. Roberto R. Romulo, a member of our Advisory Committee; and Ms. Corazon S. de la Paz-Bernardo, a former member of our Board. Ms. Corazon S. de la Paz-Bernardo has expertise in accounting and financial management and is a former Chairman and Senior Partner of Joaquin Cunanan & Company, now Isla Lipana & Co., a member firm of Pricewaterhouse Coopers.

The charter of the AC may be viewed and downloaded from the PLDT website through the following link: <http://pldt.com/docs/default-source/corporate-governance-files/committee-charter/amended-ac-charter-jan22-2018.pdf>. The purposes, duties and powers of the AC are set forth in its charter.

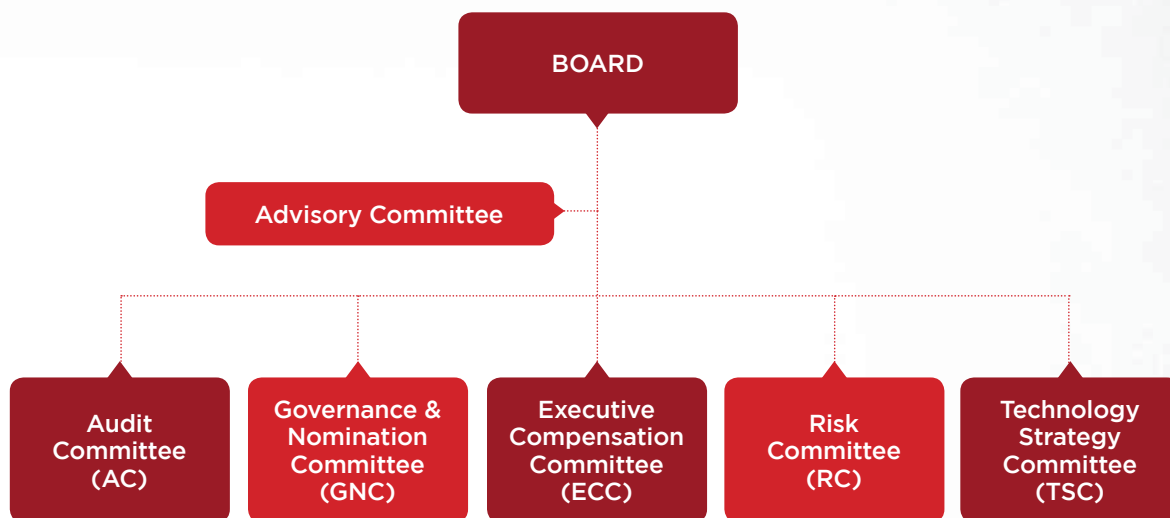
Activities of the AC in 2017 include the following:

With respect to the external auditor SyCip, Gorres, Velayo and Co. (SGV & Co.), a member practice of Ernst & Young Global Limited (EY), the AC discussed, reviewed and approved, or noted:

- SGV & Co.'s report on the results of its integrated audit of the 2016 financial statements of PLDT and its subsidiaries which were prepared in accordance with the Philippine Financial Reporting Standards (PFRS) and International Financial Reporting Standards (IFRS), and of the internal controls over financial reporting (ICFR) based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission in 2013 (COSO IC-IF 2013);
- SGV & Co.'s required communications to the AC, including their independence from PLDT, within the meaning of the US Securities Exchange Act and Philippine Securities Regulation Code;
- Various audit, audit-related and non-audit services and fees of SGV & Co. and EY for PLDT and its subsidiaries;
- Evaluation, re-appointment and engagement of SGV & Co. as PLDT's external auditor for the year 2017;
- SGV & Co.'s integrated plan for the audit of PLDT's and its subsidiaries' financial statements and review of ICFR; and
- Non-audit engagements of SGV & Co., Ernst & Young LLP (Singapore) and Ernst & Young Myanmar (EY Myanmar) in 2017.

With respect to the Internal Audit group, the AC discussed, reviewed and approved, or noted:

- PLDT Internal Audit and Fraud Risk Management Group's (IAFRMG) performance report for the year 2016;
- IAFRMG Head's statement of compliance with the International Standards for the Professional Practice of Internal Auditing and required confirmation of the organizational independence of PLDT Internal Audit organization;
- Internal Audit's report on PLDT Group's Sarbanes-Oxley Act – Section 404 (SOX 404) Compliance for 2016 and Management's Overall Assessment and Conclusions regarding ICFR as of December 31, 2016;
- Periodic status report on: (i) the PLDT Group's readiness for SOX 404 compliance as of yearend 2016 and as of yearend 2017; (ii) PLDT IAFRMG's major internal audit and fraud risk management activities and accomplishments and organizational updates; (iii) Smart Communications, Inc. (Smart) and Digitel Mobile Philippines, Inc. (DMPI) Internal Audit's major internal audit activities and accomplishments; (iv) PayMaya Internal Audit's major internal audit activities and accomplishments;



ADVISORY COMMITTEE MEETINGS			
Members	Designation	No. of Board Meetings	Annual Stockholders' Meeting
Oscar S. Reyes	Advisor	12/12	✓
Roberto R. Romulo	Advisor	12/12	✓
Benny S. Santoso	Advisor	12/12	✓
Washington Z. SyCip	Advisor	8/9	✗
Orlando B. Vea	Advisor	12/12	✓
Christopher H. Young	Advisor	12/12	✓

- The Group-wide Internal Audit Plan for 2018, jointly with the Smart and Digital Audit Committees; and
- Revised PLDT Internal Audit Charter which was subsequently endorsed to and adopted by the Board.

The AC also conducted an evaluation of the qualifications and performance of the incumbent Head of the Internal Audit organization and resolved to re-appoint Mr. Jun R. Florencio as Chief Audit Officer/Internal Audit Head. With respect to financial reporting and controls, the AC reviewed and discussed the following with PLDT Finance Officers and SGV & Co.:

- PLDT's audited financial statements for 2016 prepared in accordance with PFRS and IFRS, and the related party and significant unusual transactions during the period; final results and report of SGV & Co. on its integrated audit of 2016 PFRS and IFRS financial statements and ICFR; PLDT's 2016 Annual Report on Form 17-A (for PSEC filing) and Annual Report on Form 20-F (for US SEC filing); and

- PLDT's unaudited consolidated financial results and reports for the three months ended March 31, 2017, the six months ended June 30, 2017, and the nine months ended September 30, 2017, and the related party and significant unusual transactions during the period.

Relative to governance, general internal controls and risk management process, the AC discussed and noted, or reviewed and approved the:

- Summary results of the AC's Self-Assessment and Performance Evaluation for 2016;
- AC's Report which was included in the 2016 Annual Report;
- Draft of the revised AC Charter which was endorsed to the PLDT Board for approval and adoption;

- Corporate Governance Office (CGO)'s Group-wide Whistleblowing Status Reports on whistleblowing complaints as of March 31, 2017, June 30, 2017, and September 30, 2017;
- Results of the special review of the investment of PLDT Beneficial Trust Fund in MediaQuest Holdings Inc. conducted by Mrs. Corazon S. de la Paz-Bernardo, Audit Committee Adviser; and the AC Recommendation/Resolution Memo regarding the results of such special review for endorsement to the PLDT Board;
- The materials for the 2017 annual stockholders' meeting (Notice and Agenda, Information Statement/Proxy Form), the status of the Company's compliance with regulations and applicable laws, and updates on significant legal matters presented by the Corporate Secretary, Chief Legal Counsel and Chief Governance Officer;
- The PLDT Group Enterprise Risk Management (ERM) Officer's updates on ERM activities, processes, and coverage;
- Business and operational unit heads' operational and internal control updates in their respective functional areas, as presented in executive sessions of the AC; and
- The following related party transactions presented by the PLDT Group Chief Financial Officer: (i) sale of PLDT Communications and Energy Ventures, Inc.'s 25% ownership in Beacon Electric Asset Holdings, Inc. to Metro Pacific Investments Corporation; (ii) renewal of PLDT's and Smart's Property Insurance for 2017-2018; (iii) extension of PLDT's Subordinated Shareholder Advances to Smart for the purposes of partially funding the final payment to DMPI for the transfer of Sun Postpaid and Broadband trademark/ brands and subscriber base from DMPI to Smart.

#### **Governance and Nomination Committee (GNC)**

The GNC assists the Board in the performance of its functions to: (i) oversee the development and implementation of corporate governance principles and policies; (ii) review and evaluate the qualifications of persons nominated to the Board as well as those nominated to other positions requiring appointment by the Board; (iii) identify persons deemed qualified to become members of the Board and/or the Board Committees; (iv) make an assessment of the Board's effectiveness in the process of replacing or appointing new members of the Board and/or Board Committees; and (v) develop and implement the Board's performance evaluation process.

Our GNC is composed of five voting members and two non-voting members. Three of the voting members are independent directors, namely, former Supreme Court Chief Justice Artemio V. Panganiban, Mr. Pedro E. Roxas and Mr. Bernido H. Liu; and two are non-independent directors, namely, Mr. Atsuhisa Shirai and Mr. Manuel V. Pangilinan who is the chairman of this committee. Ms. Maria Elizabeth S. Sichon and Atty. Ma. Lourdes C. Rausa-Chan are the non-voting members.

The charter of the GNC may be viewed and downloaded from the PLDT website through the following link: <http://pldt.com/docs/default-source/corporate-governance-files/committee-charter/amended-gnc-charter-jan22-2018.pdf>. The purposes, duties and powers of the GNC are set forth in the charter.

In the performance of its governance functions, the GNC's activities in 2017 included the following:

- With regard to policy review and development, reviewed the (i) Supplier/Contractor Relations Policy; (ii) Expanded Whistleblowing Policy; (iii) Policy on PLDT's Gift-Giving Activities; and (iv) Policy on Gifts, Entertainment and Sponsored Travel, and determined that the said policies remain to be compliant with applicable law, regulations and best practices and are appropriate for the Company, and approved the recommendation to continue to improve the programs to communicate, monitor, enforce and align the policies with the Company's strategic objectives; and
- Reviewed and recommended for Board approval PLDT's Board of Directors Charter; amended Governance and Nomination Committee Charter; Board Diversity Policy, and new Manual on Corporate Governance.
- With regard to education and communication, provided guidance on and approved the content of PLDT's Annual Corporate Governance Enhancement Session for Directors and Officers which covered topics relevant to PLDT's digital/cultural transformation strategy and corporate governance: (i) Governance & Customer Experience: A Survey of Global Customer Experience Strategies; (ii) People and Culture Transformation Strategies in the Digital Age; and (iii) Charting the Digital Age, its Risks and Strategies, through Governance, and a Responsive Corporate Culture; and
- Selected and approved the theme entitled, Digital to Real and related creative concepts for the 2018 Corporate Governance communication materials, calendars and posters.
- With regard to compliance and enforcement, reviewed the reports on PLDT's Expanded Whistleblowing (EWB) cases and the investigation and dispositions thereof, including those of certain PLDT subsidiaries (Smart Communications, Inc., PLDT Global Corporation, ePLDT, Inc., Digital Telecommunications Philippines, Inc. and Digitel Mobile Philippines, Inc.);
- Reviewed and noted or approved, as applicable, the Conflict of Interest (COI) Disclosures of key employees; and
- Assisted the Board in implementing its Board Assessment for 2016 performance, which included the performance evaluation of the Board Committees and Individual Directors.

- As part of its oversight function on governance matters, received updates from: (i) the Sustainability Reporting team led by Public Affairs, FinRepCon and PLDT-Smart Foundation, on PLDT's social, environmental and sustainability program; and (ii) Internal Audit and Fraud Risk Management Group on governance in significant subsidiaries;
- Received updates on the Company's compliance with the new SEC Code of Corporate Governance for Publicly-Listed Companies; and
- Reviewed and approved PLDT's Corporate Governance Report for 2016.

In the performance of its nomination functions, the GNC's activities in 2017 included the following:

- Pre-screened candidates nominated to become Directors and the qualifications of candidates for Independent Directors, and submitted to the Board the final list of qualified Director and Independent Director nominees for election at the Annual Stockholders' Meeting held on June 13, 2017;
- Screened and recommended to the Board the appointment of a director to fill the vacancy in the Board;
- Reviewed and confirmed People and Culture Group's evaluation of the qualifications of officers and recommended their re-appointment as such at the Organizational Meeting of the Board of Directors held on June 13, 2017; and
- Reviewed and confirmed People and Culture Group's evaluation of proposed appointments of new officers and promotions to officer rank for approval by the Board.

Finally, the GNC submitted the following reports to the Board in 2017: (i) PLDT's Consolidated Annual Corporate Governance Report for 2016; (ii) Consolidated Report on the 2016 Board Performance Assessment; (iii) GNC Annual Report of Activities for 2016; and (iv) GNC Performance Assessment for 2016.

#### **Executive Compensation Committee (ECC)**

The ECC assists the Board in the performance of its functions to: (i) develop a compensation philosophy or policy consistent with the culture, strategy and control environment of PLDT; (ii) oversee the development and administration of PLDT's executive compensation programs, including long term incentive plans and equity based plans for officers and executives; and (iii) conduct the performance evaluation of and succession planning for officers, including the CEO, and oversee the development and implementation of professional development programs for officers.

Our ECC is composed of five voting members and one non-voting member. Three of the voting members are independent directors; namely, former Supreme Court Chief Justice Artemio V. Panganiban, Mr. Pedro E. Roxas and Mr. Bernido H. Liu; and two are non-independent directors, namely, Mr. Atsuhisa Shirai and Mr. Manuel V. Pangilinan who is chairman of this committee. Ms. Maria Elizabeth S. Sichon is the non-voting member.

The charter of the ECC may be viewed and downloaded from the PLDT website through the following link: <http://pldt.com/docs/default-source/corporate-governance-files/committee-charter/amended-ecc-charter-mar8-2018.pdf>. The purposes, duties and powers of the ECC are set forth in the charter.

In 2017, the ECC discussed and approved or endorsed to the Board for approval the following:

- Total Rewards Philosophy, Strategy and Plan for PLDT and Smart;
- PLDT-Smart Short-Term Incentive Plan (STIP) Policies and Structure, which replaced the previous variable pay structure as performance-based compensation for officers and executives;
- PLDT-Smart Long-Term Incentive Plan, referred to as the "Transformation Incentive Plan" (TIP);
- TIP Rules, and the appointment of TIP administrators who will implement and administer the TIP with the assistance of the Compensation, Rewards and Performance Management, under the People & Culture Group and Treasury, under the Finance Group; and
- The appointment of Metropolitan Bank & Trust Company as the Trustee Bank under the TIP.

#### **Risk Committee (RC)**

The RC assists the Board in the performance of its functions to: (i) oversee Management's adoption and implementation of a system for identifying, assessing, monitoring and managing key risk areas; (ii) review Management's reports on the Company's major risk exposures; and (iii) review Management's plans and actions to minimize, control or manage the impact of such risks.

Our RC is composed of five voting members. Three of the voting members are independent directors, namely, Mr. Pedro E. Roxas, Mr. Bernido H. Liu and former Supreme Court Chief Justice Artemio V. Panganiban who is the chairman of this committee; and two are non-executive directors, namely, Mr. Atsuhisa Shirai and Mr. James L. Go.

The Charter of the RC may be viewed and downloaded from the PLDT website through the following link: <http://pldt.com/docs/default-source/corporate-governance-files/committee-charter/amended-rc-charter-jan-22-2018.pdf>. The purposes, duties and powers of the RC are set forth in the charter.

In 2017, the major accomplishments of the RC are the following:

- Reviewed and approved Smart and Digitel's Risk Committee Charter and the updated PLDT Group Risk Charter;
- Reviewed and noted the framework and process followed by the Group Enterprise Risk Management Department (GRMD);
- Reviewed and noted the Risk Appetite Statement of the PLDT Group;

- Reviewed the top risks of the PLDT Group as identified by the CEO Council;
- Reviewed and noted the progress of GRMD in conducting Enterprise Risk Management (ERM) Workshops with core operational groups; and
- Reviewed and discussed with Management the (i) Risk Profile of the Information Technology Office, the People and Culture Office, the Corporate Services Office, and the Revenue Office; (ii) American Depository Receipt facility of PLDT; and (iii) the Digital Transformation Project.

### Technology Strategy Committee (TSC)

The TSC assists the Board in the performance of its functions to: (i) review and approve the strategic vision for the role of technology in PLDT's overall business strategy, including the technology strategy and roadmap of PLDT; (ii) fulfill its oversight responsibilities for PLDT's effective execution of its technology-related strategies; and (iii) ensure the optimized use and contribution of technology to PLDT's business and strategic objectives and growth targets.

Our TSC is composed of five voting members and two non-voting members. The five voting members are non-independent directors Mr. Manuel V. Pangilinan who is the chairman of the committee, former Ambassador Albert F. del Rosario, Atty. Ray C. Espinosa, Mr. James L. Go and Mr. Atsuhisa Shirai; and the two non-voting members are Mr. Oscar S. Reyes and Mr. Orlando B. Veja who are members of our Advisory Committee.

A copy of the charter of the TSC may be viewed and downloaded from the PLDT website through the following link: <http://pldt.com/docs/default-source/corporate-governance-files/committee-charter/amended-tsc-charter-jan22-2018.pdf>.

The purposes, duties and powers of the TSC are set forth in the charter.

In 2017, the TSC, together with the Technology Group and PLDT Top Management:

- reviewed the network and technology capital expenditure budget for presentation to, and approval by, the Board;
- discussed the technology roadmap, projects, initiatives and plans, including, among others, projects that will improve LTE coverage and provide for capacity expansion;
- discussed the status of the network, including upgrades and Technology Group achievements; and
- cleared the Amended TSC Charter for presentation to, and approval by, the Board.

### ATTENDANCE IN BOARD COMMITTEE MEETINGS

Member	Audit Committee (AC)	Governance & Nomination Committee (GNC)	Executive Compensation Committee (ECC)	Risk Committee (RC)	Technology Strategy Committee (TSC)
Manuel V. Pangilinan		6/6	3/3		4/6
Ray C. Espinosa					6/6
Ma. Lourdes C. Rausa-Chan***		6/6			
Bernido H. Liu*	8/10	6/6	2/3	4/4	
Artemio V. Panganiban*	10/10	6/6	3/3	4/4	
Pedro E. Roxas*	10/10	5/6	2/3	3/4	
James L. Go**	10/10			4/4	6/6
Albert F. del Rosario					6/6
Atsuhisa Shirai**	10/10	5/6	3/3	4/4	6/6
Roberto R. Romulo**	10/10				
Oscar S. Reyes					6/6
Orlando B. Veja					6/6
Corazon S. de la Paz-Bernardo**	9/9				
Maria Elizabeth S. Sichon***		6/6	3/3		

\*Independent Director

\*\*Advisor to the Audit Committee

\*\*\*Non-voting member





## EXECUTIVE IMPLEMENTATION

Our Board exercises oversight on Management in accordance with the standards set forth in our CG Manual. The roles of Management and other offices involved in ensuring implementation of the corporate governance policies and requirements are discussed below.

**President and CEO.** The President & CEO has general care, management and administration of the business operations of the Company. He ensures that the business and affairs of the Company are managed in a sound and prudent manner and that operational, financial and internal controls are adequate and effective to ensure reliability and integrity of financial and operational information, effectiveness and efficiency of operations, safeguarding of assets and compliance with laws, rules, regulations and contracts. He provides leadership for Management in developing and implementing business strategies, plans and budgets to the extent approved by the Board. In order to enable the members of the Board to properly fulfill their duties and responsibilities, the CEO provides the Board with a balanced and understandable account of the Company's performance, financial condition, results of operations and prospects on a regular basis. He directs Management to provide the Directors/Board with adequate and timely information about the matters to be taken up in their Board meetings. He ensures that the Directors have independent access to Management. The President & CEO: (i) communicates and implements the Company's vision, mission, values and overall strategy and promotes the appropriate enhancement in the organization or its stakeholder engagement in relation to the same; and (ii) serves as the link between internal operations and external stakeholders. Management formulates, under the oversight of the Audit Committee, financial reporting and internal control systems, rules and procedures. Other duties of the President are set forth in the CG Manual.

**Corporate Secretary.** The Corporate Secretary assists the Board in the conduct of its meetings, including preparing the schedule, agenda and minutes of Board meetings, and ensuring that all Board procedures and rules are observed. The Corporate Secretary contributes to the flow of information between the Board and Management, the Board and its Committees, and the Board and the Company's stakeholders, including stockholders.

**Internal Audit Organization.** The Internal Audit organization determines whether the Company's structure of risk management, control and governance processes, as designed and represented by Management, are adequate and functioning to ensure that:

- Risks are appropriately identified, managed and reported;
- Significant financial, managerial, and operating information are accurate, reliable and timely;
- Employees' actions are in compliance with policies, standards, procedures, and applicable laws and regulations;
- Resources are acquired economically, used efficiently and are adequately protected;
- Programs, plans and objectives are achieved;
- Quality and continuous improvement are fostered in our control processes; and
- Significant legislative or regulatory issues impacting the Company are recognized and addressed appropriately.



The Chief Audit Officer/Internal Audit Head reports functionally to the AC and administratively to the President and CEO. In the discharge of his duties, the Chief Audit Officer/Internal Audit Head is required to:

- Provide annually, an assessment on the adequacy and effectiveness of the Company's processes for controlling activities and managing risks;
- Report significant issues related to the processes of controlling activities, including potential improvements to such processes, as well as provide information concerning such issues; and
- Periodically provide information on the status and results of the annual internal audit plan and the sufficiency of our internal audit organization's resources.

The charter of the Internal Audit organization complies with the International Standards for the Professional Practice of Internal Auditing of the Institute of Internal Auditors. Other duties of the Chief Audit Officer/Internal Audit Head are set forth in the CG Manual.

**External Auditor.** The Company's external auditor is appointed by the AC which reviews its qualifications, performance and independence. To ensure objectivity in the performance of its duties, the external auditor is subject to the rules on rotation and change, every five years; general prohibition on hiring by the Company of the external auditor's staff; and full and appropriate disclosure to, and prior approval by, the AC of all audit and non-audit services and related fees. Approval of non-audit work by the external auditor is principally tested against the standard of whether such work will conflict with its role as an independent auditor or would compromise its objectivity or independence as such. Our external auditor is SGV & Co., a member practice of EY.

**Group Risk Management Department.** The GRMD implements an integrated risk management program with the goal of identifying, analysing and managing the PLDT Group's risks to an acceptable level so as to enhance opportunities, reduce threats, and thus sustain competitive advantage. The implementation of the enterprise risk management (ERM) process ensures that high-priority risks are well understood and effectively managed across all functions and units within the PLDT Group. The ERM process used by the GRMD is based on the ISO 31000 standard

on risk management. The GRMD reports to the Risk Committee and the Board on developments with regard to the Group's risk management activities.

**Chief Governance Officer.** The primary responsibilities of the Chief Governance Officer include monitoring compliance with the provisions and requirements of corporate governance laws, rules and regulations, reporting violations and recommending the imposition of disciplinary actions, and adopting measures to prevent the repetition of such violations. The Chief Governance Officer assists the Board and the GNC in the performance of their governance functions. Under the supervision and direction of the Chief Governance Officer, the Corporate Governance Office assists in the implementation of the corporate governance policies adopted by the Board.

## POLICIES AND PRACTICES

The Company promotes a culture of good corporate governance through the implementation of its corporate governance (CG) policies, including the CG Manual, Code of Ethics and related policies.

**CG Manual.** Our new CG Manual defines our corporate governance framework and structure. Supplementary to PLDT's Articles of Incorporation and By-Laws, it assigns and delineates functions and responsibilities, and entrusts powers, authorities and resources for the execution of such functions and responsibilities. The CG Manual provides, among other matters, the composition and responsibilities of the Board, the Company's duties towards its shareholders in general, its minority shareholders and its other stakeholders, and the Company's obligation to comply with applicable disclosure rules. A copy of the CG Manual is posted at <http://pldt.com/docs/default-source/corporate-governance-files/cg-manual/pldt-manual-on-corporate-governance.pdf?sfvrsn=0>.

**Code of Business Conduct and Ethics (Code of Ethics).** Our Code of Ethics defines the Company's corporate governance values of integrity, accountability, transparency and fairness, which the Company shall observe in the conduct of its business. It sets the governance and ethical standards that shall govern and guide all business relationships of the Company, its directors, officers and employees. A copy of the Code of Ethics is posted at: <http://pldt.com/docs/default-source/policies/pldt-code-of-business-conduct-and-ethics.pdf?sfvrsn=4>.

The implementation of the Code of Ethics is reinforced by enabling policies such as the *Supplier/Contractor Relations Policy, Expanded Whistleblowing Policy, Gifts, Entertainment and Sponsored Travel Policy, and Policy on Gift-Giving Activities* which, in conjunction with the Code of Ethics, embodies the Company's anti-corruption policy.

**Conflict of Interest Policy.** This policy enjoins PLDT's directors, employees and consultants to promptly disclose conflict of interest (COI) situations to the relevant authorities. If warranted, the person concerned should obtain appropriate approvals and inhibit himself from any action, transaction or decision involving an existing or potential COI. The Company has established an online COI disclosure system to facilitate the disclosure of conflicts of interests.

**Guidelines on the Proper Handling of Related Party Transactions (RPT Guidelines).** This guidelines provides the process of review, approval and disclosure of the Company's related party transactions (RPTs). RPTs are subject to review and approval by the designated authorities. The review's principal focus is on whether an RPT is on arm's length terms and in the best interest of PLDT and its shareholders as a whole, considering all relevant circumstances. Material RPTs are reviewed by the AC, which is composed entirely of independent directors, and subject to approval by the Board. The Head of Financial Reporting and Controllershship Sector, in coordination with the Company's Disclosure Committee, is responsible for the disclosure of RPTs in the relevant financial reports of the Company as required under Philippine Accounting Standard 24, Related Party Disclosures, and other applicable disclosure requirements.

**Policy on Gifts, Entertainment and Sponsored Travel (Gifts Policy) and Policy on Gift-Giving Activities.** The Gifts Policy provides safeguards in the receipt and acceptance of gifts given by third parties to ensure that such gifts would not affect the objective, independent or effective performance by directors, officers and employees of their duties to the Company. The Policy on Gift-Giving Activities provides guidance and procedural safeguards with respect to gift-giving activities to government officials and employees and to business partners, for or on behalf of, PLDT. The policy seeks to ensure that such activities are compliant with applicable laws, respectful of the intended recipient's gifts policy, and consistent with the Company's core values and policies.

**Supplier/Contractor Relations Policy.** This policy establishes clear rules for arm's length transactions and fair treatment of prospective and existing suppliers. The policy specifically adopts the processes of vendor accreditation and competitive bidding as the general rule to ensure that contracts are awarded only to qualified and duly-accredited vendors who offer the best value for money for PLDT's requirements.

**Expanded Whistleblowing Policy (EWB Policy).** This policy provides guidelines on handling employee disclosures or complaints regarding (i) violations of corporate governance rules, including the aforementioned policies; (ii) questionable accounting and auditing matters; and (iii) violations or offenses (other than those in (i) and (ii) above) covered by the Company's Human Resources Manual. The EWB Policy protects

whistleblowers from retaliation, and to ensure confidentiality and fairness in the handling of a disclosure or complaint, PLDT maintains a Whistleblowing Hotline and other reporting facilities, such as a dedicated electronic mailbox, post office box and facsimile transmission system. All employees and stakeholders who come forward in good faith to report violations or any act that may be considered as contrary to the Company's values may submit a disclosure or complaint regarding such violation to the CGO. Anonymous disclosures or complaints are allowed and duly processed, subject to certain conditions.

In all processes and activities related to a whistleblowing disclosure/complaint, utmost confidentiality is observed in order to ensure the integrity of the process and protect the parties, employees or officers who are allegedly involved therein.

For 2017, there was one new whistleblowing complaint received by the CGO. This was referred for further investigation to the appropriate investigating unit of a PLDT subsidiary since the complaint pertained to that subsidiary's employees. The other four cases, which were pending as at December 31, 2016, were closed as at December 31, 2017. The complaints covered allegations of violation of the Code of Ethics, Conflict of Interest Policy, Gifts Policy, Supplier/Contractor Relations Policy, Policy on Employees Running for Public Office and the Human Resources Manual. Moreover, the CGO received two concerns that fall under the jurisdiction of line Management, or were found to be insufficient or invalid, or outside the scope of the EWB Policy. The recommendations were submitted to Management for appropriate action.

The CGO did not receive any complaint on retaliation in 2017.

All CG policies, including the Code of Ethics, are reviewed at least once every two years to ensure that they are appropriate for PLDT, benchmarked with global best practices, and compliant with applicable laws and regulations.

PLDT's key subsidiaries have adopted corporate governance policies and rules similar in substance and form to the foregoing corporate governance policies and suited to their particular business environments and contexts, and appointed their respective corporate governance or compliance officers.

**Protection of Technology Resources and Information.** PLDT has a Unified Information Technology Policy that is applicable to PLDT, SMART and SUN, and which contains policy statements on social media and data privacy, and provides for the protection of information assets and the proper use of technology resources.

**Protection of Data Privacy.** On February 1, 2017, the Data Privacy Office was created and the Chief Data Privacy Officer was appointed. PLDT has a Personal Data Privacy Policy which aims to ensure that the Company complies with the relevant data protection laws and regulations, protects the rights of its data subjects, is transparent about how it processes personal data, and protects itself from the risk of data breach.

## TRAINING AND EDUCATION

The Company provides continuous training for its Board, Management and employees. In 2017, the Company organized an annual corporate governance enhancement session for its Board and Management on the following topics: (i) *Governance & Customer Experience: A Survey of Global Customer Experience Strategies*; (ii) *People and Culture Transformation Strategies in the Digital Age*; and (iii) *Charting the Digital Age, its Risks and Strategies, through Governance, and a Responsive Corporate Culture*.

Apart from participating in the PLDT-organized training, some of our directors also attended external training sessions presented in this report. One of our directors, Mr. James L. Go, has been granted by the PSEC permanent exemption from its corporate governance training requirement.

In addition to orientation and periodic training sessions for employees, the CGO conducted a corporate governance refresher session in November, 2017 with newly-promoted PLDT supervisors as part of the People and Culture Group's Seminar on Administrative Policies and Procedures Course.

Education and training is supplemented by the production and dissemination of relevant communication materials, including thematic posters and calendars, Instaguides, and advisories on corporate governance. In December 2017, three focus group discussions were held in order to: (i) gather employees' perception about the state of the Company's corporate governance culture building efforts and the CGO's education and communication programs; (ii) solicit comments and suggestions on how to further enhance the effectiveness of corporate governance programs; (iii) seek feedback regarding the relevance and effectiveness of past and current CG themes, including the communication medium used; and (iv) receive suggestions and recommendations for possible CG themes in the future, including appropriate materials and medium.



## MONITORING AND EVALUATION

PLDT monitors and evaluates the effectiveness of its corporate governance through the annual performance self-assessment conducted by the Board and the Board Committees, the periodic review of the effectiveness of the implementation of the Company's CG policies, the annual compliance evaluation conducted by Management, and other tools employed to monitor the implementation of the CG policies. In 2017, PLDT confirmed for the 2016 performance period, its compliance with its CG Manual which contains relevant provisions of the PSEC Revised Code of Corporate Governance and certain corporate governance standards under the US Securities Exchange Act and NYSE Listed Company Manual. In compliance with the respective memorandum circulars of the PSEC and the PSE, PLDT disclosed its Annual Corporate Governance Report with Consolidated Changes on May 29, 2017 and filed its PSE Corporate Governance Guidelines Disclosure Report on March 30, 2017. The Company, in its new CG Manual approved by the Board of Directors on May 12, 2017, has adopted substantially all of the recommended best practices in the new CG code and will disclose any non-compliance therewith in its Intergrated Annual Corporate Governance Report.

The annual self-assessment is conducted by the Board to evaluate the performance of the Board as a whole as well as each Board Committee, and the individual directors. The process, which also includes an evaluation of the performance of the CEO and Management, enables the Board to identify strengths and areas for improvement and to elicit individual director's feedback and views on the Company's strategy, performance and future direction. Each Board Committee also conducts an annual self-assessment of its performance. The members of the Board and the Board Committees accomplish their respective self-assessment questionnaires for this purpose. The Board's self-assessment questionnaire contains the following criteria based on leading practices and principles on good governance: (i) for the Board - Leadership, Roles and Responsibilities, Independence, Stewardship, Reporting and Disclosure, Shareholders' Benefits and Training; (ii) for the Board Committees - Performance and Compliance; and (iii) for individual directors - the specific duties and responsibilities of a director. On the other hand, the Board Committees' self-assessment questionnaire contains the following criteria: Performance & Compliance and Committee Governance. For the 2016 performance period, the results of the assessment process was duly reported to, and discussed with, the Board in 2017. Prospectively, the annual self-assessment shall, as practicable, be supported by an external facilitator every three years and allow for a feedback mechanism for stockholders, to conform with the recommendation in the New CG Code.

PLDT monitors and evaluates compliance with the CG rules through a cross-functional evaluation system whereby the heads of the various business and support groups/units conduct an evaluation of their group/unit's compliance. The process uses an evaluation questionnaire consisting of the governance standards and regulations applicable and relevant to their respective functions, including the requirements of the New CG Code and the PSE Corporate Governance Guidelines. The results of the evaluation conducted by the heads are submitted to the Chief Financial Officer and the Chief Governance Officer, who submit the consolidated report to the President and CEO for approval. The results of the compliance evaluation are reported to the GNC by the CGO.

In line with all of these, PLDT has incorporated CG standards in the performance evaluation of employees and has included violations of CG rules as a cause for disqualification from incentives and rewards in its Policy on Employee Qualification for Incentives and Rewards.

PLDT conducts focus group discussions and employee surveys in order to gain insights into the effectiveness of its CG programs and initiatives. Valuable information is also obtained and analysed from the results of and feedback from our education activities, reports from business partners, customer complaints, reported violations and other sources of relevant information.

## STAKEHOLDER ENGAGEMENT

### Corporate Social Responsibility

In fulfilling our commitments to our stakeholders, we are guided by our Code of Ethics and Corporate Social Responsibility Statement (CSR Statement). The CSR Statement articulates our belief that helping to improve the overall well-being of the Filipino people is an integral part of our business. The CSR Statement enumerates the broad responsibilities that PLDT assumes as it operates and conducts its business. A copy of the CSR Statement is posted at <http://pldt.com/corporate-governance-in-pldt/our-stakeholders>.

Pursuant to the CSR Statement, the PLDT Group's social programs leverage its communications and digital services and the volunteer spirit of its employees to implement projects in education, health, livelihood, disaster preparedness and resiliency, the environment, digital tourism and sports that aim to help Filipinos change their lives for the better. These CSR programs and activities are presented in the Corporate Social Responsibility section of this Annual Report and in the Company's Sustainability Report.

**Investors/Shareholders.** PLDT respects, promotes and upholds shareholders' rights such as: the right to vote; pre-emptive right; the right to inspect corporate books and records, including minutes of Board meetings and stock registries, subject to certain conditions; right to timely receive relevant information, whether in printed or digital form; right to dividends; and appraisal right.

The Board ensures that the Company makes timely disclosures and filings with the PSEC, PSE and as applicable, with the US SEC and NYSE of material information and transactions that could potentially affect the market price of the Company's shares. In this regard, information on, among other matters, earnings results, acquisition or disposal of significant assets, off balance-sheet transactions, related party transactions, Board membership changes, shareholdings of directors and officers and any changes thereto, and remuneration of directors and officers are promptly and accurately disclosed.

The Board promotes transparency and fairness in the conduct of the annual and special stockholders' meetings of the Company. The Company explores and implements steps to reduce excessive or unnecessary costs and other administrative impediments to stockholders' participation in annual and special stockholders' meetings. Stockholders are encouraged to personally attend such meetings, raise questions and exercise their voting rights. Within a reasonable period of time before the meeting, stockholders are apprised of their right to appoint a proxy in case they could not personally attend such meetings, and give their voting instructions in the proxy form provided. Relevant meeting materials such as the Notice, Agenda, Information Statement and Annual Report are made available to the stockholders in printed or digital form and through the Company's website to enable them to make a sound judgment on all matters tabled for their consideration or approval. The Board ensures the disclosure and filing of reports with the PSEC, PSE and, as applicable, US SEC and NYSE and posting on the Company's website, immediately after the meeting or the day after the meeting, of all significant actions taken in the meeting and the votes obtained for each of such actions.

The Company held its Annual Stockholders' Meeting on June 13, 2017, with holders of 88.12% of total outstanding capital present or represented by proxy in the meeting. To view the Minutes of the 2017 PLDT Annual Stockholders' Meeting, please access this link [http://pldt.com/docs/default-source/annual-meeting-of-stockholders/2017/minutes-of-annual-meeting-of-stockholders\\_june-13-2017.pdf?sfvrsn=0](http://pldt.com/docs/default-source/annual-meeting-of-stockholders/2017/minutes-of-annual-meeting-of-stockholders_june-13-2017.pdf?sfvrsn=0).

Shareholders who wish to raise matters or concerns relating to the business of the Company, their investments and rights may elevate such matters to the Corporate Secretary, the Investor Relations Officer, concerned units of PLDT's Management or the Board.



**SHAREHOLDINGS OF THE BOARD AND OFFICERS IN 2017**

	Number of Company Shares <sup>1</sup>					Number of Company Shares <sup>1</sup>			
	Starting Balance <sup>2</sup>	Acquired	Disposed	Ending Balance <sup>3</sup>		Starting Balance <sup>2</sup>	Acquired	Disposed	Ending Balance <sup>3</sup>
<b>A. Directors</b>									
1. Manuel V. Pangilinan	249,450	3,000		252,450	8. Ma. Lourdes C. Rausa-Chan	199			199
2. Helen Y. Dee	25,080 <sup>4</sup>			25,080	9. Albert F. del Rosario	142,410			142,410
3. Ray C. Espinosa	15,743	2,000		17,743	10. Pedro E. Roxas	231			231
4. James L. Go	125,914	10,000		135,914	11. Atsuhisa Shirai	1			1
5. Shigeki Hayashi <sup>5</sup>	1 <sup>6</sup>			1	12. Amado D. Valdez	1			1
6. Bernido H. Liu	1			1	13. Marife B. Zamora	5			5
7. Artemio V. Panganiban	1,771			1,771					
<b>B. Officers</b>									
1. Ernesto R. Alberto	-			-	35. Gil Samson D. Garcia	-			-
2. Maria Elizabeth S. Sichon <sup>7</sup>	- <sup>8</sup>			-	36. Joseph Ian G. Gendrano	-			-
3. Victorico P. Vargas	1,470			1,470	37. Elisa B. Gesalta	-			-
4. Alejandro O. Caeg	200			200	38. John John R. Gonzales	-			-
5. Anabelle L. Chua	12,028			12,028	39. Ma. Gillian Y. Gonzales <sup>15</sup>	- <sup>8</sup>			-
6. Jun R. Florencio	515			515	40. Ma. Josefina T. Gorres <sup>16</sup>	-			-
7. Juan Victor I. Hernandez	-			-	41. Ma. Criselda B. Guhit	1,250			1,250
8. Menardo G. Jimenez, Jr.	22			22	42. Emeraldal L. Hernandez	-			-
9. June Cheryl C. Revilla	-			-	43. Silverio S. Ibay, Jr. <sup>12</sup>	- <sup>13</sup>			-
10. Oscar Enrico A. Reyes	-			-	44. Gary F. Ignacio <sup>12</sup>	- <sup>13</sup>			-
11. Florentino D. Mabasa, Jr.	-			-	45. Marven S. Jardiel	-			-
12. Leo I. Posadas	10			10	46. Princesita P. Katigbak	-			-
13. Katrina L. Abelarde	-			-	47. Alexander S. Kibanoff	-			-
14. Marco Alejandro T. Borlongan	-			-	48. Joseph Nelson M. Ladaban <sup>16</sup>	-			-
15. Alfredo B. Carrera	300			300	49. Javier C. Lagdameo	-			-
16. Leah Camilla R. Besa-Jimenez <sup>9</sup>	- <sup>8</sup>			-	50. Joselito S. Limjap <sup>17</sup>	-			-
17. Albert Mitchell L. Locsin	-			-	51. Luis Ignacio A. Lopa	-			-
18. Aileen D. Regio	-			-	52. Czar Christopher S. Lopez <sup>12</sup>	- <sup>13</sup>			-
19. Martin T. Rio	-			-	53. Paolo Jose C. Lopez	-			-
20. Ricardo M. Sison	4,400		200	4,200	54. Ma. Carmela F. Luque	-			-
21. Emiliano R. Tanchico, Jr.	1,539			1,539	55. Oliver Carlos G. Odulio	-			-
22. Annette Yvette W. Tirol <sup>10</sup>	- <sup>8</sup>			-	56. Carlo S. Ople <sup>18</sup>	- <sup>8</sup>			-
23. Victor Y. Tria	-			-	57. Harold Kim A. Orbase <sup>19</sup>	- <sup>13</sup>			-
24. Melissa V. Vergel de Dios	-			-	58. Dale M. Ramos <sup>20</sup>	- <sup>8</sup>			-
25. Minerva M. Agas <sup>11</sup>	- <sup>8</sup>			-	59. Ricardo C. Rodriguez	5,712			5,712
26. Benedict Patrick V. Alcoseba	-			-	60. Genaro C. Sanchez	4,460			4,460
27. Ariel G. Aznar <sup>12</sup>	- <sup>13</sup>			-	61. Maria Christina C. Semira <sup>12</sup>	30 <sup>13</sup>			30
28. Jerameel A. Azurin	-			-	62. Ma. Merceditas T. Siapatco <sup>21</sup>	- <sup>13</sup>			-
29. Rafael M. Bejar	-			-	63. Arvin L. Siena	50			50
30. Jose Arnilo S. Castañeda	-			-	64. Carla Elena A. Tabuena <sup>19</sup>	- <sup>13</sup>			-
31. Gerardo Jose V. Castro	-			-	65. Ana Maria A. Sotto <sup>22</sup>	-			-
32. Marissa V. Conde	-			-	66. Patrick S. Tang	570			570
33. Gene S. de Guzman	-			-	67. John Henri C. Yanez <sup>12</sup>	- <sup>13</sup>			-
34. Aniceto M. Franco III <sup>14</sup>	- <sup>8</sup>			-					

<sup>1</sup> Includes directly and indirectly owned shares in the Company. Changes in shareholdings were disclosed in the *Statements of Changes in Beneficial Ownership of Securities* filed with the Securities Exchange Commission and Philippine Stock Exchange, Inc. and posted on the Company website at [PLDT Investor Relations>Shareholder Information>Beneficial Ownership](#).

<sup>2</sup> As at December 31, 2016.

<sup>3</sup> As at December 31, 2017.

<sup>4</sup> Includes 2,780 shares for the account of Michelle Y. Dee-Santos and 245 shares under the name of Helen Y. Dee, both under PCD Nominee Corporation and 21,957 shares owned by Hydee Management Corporation. As chairperson and president of Hydee Management Corporation, Ms. Dee may exercise the voting right in respect of the 21,957 shares of Hydee Management Corporation.

<sup>5</sup> Mr. Shigeki Hayashi was elected as director on August 10, 2017 replacing Mr. Hideaki Ozaki who resigned on even date.

<sup>6</sup> As at date of election as director.

<sup>7</sup> Appointment as officer of the Company effective December 01, 2016 was confirmed by the Board of Directors in a meeting held on February 07, 2017.

<sup>8</sup> As at date of appointment as officer.

<sup>9</sup> Appointment as officer of the Company effective February 1, 2017 was confirmed by the Board of Directors in a meeting held on February 7, 2017.

<sup>10</sup> Appointment as officer of the Company effective July 01, 2017 was confirmed by the Board of Directors in a meeting held on November 09, 2017.

<sup>11</sup> Appointment as officer of the Company effective September 01, 2016 was confirmed by the Board of Directors in a meeting held on February 07, 2017.

<sup>12</sup> Promoted as officer of the Company effective November 09, 2017.

<sup>13</sup> As at date of promotion as officer.

<sup>14</sup> Appointment as officer of the Company effective February 01, 2017 was confirmed by the Board of Directors in a meeting held on May 12, 2017.

<sup>15</sup> Appointment as officer of the Company effective June 01, 2017 was confirmed by the Board of Directors in a meeting held on August 10, 2017.

<sup>16</sup> Separated effective July 01, 2017.

<sup>17</sup> Separated effective October 01, 2017.

<sup>18</sup> Appointment as officer of the Company effective December 01, 2016 was confirmed by the Board of Directors in a meeting held on February 07, 2017.

<sup>19</sup> Promoted as officer of the Company effective March 23, 2017.

<sup>20</sup> Appointment as officer of the Company effective September 16, 2016 was confirmed by the Board of Directors in a meeting held on February 07, 2017.

<sup>21</sup> Promoted as officer of the Company effective November 16, 2017.

<sup>22</sup> Separated effective July 26, 2017.

## 2017 RESTRICTIONS ON BUYING AND/OR SELLING PLDT SHARES

Nature of Report	Date of Release	Blackout Period
PLDT 2016 Full Year Report	March 7, 2017	February 5 - March 9, 2017
PLDT 2017 Q1 Results	May 12, 2017	April 27 - May 16, 2017
PLDT 2017 Q2 Results	August 10, 2017	July 26 - August 14, 2017
PLDT 2017 Q3 Results	November 9, 2017	October 25 - November 13, 2017
PLDT 2017 Full Year Report	March 27, 2018	February 6* - April 2, 2018

\* Based on initial release date of March 8, 2018.

The Company's dividend policy was amended by the Board on August 2, 2016 by reducing the regular dividend payout rate to 60% from 75% of Core Earnings Per Share (EPS) as regular dividends. The change in the dividend policy takes into account: (i) the elevated levels of capital expenditures to build a robust, superior network to support the continued growth of data traffic; (ii) plans to invest in new adjacent businesses that will complement the current business and provide future sources of profits and dividends; and (iii) management of cash and gearing levels. In the event that no investment opportunities arise, the Company may consider the option of returning additional cash to shareholders in the form of special dividends or share buybacks. PLDT was able to pay out 60% of its core earnings for the year 2017.

PLDT's Code of Ethics prohibits directors, officers and employees from dealing in the Company's shares when in possession of material non-public information about and involving the Company. During blackout periods, dealing in Company shares by directors, officers, and employees in possession of material non-public information is not allowed and in any exceptional case, prior notice to the Company should be made of any such dealing in Company shares, in accordance with the Company's policy on Blackout Period/Restriction on Trading of Shares. Directors and officers are enjoined to report to the Company their dealings in the Company's shares, regardless of whether such dealings were effected during or outside the blackout period, within three trading days from the date of the transaction, to enable the timely filing of the required disclosures to the PSEC and the PSE.

**Customers.** PLDT serves a broad range of customers from residential, micro, small and medium enterprise (SME) and large enterprise, including the public sector. PLDT strives to satisfy its customers' requirements and expectations regarding innovative products and services, quality of service, pricing, application process, service provisioning process, repair and restoration service and the billing process. We continuously engage with our customers through various touchpoints with the end in view of knowing and understanding their product and service needs, promptly addressing their concerns and identifying areas where we could further enhance customer experience.

In 2017, PLDT expanded the coverage of its combined fiber to the home (FTTH) and hybrid fiber to the households nationwide. The total capacity of the Company's fixed broadband network grew by half a million additional ports, allowing more customers in homes and businesses the power of connectivity. On the other hand, Smart, working with world-leading technology partners, significantly improved its mobile broadband service by accelerating its deployment of Long Term Evolution or LTE, the fourth-generation mobile technology also known as 4G. Smart more than doubled the number of LTE base stations in 2017 to over 8,700 from the previous year and increased the number of cell sites equipped with LTE base stations by about 60% to over 4,300. To complement its LTE deployment, Smart also added more 3G base stations and cell sites equipped with 3G base stations. The Company also improved its signal coverage inside high-rise buildings through the installation of Indoor Building Solutions (IBS) in over 100 structures. To improve customer care services, PLDT embarked on a Customer Care Transformation Program with the following features:

- **Improved hotline call experience.** Unified eight hotline numbers into one customer care hotline number (171) for easy recall and to improve customer access. This hotline number is supported by a new and improved voice recording system (IVRS) with simplified IVRS options and additional customer enabling features.
- **Increased engagement in social media.** Improved digital customer care experience by optimizing channel data analysis in order provide the appropriate tone and voice of engagement. Initiative in this area resulted in a 40% decrease in social media customer waiting time and a 20% increase in online customer engagement.
- **Improved self-help website tools.** Enhanced PLDT Home's customer support page and provided customers with a portal of frequently asked questions and a guide to troubleshooting and device set-up that altogether empowered customers with self-help references.
- **Data privacy.** In compliance with the Data Privacy Act (R.A. No. 10173), reviewed existing business policies and processes to ensure the protection of customers' personal information and/or sensitive personal information.

**Employees.** PLDT respects the dignity, rights, and interests of its employees, among which are the right to self-organization, safe and healthy working conditions, professional development, and community-building social activities. The value of employees to the business is underscored by the inclusion of people and culture transformation among the shared Company goals. Identifying, developing, and retaining talent is a core responsibility and accountability of every leader. Anchored on the foundational premise that the Company's treatment of its employees will influence how employees, in turn, deliver service to customers, PLDT embeds employee experience at the core of all people initiatives, programs, and processes. Three principles guide the employee experience design: leader-led, employee-owned, digital-enabled.

The vision for digital market leadership is hinged on a high-performing culture, and PLDT continuously engages employees to aspire for this goal by aligning groups and individuals to the Company's shared goals and ensuring that the Company's performance management system is performance-driven and coaching-centered. A digital platform has been implemented to enable a standard performance management system across PLDT and Smart. Supporting the objective of shaping a high-performing culture is a Total Rewards Program that is merit-based and addresses both short-term and long-term transformation goals. Compensation and incentives are determined on the bases of performance and accomplishment. Management has approved two major rewards programs, the Short-term Incentive Plan (STIP) and the Transformation Incentive Plan (TIP).

To ensure the success of ongoing business transformation, PLDT has implemented the Next Generation Leaders Program where new officers undergo a year-long mentoring and practical skills-building program where the Chairman and the Top Management Team assume the roles of coaches and mentors.

A digital environment requires a strong learning and development ecosystem. PLDT's comprehensive corporate university supports the organizational capability-building needs. It utilizes a combination of classroom and mobile learning methodologies. Adequate opportunity for career management and development is provided to employees. The new digital curriculum, Workforce Learning 2020, has been launched and it anchors on the digital transformation skills requirements, new leadership competency mandates, 2020 technologies for fixed and wireless, and foundational compliance training requirements such as Data Privacy.

PLDT organizes engagement programs that prioritize the well-being of employees and strengthen the quality of work relationships. These allow employees to engage in a broad range of character-developing and relationship-building activities through CSR, sports, special interest groups, and family-oriented programs. Formal channels for employee feedback are made available through engagement surveys conducted at regular intervals to give employees the opportunity to share their perspectives about relevant

Company matters. Digital and social platforms are optimized for employee crowdsourcing and internal communication. Management-led digital dialogues provide opportunity for employees across various parts of the country to directly interact and voice out their suggestions and recommendations to top management.

**Suppliers.** PLDT aspires to maintain mutually beneficial relationships only with like principled suppliers that uphold PLDT's core values of fairness, accountability, integrity and transparency in their own businesses. Suppliers are required to undergo an accreditation process before they engage in business with PLDT. Among the criteria for accreditation are financial and technical capability, compliance with applicable laws, including those pertaining to industrial relations, environment, health and safety, and intellectual property rights. The Company's purchases, as a general rule, are made on the basis of competitive bidding among accredited and qualified suppliers.

**Creditors.** In accordance with our Code of Ethics, we protect the rights of our creditors by publicly disclosing all material information, such as earnings results and risk exposures relating to loan covenants. Our disclosure controls and procedures also include periodic reports to our creditors such as our latest certified financial statements, no default certification, and certification on compliance with financial ratio limits. PLDT's credit has been rated at investment grade by the three major international credit rating agencies.

**Communities.** Serving the community is an integral part of the mission of promoting inclusive development. With their technology and services, PLDT and Smart are well-positioned to provide much needed assistance to communities. As good corporate citizens, PLDT and Smart are leveraging their infrastructure and services to act as enablers, especially in communities with greatest need, through their CSR programs on education, health, community, environment, livelihood development, youth development and sports, and disaster relief operations.

During emergencies, Smart and PLDT make available their network and employees to provide connectivity and humanitarian assistance via its *Libreng Tawag* and Charging Services. In times of disasters, the PLDT Group of Companies (the "PLDT Group") work together with the PSF under the *Tulong Kapatid* Program, the PLDT Group's consolidated disaster preparedness and response initiative.

To create a positive impact on the environment, PLDT and Smart have collaborated with the PBSP and Motolite, under its *Balik Baterya* Program. This recycling program's education component tackled the proper disposal of hazardous waste from lead-acid batteries while generating program funds for community education projects through the production of new automotive and industrial batteries from recycled units. Since the program began in 2006, PLDT and Smart remain the two biggest benefactors of the program.



Education programs remain a top priority for both PLDT and Smart. PSF, in partnership with the PLDT Managers' Club Inc. (MCI) has nurtured and grown the *Gabay Guro* program that provides scholarships to aspiring teachers and seeks to recognize teachers in an annual teachers' day celebration. Smart, on the other hand, has its *TechnoCart* and School-in-a-Bag programs that utilize local educational content with connectivity and devices to cater to children living in underserved communities.

**Environment.** PLDT is committed to environmental protection and compliance with environmental laws. To intensify the environmental compliance of the Company, a Risk Management and Compliance Division was established to oversee compliance of all PLDT establishments/buildings with the regulations and environmental laws. PLDT is also implementing stack and ambient emission monitoring of standby generator sets, construction of temporary storage facilities and safekeeping of hazardous waste, and construction of waste water treatment plant facility in order to comply with applicable environmental laws such as the Philippine Clean Air Act (RA 8749), Toxic Substances and Nuclear Waste Control Act (RA 6969), Ecological Solid Waste Management Act (RA 9003), Philippine Clean Water Act (RA 9275) and Pollution Control Law (PD 984).

The PLDT Group has taken tangible measures to reduce its carbon footprint. As such, it ensures compliance with rules and regulations of local government regulatory offices and agencies, institutes programs on energy conservation and waste disposal, and conducts regular campaigns to raise the awareness and competency of employees on sustainable business practices. Energy conservation and resource consumption efficiency are among the performance key result areas that are monitored and measured for long-term solutions because effective energy management directly impacts the business, its competitiveness, and reliability of service. In line with this, the programs we have implemented include migration from old Legacy Switches to the New Generation Network, upgrade of lighting equipment in our buildings into more efficient technologies, replacement of old air-conditioners with energy saving-type units, and

space optimization in workplaces. Apart from mitigating the Company's environmental footprint, numerous measures to address the threats arising from climate change impact have been put in place. Our facilities and network are focused on climate-proofing efforts to assure business continuity during times of natural calamities. Structural retrofitting of Company buildings and offices, relocation to safer location of diesel generators and strategic deployment of mobile units, and placing more underground fiber optic cables comprise some of such resiliency programs.

**Advocacy and Networking.** PLDT supports the advocacy for better governance and ethics in business as manifested in the Company's policy against corruption and bribery set forth in its Code of Ethics and reinforced in specific policies such as the Policy on Gift-Giving Activities, Gifts Policy, Supplier/Contractor Relations Policy, Corporate Governance Guidelines for Suppliers, which prohibit bribery or acts which may be construed as bribery involving third parties in business dealings with the Company. These policies are implemented through anti-corruption programs and measures such as internal controls, training and communication, whistleblowing system, third party due diligence, and support for and participation in multi-sectoral anti-corruption initiatives to eliminate graft and corruption.

PLDT continues to work with institutions and organizations engaged in programs and advocacy efforts in the corporate governance, compliance and business ethics field. As a sponsoring partner member of the Ethics and Compliance Initiative (ECI), PLDT has access to ECI's vast online library on governance and related topics and opportunities to interact with other governance and ethics professionals around the world, and is able to benchmark its governance practices against those of leading companies. Locally, PLDT is a premium member of the Integrity Initiative, Inc. and a member of the Good Governance Advocates and Practitioners of the Philippines (GGAPP). PLDT also participates in the activities of the Institute of Corporate Directors (ICD) and its sister-institute in the public sector, the Institute for Solidarity in Asia (ISA).

PLDT recognizes that corporate governance will be one of the key factors in its digital pivot and business transformation program.

The Company's determined focus to achieve its Mission and strategic objectives shall be sustained by PLDT's commitment to its customers, shareholders, employees and other stakeholders and adherence to the principles of good governance.

In an increasingly connected world, PLDT is taking the lead in creating opportunities for the country.





*Photo courtesy of Macky Sevilla, PLDT Lens Club*



As we continue to transform our business,  
managing risk remains a key concern.

## THE PLDT GROUP

# Enterprise Risk Management

### THE GROUP ENTERPRISE RISK MANAGEMENT DEPARTMENT

The PLDT Group's commitment to the proactive management of existing and emerging risks is reinforced by the Group Enterprise Risk Management Department (GRMD). The GRMD develops and manages a comprehensive integrated risk management program that is implemented across all levels of the organization, with the goal of managing the Group's risks to an acceptable level, so as to enhance opportunities, reduce threats, and thus create even more value for the business and its stakeholders.

### THE PLDT GROUP RISK MANAGEMENT PHILOSOPHY STATEMENT

The PLDT Group adopts a risk philosophy that recognizes risks as integral to its business thereby committing itself to managing these risks with the aim of attaining its business objectives, thus enhancing shareholder value.

*The PLDT Group operates in a complex and dynamic business environment which gives rise to a variety of risks that can be both threat and opportunity. Recognizing that these risks are an integral part of its business, the PLDT Group is committed to managing its overall risk exposure in a systematic way and in such a manner that supports its strategic decision-making process. Accordingly, the PLDT Group employs a comprehensive, integrated risk management program, effected across all levels of the organization, with the goal of identifying, analyzing and managing the Group's risks to an acceptable level, so as to enhance opportunities, reduce threats, and thus sustain competitive advantage. The PLDT Group believes that an effective risk management program will contribute to the attainment of objectives by PLDT and its subsidiaries, thus creating value for the business and its stakeholders.*

### THE ENTERPRISE RISK MANAGEMENT FRAMEWORK AND PROCESS

The GRMD promulgates and encourages the adoption of a standard risk evaluation process focused on the need to properly identify, analyze, evaluate, treat and monitor risks that may affect the achievement of business objectives. The ERM process implemented is based on the International Standard of ISO 31000.

The implementation of the ERM process ensures that high-priority risks are well understood and effectively managed across all functions and units within the PLDT Group.

### RISK COMMITTEE

The Risk Committee assists the PLDT Board in overseeing Management's adoption and implementation of a system for identifying, assessing, monitoring and managing key risk areas. The committee reviews Management's reports on the Company's major risk exposures as well as Management's plans and actions to minimize, control or manage the impact of such risks.

The GRMD reports to the PLDT Risk Committee on a quarterly basis and to the PLDT Board of Directors on a semi-annual basis on developments with regard to the Group's risk management activities.

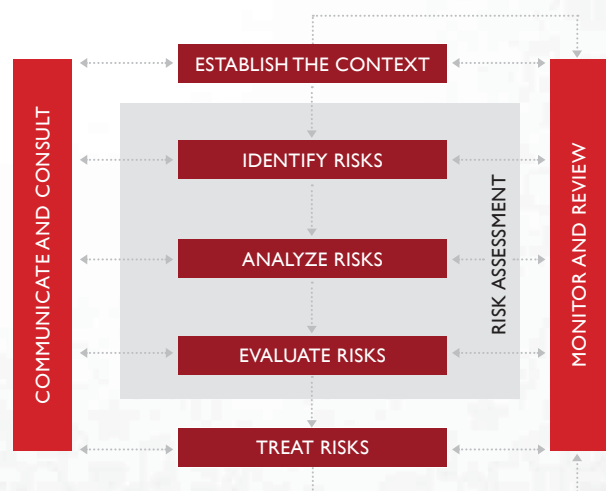
### PLDT GROUP TOP RISKS

A risk assessment exercise was undertaken by the CEO Council to identify and prioritize the most important risks affecting the PLDT Group for 2017. These top risks were:

- Competitive situation and economic conditions
- Rapid speed of disruptive innovations and new technologies
- Regulatory changes/scrutiny
- Privacy/ identity management challenges and increase in information security issues
- Regular occurrence of natural disasters

The PLDT Group is committed in pursuing measures to ensure that all these risks are effectively managed. Treatment strategies have been developed, and mitigation initiatives have been put in place. Risk management activities are continuously monitored and reviewed to ensure that critical risks are appropriately addressed across the organization.

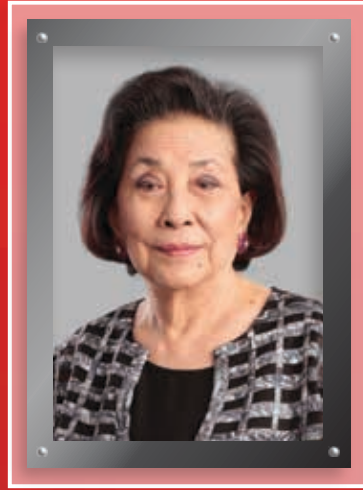
### ISO 31000: RISK MANAGEMENT PROCESS



# Board of Directors



Manuel V Pangilinan



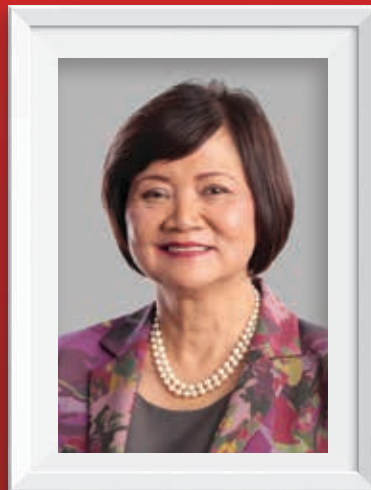
Helen Y. Dee



Ray C. Espinosa



Hon. Artemio V. Panganiban

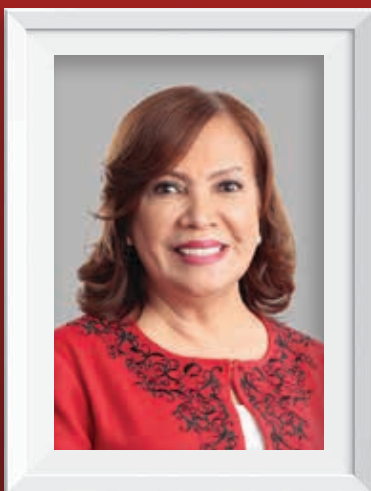


Ma. Lourdes C. Rausa-Chan



Amb. Albert F. Del Rosario

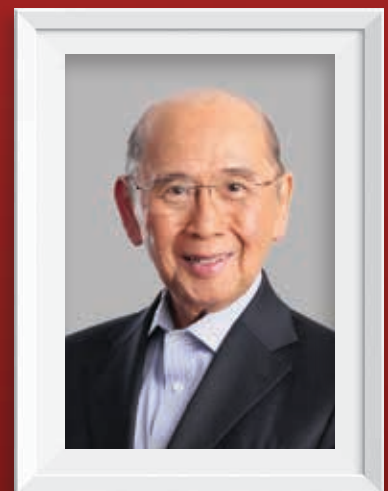
## Advisory Board/Committee



Marife B. Zamora



Oscar S. Reyes



Roberto R. Romulo



James L. Go



Shigeki Hayashi



Bernido H. Liu



Pedro E. Roxas



Atsuhisa Shirai



Amado D. Valdez



Benny S. Santoso



Orlando B. Veja



Christopher H. Young

# Board of Directors

## **MANUEL V PANGILINAN, 71, FILIPINO**

Director of PLDT since November 24, 1998. He was appointed as Chairman of the Board of Directors of PLDT after serving as its President and Chief Executive Officer from November 1998 to February 2004. Effective January 1, 2016, he concurrently holds the position of President and Chief Executive Officer of PLDT and Smart Communications, Inc. (Smart). He is the Chairman of the Governance and Nomination, Executive Compensation and Technology Strategy Committees of the Board of Directors of PLDT. He also serves as Chairman of Metro Pacific Investments Corporation (MPIC), Manila Electric Company (Meralco) and Philex Mining Corporation, and Vice Chairman of Roxas Holdings, Inc., all of which are PSE-listed companies, and of several subsidiaries or affiliates of PLDT or MPIC, including, among others: Smart, Digital Mobile Philippines, Inc., Digital Telecommunications Phils., PLDT Communications & Energy Ventures, Inc. Beacon Electric Assets Holdings Inc. (Beacon), Manila North Tollways Corporation, Maynilad Water Services Corporation (Maynilad), Landco Pacific Corporation, Metro Pacific Hospital Holdings, Inc., Medical Doctors Inc. (Makati Medical Center), Colinas Verdes Corporation (Cardinal Santos Medical Center), Davao Doctors Incorporated, Riverside Medical Center Incorporated, Our Lady of Lourdes Hospital and Asian Hospital Incorporated. He is also the Chairman of MediaQuest Holdings Inc. (MediaQuest), Associated Broadcasting Corporation C(TV5) and PLDT-Smart Foundation.

Mr. Pangilinan founded First Pacific Company Limited (First Pacific), a Hong Kong Stock Exchange-listed company, in 1981 and served as Managing Director until 1999. He was appointed as Executive Chairman until June 2003, when he was named as Chief Executive Officer and Managing Director. Within the First Pacific Group, he also holds the position of President Commissioner of P.T. Indofood Sukses Makmur Tbk, the largest food company in Indonesia.

Outside the First Pacific Group, Mr. Pangilinan is the Chairman of the Board of Trustees of San Beda College and the Hong Kong Bayanihan Trust, a non-stock, non-profit foundation which provides vocational, social and cultural activities for Hong Kong's foreign domestic helpers. He is the Chairman of PBSP, the largest private sector social action organization made up of the country's largest corporations. He is a Co-Chairman of the PDRF, a non-stock, non-profit foundation established to formulate and implement a reconstruction strategy to rehabilitate and rebuild areas devastated by floods and other calamities, and of the US-Philippine Business Society, a non-profit society which seeks to broaden the relationship between the United States and the Philippines in the areas of trade, investment, education, foreign and security policies and culture.

Mr. Pangilinan has received numerous prestigious awards including the Business Icon Gold Award for having greatly contributed to the Philippine economy through achievements in business and society by Biz News Asia magazine (2008), Global Filipino Executive of the Year for 2010 by Asia CEO Awards, and Philippines Best CEO for 2012 by Finance Asia.

Mr. Pangilinan graduated cum laude from the Ateneo de Manila University, with a Bachelor of Arts Degree in Economics. He received his Master's Degree in Business Administration from Wharton School of Finance & Commerce at the University of Pennsylvania, where he was a Procter & Gamble Fellow. He was conferred a Doctor of Humanities Degree (Honoris Causa) by the San Beda College (2002), Xavier University (2007), Holy Angel University (2009) and Far Eastern University (2010).

## **HELEN Y. DEE, 74, FILIPINO**

Director of PLDT since June 18, 1986. She is the Chairperson or a Director of EEI Corporation, House of Investments, Petro Energy Resources Corporation and Rizal Commercial Banking Corporation, all of which are PSE-listed companies. She is the Chairperson, Vice Chairperson or a director of several companies engaged in banking, insurance and real property businesses. She is also the President and/or Chief Executive Officer of Hydee Management and Resource Corp., Moira Management, Inc., Tameena Resources, Inc., YGC Corporate Services, Inc., GPL Holdings, Inc. and Mijo Holdings, Inc.

Ms. Dee received her Master's Degree in Business Administration from De La Salle University.

## **RAY C. ESPINOSA, 62, FILIPINO**

Director of PLDT since November 24, 1998, and is a member of the Technology Strategy Committee of the Board of Directors of PLDT. He has been serving as Chief Corporate Services Officer of PLDT since December 1, 2016, and General Counsel of Meralco since December 15, 2009. He is a director of Metro Pacific Investments Corporation and Roxas Holdings, Inc., a director and Chairman of the Finance Committee of Meralco, an independent director and Chairman of the Audit Committee of Lepanto Consolidated Mining Company, all of which are PSE-listed companies, and an independent director and the Chairman of the Risk Management Committee of Maybank Philippines, Inc.

He is the Chairman of PhilStar Group of Companies and Business World Publication Corporation, the President of Mediaquest Holdings, Inc., a director of Voyager Innovations Inc. and Paymaya Philippines Inc., and a trustee of the Beneficial Trust Fund of PLDT and PLDT-Smart Foundation, Inc. Atty. Espinosa served as Head of Regulatory and Strategic Affairs of PLDT until 2016, President & CEO of TV5 Network Inc. and Cignal TV Inc. until May 2013 and, prior thereto, was the President & CEO of ePLDT and its subsidiaries until April 2010. In June 2013, he

joined First Pacific as Associate Director and was appointed as First Pacific Group's Head of Government and Regulatory Affairs and Head of Communications Bureau for the Philippines.

Atty. Espinosa has a Master of Laws degree from the University of Michigan Law School and is a member of the Integrated Bar of the Philippines. He was a partner at Scyp Salazar Hernandez & Gatmaitan from 1982 to 2000, and a foreign associate at Covington and Burling (Washington, D. C., USA) from 1987 to 1988. He placed first in the 1982 Philippine Bar Examinations.

## **JAMES L. GO, 79, FILIPINO**

Director of PLDT since November 3, 2011, and is a member of the Technology Strategy and Risk Committees and Advisor of the Audit Committee of the Board of Directors of PLDT. He is the Chairman and Chief Executive Officer of JG Summit Holdings, Inc. and Oriental Petroleum and Minerals Corporation, the Chairman of Universal Robina Corporation and Robinsons Land Corporation, the Vice Chairman of Robinsons Retail Holdings, Inc., and a director of Cebu Air, Inc and Meralco, which are PSE-listed companies. He is also the Chairman of JG Summit Petrochemical Corporation and JG Summit Olefins Corporation, and a director of CFC Corporation, United Industrial Corporation Limited, Marina Center Holdings Private Limited and Hotel Marina City Private Limited. He is also the President and a Trustee of the Gokongwei Brothers Foundation. He was the Vice Chairman and President and Chief Executive Officer of Digital until October 26, 2011.

Mr. Go received his Bachelor of Science Degree and Master of Science Degree in Chemical Engineering from Massachusetts Institute of Technology, USA.

## **SHIGEKI HAYASHI, 50, JAPANESE**

Vice President-Planning/Carrier Relation Global Business of NTT Communications Corporation (NTT Com). He handles strategy and management of the global business of overseas subsidiaries, post-merger integration of NTT Com's mergers and acquisitions companies and carrier relation with global carriers of NTT Com. His previous positions in NTT Com were Director-Planning, Global Business (2012 to 2016), Senior Manager-Overseas Business Management, Global Business (2007 to 2012) and Senior Manager-Tax Accounting Division, Accounts and Finance Department (1999 to 2004). He was the Deputy General Manager-Corporate Management Department of NTT Europe Ltd. from 2004 to 2007.

Mr. Hayashi obtained his Bachelor of Economics Degree from Osaka University.

## **BERNIDO H. LIU, 55, FILIPINO**

Independent director of PLDT since September 28, 2015 and is an independent member of the Audit, Governance and Nomination, Executive Compensation and Risk Committees of the Board of Directors of PLDT. He is the Chairman and Chief Executive Officer of Golden ABC, Incorporated. (GABC), a fashion retail company which creates and sells its own clothing, personal care and accessory lines marketed and retailed under a fast-growing dynamic portfolio of well-differentiated proprietary brands. He is the Group Chairman and President of LH Paragon Incorporated, a business holdings company which has under its management GABC and other companies in various industries, namely, Matimco Incorporated, Oakridge Realty Development Corporation, Basic Graphics Incorporated, Essentia Medical Group Incorporated, Red Logo Lifestyle Inc., Greentree Food Solutions, Inc., and GABC International Pte Limited. He is a Trustee for Children's Hour Philippines and of the Philippine Retailers Association, a director for Mga Likhani Inc., a member of the Visayas Advisory Council of Habitat for Humanity Philippines, until March 27, 2018, and an independent member of the Board of Trustees of the PLDT-SMART Foundation, Inc.

Mr. Liu graduated with a Bachelor of Science Degree in Architecture from the University of San Carlos, Cebu, and completed the Executive Education Owner/President Management Program of the Harvard Business School.

Over the years, Mr. Liu and GABC under his leadership have been recognized by different award-giving bodies. Awards include, among others, the Agora Award for Outstanding Achievement in Entrepreneurship from the Philippine Marketing Association, Ten Outstanding Young Men for Entrepreneurship, and the ASEAN Business Award of Excellence for Priority Integration Sector in Retail.

## **ARTEMIO V. PANGANIBAN, 81, FILIPINO**

Independent director of PLDT since April 23, 2013 and is serving as an independent member of the Audit, Governance and Nomination, Executive Compensation and Risk Committees of the Board of Directors of PLDT. He served as an independent member of the Advisory Board and an independent non-voting member of the Governance and Nomination Committee of the Board of Directors of PLDT from June 9, 2009 to May 6, 2013.

Currently, he is also an independent director of Meralco, Petron Corporation, First Philippine Holdings Corporation, Metro Pacific Investments Corporation, Robinsons Land Corporation, GMA Network, GMA Holdings, and Asian Terminals, Inc., and a regular director of Jollibee Foods Corporation, all of which are PSE-listed companies, as well as a senior adviser of Metropolitan Bank and Trust Company, a member of the Advisory Council of the Bank of the Philippine Islands and an adviser of Double Dragon Properties, Corp.

He is also Chairman of the Board of Trustees of the Foundation for Liberty and Prosperity, and of the Board of Advisers of Metrobank Foundation, Inc., a trustee of Tan Yan Kee Foundation and Claudio Teehankee Foundation, President of the Manila Metropolitan Cathedral-Basilica Foundation, a member of the Advisory Board of World Bank (Philippines), Chairman-Emeritus of the Philippine Dispute Resolution Center, Inc., Chairman of the Philippine National Committee of the Asean Law Association, a consultant of the Judicial and Bar Council, a member of the Permanent Court of Arbitration in The Hague, Netherlands, and a column writer of the Philippine Daily Inquirer.

Hon. Panganiban served the Supreme Court of the Philippines for more than 11 years, first as Associate Justice (October 10, 1995 to December 20, 2005) and later, as Chief



Justice (December 21, 2005 to December 6, 2006) during which he sat concurrently as Chairperson of the Presidential Electoral Tribunal, Judicial and Bar Council and Philippine Judicial Academy. He has received over 250 awards in recognition of his role as jurist, practicing lawyer, professor, civic leader, Catholic lay worker and business entrepreneur, including as "The Renaissance Jurist of the 21st Century" given by the Supreme Court on the occasion of his retirement from the Court.

Hon. Panganiban graduated cum laude from Far Eastern University with a Bachelor of Laws Degree in 1960, and was conferred a Doctor of Laws Degree (Honoris Causa) by the University of Iloilo (1997), Far Eastern University (2002), University of Cebu (2006), Angeles University (2006) and Bulacan State University (2006).

He was co-founder and past president of the National Union of Students of the Philippines.

#### **MA. LOURDES C. RAUSA-CHAN, 64, FILIPINO**

Director of PLDT since March 29, 2011 and is a non-voting member of the Governance and Nomination Committee of the Board of Directors of PLDT. She has been serving as Corporate Secretary, Corporate Affairs and Legal Services Head and Chief Governance Officer of PLDT since November 1998, January 1999 and March 2008, respectively. She is a director and the Corporate Secretary of ePLDT, PLDT Global Investments Holdings, Inc., PLDT Communications and Energy Ventures, Inc., ACeS Philippines Cellular Satellite Corporation and Mabuhay Investments Corporation and also serves as Corporate Secretary of several other subsidiaries of PLDT, and of PLDT-Smart Foundation Inc. and Philippine Disaster-Resilience Foundation, Inc. Prior to joining PLDT, she was the Group Vice President for Legal Affairs of Metro Pacific Corporation and the Corporate Secretary of some of its subsidiaries.

Ms. Rausa-Chan received her Bachelor of Arts Degree in Political Science and Bachelor of Laws Degree from the University of the Philippines.

#### **ALBERT F. DEL ROSARIO, 78, FILIPINO**

Director of PLDT since July 11, 2016 and is a member of the Technology Strategy Committee of the Board of Directors of PLDT. He was the former Secretary of Foreign Affairs of the Philippines from March 2011 to March 2016 and also served as Philippine Ambassador to the United States of America from October 2001 to August 2006. Prior to entering public service, he was on the Board of Directors of over 50 firms. His business career for over four decades has spanned the insurance, banking, real estate, shipping, telecommunications, advertising, consumer products, retail, pharmaceutical and food industries.

Ambassador del Rosario is the Chairman of Philippine Stratbase Consultancy, Inc., Gotuaco del Rosario Insurance Brokers, Inc., Stratbase ADR Institute, Inc., and a director of First Pacific Company, Metro Pacific Investments Corporation and Rockwell Land Corporation (both PSE-listed companies), Indra Philippines, Inc., Metro Pacific Tollways Corporation, Cavite Infrastructure Corporation, Sarimonde Foods Corporation, Two Rivers Pacific Holdings Corporation, Metro Pacific Resources, Inc., Metro Pacific Holdings, Inc., Metro Pacific Asset Holdings, Inc., Philippine Telecommunications Investment Corporation, Enterprise Investments Holdings, Inc. and Asia Insurance (Phil) Corp.

He is also a trustee of the Carlos P. Romulo Foundation for Peace & Development and Philippine Cancer Society, Inc. and a member of the Advisory Board of CSIS Southeast Asia Program and Metrobank Foundation, Inc.

Ambassador del Rosario received numerous awards and recognition for his valuable contributions to the Philippines and abroad. In September 2004, he was conferred the Order of Sikatuna, Rank of Datu, by H.E. President Gloria Macapagal-Arroyo for his outstanding efforts in promoting foreign relations for the Philippines and the Order of Lakandula with a Rank of Grand Cross (Bayani) for acting as Co-Chair of the 2015 APEC in December 2015. He was a recipient of the EDSA II Presidential Heroes Award in recognition of his work in fostering Philippine democracy in 2001 and the Philippine Army Award from H.E. President Corazon Aquino for his accomplishments as Chairman of the Makati Foundation for Education in 1991. He was awarded as 2013 Professional Chair for Public Service and Governance by Ateneo School of Government and the Metrobank Foundation, 2014 Management Man of the Year by Management Association of the Philippines, 2016 Outstanding Government National Official by Volunteers Against Crime and Corruption (VACC), 2016 Asia CEO Awards as Life Contributor, and Manuel L. Quezon Gawad Parangal as Quezon City's Most Outstanding Citizens for 2016. He was elevated to the Xavier Hall of Fame in New York City in 2006. He received the AIM Washington Sycip Distinguished Management Leadership Award in 2011, Doctor of Laws (Honoris Causa) for "principled commitment to democracy, integrity and the rule of law both at home and around the globe" conferred by the College of Mount Saint Vincent, New York City in September 2015, Rotary Club Makati West's First "Albert del Rosario Award" (Tungo sa Makatarangang Pamumuhay) in August 2016, Outstanding Leadership in Diplomatic Service by Miriam College Department of International Studies and Philippine Tatler's Diamond Award both in November 2016.

Ambassador del Rosario graduated from New York University with a Bachelor of Science Degree in Economics.

#### **PEDRO E. ROXAS, 62, FILIPINO**

Director of PLDT since March 1, 2001 and qualified as an independent director since 2002. He is the Chairman of the Audit Committee and serves as an independent member of the Risk, Governance and Nomination and Executive Compensation Committees of the Board of Directors of PLDT. He is the Chairman of Roxas Holdings, Inc. and Roxas and Company, Inc., and an independent director of Meralco, BDO Private Bank and CEMEX Holdings Phil. Inc., which are reporting or PSE-listed companies.

He is also the Chairman, President or a director of companies or associations in the fields of agri-business, sugar manufacturing and real estate development including Brightnote Assets Corporation, Club Punta Fuego, Inc., Hawaiian-Philippine Co. and Philippine Sugar Millers Association, and a member of the Board of Trustees of Philippine Business for Social Progress and Fundacion Santiago (where he is also the President) and Roxas Foundation, Inc..

Mr. Roxas received his Bachelor of Science Degree in Business Administration from the University of Notre Dame, Indiana, U.S.A.

#### **ATSUHISA SHIRAI, 56, JAPANESE**

Director of PLDT since August 30, 2016. He is a member of the Governance and Nomination, Executive Compensation, Technology Strategy and Risk Committees, and an Advisor of the Audit Committee of the Board of Directors. From May 2015 to July 2016, he was the President of Mobile Innovation Co., Ltd., a company that provides fleet management services in Thailand, and through its subsidiaries, in Vietnam and Indonesia, and through dealers, in Myanmar.

He served as Director of DOCOMO Wi-Fi Service, 2M2 Business Department and Director of International Roaming, Global Business Department of NTT DOCOMO from July 2013 to April 2015 and from April 2009 to June 2013, respectively. He also served as Director of Wireless Broadband Alliance from July 2010 to June 2015. Prior to that, he was the Director of Singapore Project, Global Business Office of NTT West Corporation from July 2007 to March 2009, Director of Housing Services and Data Center, IT Management Services Department and Director of Internal IT System, Global Business Department of NTT Communications Corporation from April 2005 to June 2007 and from January 2002 to March 2005, respectively.

Mr. Shirai received his Master's Degree in Electrical and Electronic Engineering from Chiba University.

#### **DEAN AMADO D. VALDEZ, 72, FILIPINO\***

Director of PLDT from November 14, 2016 to March 26, 2018. He was the Chairman of the Social Security Commission from October 2016 to February 2018. He is an independent director of Radiowealth Finance Corporation. Dean Valdez' service in the national government started during the term of then President Corazon C. Aquino where he served as Director of the Bureau of Agrarian Legal Assistance and as member of the Cabinet Assistance System. In 2001, he served as Government Corporate Counsel with the rank of Presiding Justice of the Court of Appeals. He also served as Senior Undersecretary at the Office of the President of the Philippines and concurrent Executive Director of the Presidential Commission on the Visiting Forces Agreement. Prior thereto, he worked as General Attorney at the Law Center of the U.S. Naval Base Subic Bay and Associate at the law firm Martin, Davis & Lewis Law Firm in Los Angeles, California.

His past business, professional, and civic involvement includes holding positions such as Dean of the University of the East College of Law, President and Chairman Emeritus of the Pamantasan ng Lungsod ng Maynila and Ospital ng Maynila, President of the International Association of Constitutional Law-Philippine Branch and the Philippine Association of Law Schools, member of the Board of Trustee of the Philippine Judicial Academy and the Universidad de Manila, director of Philex Mining Corporation, John Hay Management Corporation and Rotary Club of Manila, among others.

Dean Valdez obtained his Bachelor of Laws Degree from the University of the East and Bachelor of Arts Degree from Manuel L. Quezon University. He also attended special studies in International Business Law at the National University in Singapore and completed academic requirements in Master in Business Economics at University of Asia and the Pacific. He was conferred with Doctor of Humanities Degree by the Laguna State Polytechnic University and Doctor of Philosophy Degree by the Akamai University in Hawaii.

#### **MARIFE B. ZAMORA, 65, FILIPINO**

Director of PLDT since November 14, 2016. She is a member of the Board of Directors of Convergys Philippines, Inc., the Philippine branch of Convergys Corporation (NYSE:CVG), a global leader in customer management, and prior thereto served as its Chairperson from April 2014 to March 2018. She is the 3rd Woman President and the 68th President of the Management Association of the Philippines since its inception in 1950, a member of the Board of Directors of the American Chamber of Commerce of the Philippines, 2017-2018, Secretary and member of the Board of Trustees of the Integrity Initiative, and Board Adviser of ABS CBN Lingkod Kapamilya Foundation Inc. She co-founded and is Chair of the Filipina CEO Circle, an organization of Filipina CEOs who rose through the ranks to lead large corporations in the country's private sector.

She served as the first country manager of Convergys Philippines, setting up its first contact center in 2003 and leading its growth into being the country's largest private employer. In 2011, she became managing director for Asia Pacific and EMEA, responsible for Convergys contact centers in the Philippines, India, United Kingdom, and Malaysia. Prior to her work at Convergys Philippines, Ms. Zamora served as managing director for Headstrong Incorporated, a global provider of integrated solutions and digital technologies. Previously, she was with IBM Philippines where she held a number of sales, marketing and management positions during her 18-year tenure with the company.

Ms. Zamora received her Bachelor of Arts Degree (major in Mathematics & History) from the College of the Holy Spirit and studied in the University of the Philippines and the Wharton School of the University of Pennsylvania. Honors conferred on Ms. Zamora include the Asia CEO Awards 2011 Global Filipino Executive of the Year, the 'Go Negosyo' Woman STARpreneur Award 2012, and the 100 Most Influential Filipino Women in the World Award (Founders & Pioneers Category) 2013.

\* Resigned on March 27, 2018 and was replaced by Emmanuel Dooc at the March 27, 2018 Board.



## Executive Officers

(From left)

**Manuel V Pangilinan**  
**Ernesto R. Alberto**  
**Alejandro O. Caeg**  
**Anabelle L. Chua**  
**June Cheryl A. Cabal-Revilla**  
**Ray C. Espinosa**  
**Victorico P. Vargas**  
**Maria Elizabeth S. Sichon**  
**Ma. Lourdes C. Rausa-Chan**  
**Jun R. Florencio**  
**Menardo G. Jimenez, Jr.**  
**Juan Victor I. Hernandez**  
**Oscar Enrico A. Reyes, Jr.**

### **ERNESTO R. ALBERTO, 57, FILIPINO**

Group Chief Revenue Officer for PLDT and Smart, and a member of PLDT and Smart top management team, is responsible for generating revenues from all the market segments of the group (Enterprise, International, Home, and Wireless businesses). Prior thereto, he was the Head of PLDT Group Enterprise, International and Carrier Business since January 2012. He also serves as Chairman, President and Chief Executive Officer of Asia Netcom Philippines Corporation, Digitel Crossing, Inc., Mabuhay Investment Corporation, and Telesat, Inc., President and Chief Executive Officer of ePLDT and Digitel Mobile Phils, Inc., and President of i-Contacts Corporation and Primeworld Digital Systems, Inc. He is the Chairman of ABM Global Solutions, Bonifacio Communications Corporation, Curo Teknika, ePDS, IP Converge Data Services, Inc. PLDT Clark Telecom, Inc., PLDT Malaysia Sdn. Bhd., PLDT Maratel, Inc., PLDT Philcom, PLDT Subic Telecom, Inc., Rack IT Data Center, Inc., and Smart NTT Multi-Media, Inc., and a director of Asean Telecom Holdings Sdn. Bhd., Paymaya Philippines, Inc., PLDT Global Smart, Talas Data Intelligence, Voyager Innovations, Inc. and WiFun, Inc.

Mr. Alberto has over thirty years of extensive experience in telecommunications, corporate banking, relationship management and business development, having held key positions in the PLDT Group and leading local and foreign banks. Prior to joining PLDT in May 2003, he was Vice President, Senior Banker and Group Head of the National Corporate Group of Citibank, N.A., Manila from November 1996 to April 2003 and previously served as Vice President and Group Head of the Relationship Management Group of Citytrust Banking Corporation.

He graduated with a Bachelor's Degree major in Economics and minor in Mathematics and Political Science from San Beda College and pursued his masters studies in Economics Research at the University of Asia and the Pacific.



**JUNE CHERYL A. CABAL-REVILLA, 44, FILIPINO**

Controller and Financial Reporting and Controllershship Head, is concurrently the Chief Financial Officer of Smart since May 18, 2015. She is also a director and/or the Chief Financial Officer/Treasurer of several subsidiaries of PLDT, the Co-Controller of Vega Telecom, Inc., Eastern Telecommunications Phils, Inc. and Bell Telecommunication Phils, Inc., the Chief Financial Officer and/or Treasurer of PLDT-Smart Foundation, Philippine Disaster Recovery Foundation and TOYM Foundation, Comptroller of First Pacific Leadership Academy Foundation and director of Tahanan Mutual Building and Loan Association.

Prior to joining PLDT in June 2000 as an executive trainee in the Finance Group, she was a senior associate in the business audit and advisory group of SGV & Co.

Ms. Cabal-Revilla received her Bachelor of Science Degree in Accountancy from De La Salle University and Master's Degree in Business Management Major in Finance from Asian Institute of Management.

**ALEJANDRO O. CAEG, 58, FILIPINO**

Head of Consumer Business – Customer Development, previously served as Head of WCD Sales and Distribution of Smart from December 1, 2016 to July 2017 and as Head of International & Carrier Business from March 1, 2009 until November 30, 2016. He was Smart's representative to the Conexus Mobile Alliance (one of Asia's largest cellular roaming alliances), where he was also designated as its Deputy Chairman until 2012 and Conexus Chairman until 2014. Prior to joining PLDT in 2009, he worked in PT Smart Telecom (Indonesia) as its Chief Commercial Strategy Officer from July 2008 to December 2008 and as Chief Commercial Officer from January 2006 to June 2008.

He also held various sales, marketing and customer service-related positions in Smart including that of Group Head of Sales and Distribution (2003-2005), Group Head of Customer Care and National Wireless Centers (1998-2001) and Marketing Head of International Gateway Facilities and Local Exchange Carrier (1997-1998). He also served as President and Chief Executive Officer of Telecommunications Distributors Specialist, Inc. in 2002 and as Chief Operations Adviser of I-Contacts Corporation (Smart's Call Center subsidiary) from 2001 to 2002.

Mr. Caeg graduated with a Bachelor's Degree in AB Applied Economics and obtained MBA credits from De La Salle University Manila.

**ANABELLE L. CHUA, 57, FILIPINO**

Chief Financial Officer of the PLDT Group, previously served as the Chief Financial Officer of Smart from 2006 and Chief Financial Officer of Digitel Mobile from 2013 until May 2015. She holds directorships in several subsidiaries of PLDT, Smart and Digitel. She is also a member of the Board of Directors of Philippine Stock Exchange, Securities Clearing Corporation of the Philippines and Philippine Telecommunications Investment Corporation and the Board of Trustees of the PLDT-Smart Foundation and PLDT Beneficial Trust Fund (PLDT-BTF), a director of the companies owned by PLDT-BTF, and a director and member of the Finance, Audit, Risk and Nomination and Governance Committees of the Board of Directors of Meralco.

Ms. Chua has over 30 years of experience in the areas of corporate finance, treasury, financial control and credit risk management and was a Vice President at Citibank, N.A. where she worked for 10 years prior to joining PLDT in 1998.

She graduated magna cum laude from the University of the Philippines with a Bachelor of Science Degree in Business Administration and Accountancy.



**JUN R. FLORENCIO, 62, FILIPINO**

Internal Audit and Fraud Risk Management Head, handles the overall coordination of the internal audit function of the PLDT group of companies and is in-charge of the fraud risk management function of the PLDT Fixed Line business. He has over 25 years of work experience in the areas of external and internal audit, revenue assurance, credit management, information technology, financial management, and controllership. He was the Financial Controller of Smart for four years before he joined PLDT in April 1999 as Head of Financial Management Sector. He held various positions in the finance organization of another telecommunications company prior to joining Smart.

Mr. Florencio, who is a Certified Public Accountant, received his Bachelor of Science Degree in Commerce, Major in Accounting from the University of Santo Tomas and attended the Management Development Program of the Asian Institute of Management.

**JUAN VICTOR I. HERNANDEZ, 44, FILIPINO**

Enterprise Business Head, is responsible for setting and driving the overall business directions for Corporate and SME businesses of the PLDT Group. He joined the Company in October 2000 as Executive Trainee under the Corporate Business Group and served as Head of Corporate Credit Management from August 2001 to February 2003, Head of PLDT Corporate Business Group –Visayas from 2003 to 2005, Convergence Business B Head from 2003 to July 2009 and Corporate Business Head from August 2009 to November 2016.

He obtained his BS Agricultural Economics Degree from the University of the Philippines and Masters in Business Management Degree from the Asian Institute of Management.

**MENARDO G. JIMENEZ, JR., 55, FILIPINO**

Business Transformation Office Deputy Head, joined PLDT in December 2001 and has served in various capacities as Corporate Communications and Public Affairs Head, Retail Business Head, Human Resources Group Head and Fixed Line Business Transformation Office Head. He holds directorships in several subsidiaries of PLDT. Prior to joining PLDT, he had a stint at GMA Network, Inc., where he served as head of a creative services and network promotions.

Mr. Jimenez received his AB Economics Degree from the University of the Philippines.

**LEO I. POSADAS, 52, FILIPINO**

Treasurer and Treasury Head, has been in PLDT's service since September 2000. He handles the treasury management and treasury operations of the Company. He is a director and Vice President for Treasury of Mabuhay Investments Holdings, Inc., Treasurer and Head of Treasury of Smart, Treasurer of ePLDT and some other subsidiaries of PLDT. Prior to joining PLDT, he served as Treasury Manager of Total Petroleum Philippines, and as Manager for Foreign Exchange Management of San Miguel Corporation.

Mr. Posadas received his Bachelor of Arts Degree in Economics and Bachelor of Science Degree in Commerce Major in Management of Financial Institutions from the De La Salle University.

**OSCAR ENRICO A. REYES, JR., 42, FILIPINO**

Head of Consumer Business Market Development and concurrent Head of Consumer Digital Solutions, joined PLDT in February 2015 and was seconded to CignalTV as Chief Operating Officer until December 31, 2015. Thereafter, he served as Home Operations Head until December 2016 and as Home Business Head until July 2017. He holds directorships in some subsidiaries of PLDT.

Mr. Reyes, Jr. has extensive experience in consumer marketing and sales both locally and globally and prior to joining PLDT, he served as General Manager-Consumer Products Division of L'Oreal Philippines Inc. from June 2012 until January 2015 and Deputy General Manager-Consumer Products Division from February 2012 until June 2012. He was the Marketing Director of Nutri-Asia Philippines, Inc. from April 2009 to January 2012 and worked for 11 years in Unilever companies, including Unilever Philippines, Inc. and Unilever Thai Trading Limited, handling marketing and brand management functions from 1998 to April 2009.

Mr. Reyes obtained his Bachelor of Science Degree in Management Engineering from Ateneo De Manila University and attended an executive course on Culture Building in CEDER/INSEAD and General Management in France, sponsored by L'Oreal.



## Top Management Team

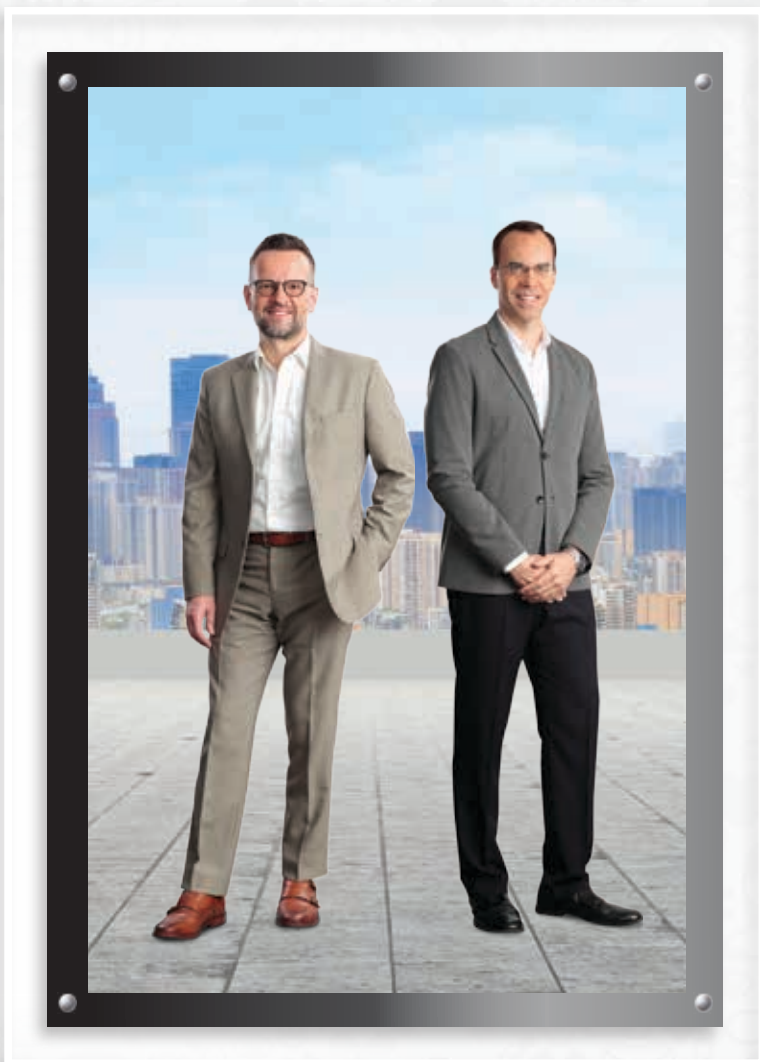
(From left)

**Manuel V Pangilinan**  
**Ray C. Espinosa**  
**Anabelle L. Chua**  
**Ernesto R. Alberto**  
**Victorico P. Vargas**  
**Orlando B. Veja**  
**Maria Elizabeth S. Sichon**

## Advisors

(From left)

**Joachim Horn** – Chief Technology and Integration Advisor  
**Ralph Brunner** – Chief Customer Experience and Data Analytics Advisor



### **MARIA ELIZABETH S. SICHON, 60, FILIPINO**

Chief People and Culture Officer, previously held HR roles in high tech, financial and health care industries across the Americas, Europe, Middle East and Africa, Asia Pacific and Latin America and had her own consulting company, Executive HR Coach, LLC based in Silicon Valley, California, where she worked with companies on their culture transformation and leadership development. Prior to this, she was VP Human Resources of Hewlett Packard, and VP Human Resources International of Avaya, Inc.

She received her Master of Arts Degree in Organizational Psychology from Teachers College, Columbia University and BS Psychology from the University of the Philippines.

### **VICTORICO P. VARGAS, 66, FILIPINO**

Business Transformation Office Head, is an Assistant Director of First Pacific since January 2016, overseeing First Pacific Group businesses operating in the Philippines and its region, with particular focus on leading the Business Transformation of PLDT. Prior thereto, Mr. Vargas was the President and Chief Executive Officer of Maynilad Water Services, Inc. since August 2010.

He joined PLDT in 2000 as its Human Resources Group Head and through his stay at PLDT got involved in managing the PLDT Business Transformation Office, Asset Protection and Management Group, and the PLDT International Carrier Business. He has worked in senior roles at Union Carbide, Pepsi Cola, Colgate Palmolive and Citibank. He is the President of the Philippine Olympic Committee, a director of PLDT Subic Telecom, Inc. and PLDT Clark Telecom, Inc., President and Member of the Board of Trustees of the First Pacific Leadership Academy, Trustee of the MVP Sports Foundation, and Ideaspac Foundation and President of the PhilPop Music Fest Foundation.

Mr. Vargas was educated at Ateneo de Manila and University of Santo Tomas with a Bachelor of Science Degree in Psychology.

# Officers

**Manuel V Pangilinan**

Chairman of the Board,  
President and Chief Executive Officer (CEO)

**Ernesto R. Alberto**

EVP and Chief Revenue Officer

**Ray C. Espinosa**

Chief Corporate Services Officer

**Maria Elizabeth S. Sichon**

Chief People and Culture Officer

**Victorico P. Vargas**

Head, Business Transformation Office

**Alejandro O. Caeg**

SVP, Consumer Business Customer Development

**Anabelle L. Chua**

SVP, Finance  
Chief Financial Officer

**Jun R. Florencio**

SVP, Internal Audit and Fraud Risk Management

**Juan Victor I. Hernandez**

SVP, Enterprise Business

**Menardo G. Jimenez Jr.**

SVP, Business Transformation Office

**Ma. Lourdes C. Rausa-Chan**

SVP, Corporate Affairs and Legal Services  
General Counsel, Chief Governance Officer  
Corporate Secretary

**June Cheryl A. Cabal-Revilla**

SVP, Financial Reporting and Controllersh  
Controller

**Oscar Enrico A. Reyes, Jr.**

SVP, Consumer Business – Market Development

**Katrina Luna-Abelarde**

FVP, International and Carrier Business

**Marco Alejandro T. Borlongan**

FVP, HOME Business Development and Operations

**Alfredo B. Carrera**

FVP, Regulatory Strategy and Support

**Leah Camilla B. Jimenez**

FVP, Data Privacy and Information Security  
Governance

**Albert Mitchell L. Locsin**

FVP, SME Nation

**Florentino D. Mabasa, Jr.**

FVP, Legal Services and Assistant  
Corporate Secretary

**Leo I. Posadas**

FVP, Treasury and Corporate Treasurer

**Aileen D. Regio**

FVP, Contracts Management and Governance/  
Regulatory Operations

**Martin T. Rio**

FVP, Property and Facilities Management

**Ricardo M. Sison**

FVP, HOME Credit and Business  
System Management

**Emiliano R. Tanchico**

FVP, HR Services

**Annette Yvette W. Tirol**

FVP, Loyalty and Rewards Management

**Victor Y. Tria**

FVP, Alpha Business

**Melissa V. Vergel De Dios**

FVP, Investor Relations

**Minerva M. Agas**

VP, Logistics

**Benedict Patrick V. Alcosoba**

VP, Disruptive Business

**Ariel G. Aznar**

VP, Facilities Management

**Jerameel A. Azurin**

VP, SME Segment Marketing

**Rafael M. Bejar**

VP, Medical Services

**Jose Arnilo S. Castañeda**

VP, HOME Product Development

**Gerardo Jose V. Castro**

VP, Luzon Customer Service Operations  
District

**Marisa V. Conde**

VP, Financial Planning

**Aniceto M. Franco III**

VP, Alpha Relationship Management A

**Gene S. De Guzman**

VP, Enterprise Complex Service Assurance  
Management

**Gil Samson D. Garcia**

VP, Revenue Management and Cash Assurance

**Joseph Ian G. Gendrano**

VP, Enterprise Business

**Elisa B. Gesalta**

VP, Enterprise and In-Building Solutions Project  
Management

**John John R. Gonzales**

VP, Enterprise Strategic Solutions

**Ma. Gillian Y. Gonzalez**

VP, Retail Strategy and Development Office

**Ma. Criselda B. Guhit**

VP, Tax Management

**Emeraldo L. Hernandez**

VP, Technical Operations Centre

**Silverio S. Ibay, Jr.**

VP, Spend Management Accounting

**Gary F. Ignacio**

VP, Enterprise Fixed Core Business Solutions

**Marven S. Jardiel**

VP, Enterprise Customer Operations  
Management

**Princesita P. Katigbak**

VP, National Key Account Group

**Alexander S. Kibanoff**

VP, Learning and Development

**Javier C. Lagdameo**

VP, Corporate Relationship Management

**Luis Ignacio A. Lopa**

VP, CRO Business Synergy and Assurance

**Czar Christopher S. Lopez**

VP, Technology Strategy and  
Transformation Office

**Paolo Jose C. Lopez**

VP, HOME Stores and Emerging Channels

**Ma. Carmela F. Luque**

VP, Financial and Revenue Audit

**Oliver Carlos G. Odulio**

VP, Enterprise Business Continuity and  
Resilience Head and concurrent Asset  
Protection and Risk Management Head

**Carlo S. Ople**

VP, Digital Marketing Strategy

**Harold Kim A. Orbase**

VP, Enterprise Service Fulfillment  
Management

**Dale M. Ramos**

VP, Network Build

**Ricardo C. Rodriguez**

VP, Organization, Policies, HR Analytics and  
Workforce Planning Support Services

**Genaro C. Sanchez**

VP, International Network

**Maria Christina C. Semira**

VP, Subsidiaries and Affiliates Finance

**Ma. Merceditas T. Siapatco**

VP, Treasury Operations and Support

**Arvin L. Siena**

VP, Core Planning and Engineering Head

**Carla Elena A. Tabuena**

VP, Enterprise Non-Technical Operations

**Patrick S. Tang**

VP, Office of the Chief Revenue Officer

**John Henri C. Yanez**

VP, HOME Marketing