

# COVER SHEET

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SEC Registration Number

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(Company's Full Name)

A	B	S	-	C	B	N		B	R	O	A	D	C	A	S	T		C	E	N	T	E	R						
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Enrique I. Quiason
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(Contact Person)

3415-2272
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(Company Telephone Number)

1	2	3	1
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Month Day

(Fiscal Year)

2	0	-	I	S
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Preliminary  
(Form Type)

0	7	2	9
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Month Day

(Annual Meeting)

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(Secondary License Type, If Applicable)

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Dept. Requiring this Doc.

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Amended Articles Number/Section

7,073
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Total No. of Stockholders

Total Amount of Borrowings

19.4B
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Domestic

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Foreign

To be accomplished by SEC Personnel concerned

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File Number

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Document ID

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STAMPS
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# ABS CBN

**NOTICE OF ANNUAL STOCKHOLDERS' MEETING**

**To: All Stockholders of  
ABS-CBN Corporation**

Please take notice that the Annual Meeting of the Stockholders of **ABS-CBN Corporation** will be held via remote communication through the link [https://conveneagm.com/ph/abscbn\\_asm2022](https://conveneagm.com/ph/abscbn_asm2022) on July 28, 2022 at 8:00 a.m. to discuss the following:

## **A G E N D A**

1. Call to Order
2. Proof of Service of Notice
3. Certification of Presence of Quorum
4. Approval of the Minutes of the Annual Stockholders' Meeting held on July 29, 2021
5. Report of Management
6. Ratification of the Audited Financial Statements and Approval of Report of Management
7. Ratification of all acts of the Board of Directors, Executive Committee and Management for the period covering January 1, 2021 through December 31, 2021 adopted in the ordinary course of business
8. Election of Directors for the Ensuing Year
9. Appointment of SyCip Gorres Velayo & Co. as external auditors
10. Other Business
11. Adjournment

For purposes of the meeting, only stockholders of record as of June 9, 2022 are entitled to attend and vote in the said meeting.

Given the current circumstances, stockholders may only attend the meeting by remote communication, by voting in absentia, or by appointing the Chairman of the meeting as proxy.

Online participation and voting by remote communication will be available for all stockholders. Stockholders who wish to participate and vote online by remote communication will be required to register starting July 7, 2022 and until July 18, 2022. Stockholders who are not able to register as of July 18, 2022 can no longer avail of online voting but may still participate by remote communication, provided such stockholders shall register not later than July 21, 2022. The **Registration and Validation Procedures for the 2022 Annual Stockholders Meeting (Virtual ASM)** are set out below as **Annex "A"**, as attached to this Notice and Agenda. Stockholders intending to participate by remote communication should register at [https://conveneagm.com/ph/abscbn\\_asm2022](https://conveneagm.com/ph/abscbn_asm2022).

All stockholders who will not, are unable, or do not expect to attend the virtual meeting in person may choose to execute and send a valid proxy in writing to the Office of the Corporate Secretary, at 11F Investor Relations Office, ELJ Bldg. Mother Ignacia St. Quezon City or by email at [corporatesecretary@abs-cbn.com](mailto:corporatesecretary@abs-cbn.com) or in digital/electronic form at [https://conveneagm.com/ph/abscbn\\_asm2022](https://conveneagm.com/ph/abscbn_asm2022) on or before July 18, 2022. Proxies shall be validated beginning on July 19, 2022.

Pursuant to SEC Notice dated February 16, 2022, copies of this Notice, Information Statement, and Other Documents related to the Annual Stockholders' Meeting, shall be published through The Philippine Star and The Philippine Daily Inquirer.

Electronic copies of the Corporation's Information Statement, Management Report, SEC 17-A and other pertinent documents are available at its website at <https://www.abs-cbn.com/investors/asm2022> and uploaded at the PSE's EDGE disclosure system.

Metro Manila, June 16, 2022.

By order of the Board of Directors:



**ENRIQUE QUIASON**  
Corporate Secretary

## **Annex A**

# **Registration and Validation Procedures for the 2022 Annual Stockholders Meeting (Virtual)**

**Annex A: Registration and Validation Procedures for the Virtual ASM:**

**Note: In line with the Covid-19 pandemic ABS-CBN Corporation is restricting all communications thru the online and designated email address(es) provided. Please be guided accordingly.**

1. Validation of stockholders will be from July 7, 2022 to 6:00 p.m. of July 18, 2022.
2. Stockholders who will execute a proxy must submit their duly executed proxy thru this link [https://conveneagm.com/ph/abschn\\_asm2022](https://conveneagm.com/ph/abschn_asm2022) on or before July 18, 2022, validation of proxies is scheduled on July 19, 2022.

*Note: For corporate stockholders, a secretary's certificate on the authorized signatory to execute the proxy is required to be submitted. Scanned copies of the secretary's certificate may be uploaded, but the Corporation reserves the right to require the submission of the originals for authentication.*

3. Stockholders who intend to participate in the virtual ASM must register thru this link [https://conveneagm.com/ph/abschn\\_asm2022](https://conveneagm.com/ph/abschn_asm2022) for validation from July 7, 2022 to 6:00 p.m. of July 18, 2022 and submit the following information:

*For certificated stockholders:*

- a. Name
- b. Address
- c. Email address
- d. Contact number
- e. Scanned copy of two valid government issued IDs

*For stockholders whose shares are lodged with brokers:*

- a. Certification from broker stating the name and number of shares of the beneficial owner and that they are beneficial owner as of the record date (must be complete)
- b. Address
- c. Email address
- d. Contact number
- e. Scanned copy of two valid government issued IDs

*Note: the above documents will be subject to review for purposes of validation and we may require additional documents as needed.*

4. Validated stockholders and proxies will get a confirmation thru email and will be provided with a link to the virtual ASM and the link to cast their vote on or before July 18, 2022.
5. Validated stockholders and proxies may cast their vote through the designated link until July 18, 2022.
6. For the determination of the quorum, all shares represented by duly validated proxies will be counted as "shares represented by proxies" and shares of validated stockholders present at the virtual ASM will be counted as "shares present in person". The Corporate Secretary shall announce all the results during the meeting proper subject to final tabulation.
7. For the tabulation of votes, all validated proxies and ballots submitted on or before July 18, 2022, will be tabulated by the Office of the Corporate Secretary and validated by SGV.

Questions and comments may be submitted during registration and until 6:00 p.m. July 18, 2022.

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 20-IS

INFORMATION STATEMENT PURSUANT TO SECTION 17.1(b)  
OF THE SECURITIES REGULATION CODE

1. Check the appropriate box:

- Preliminary Information Statement  
 Definitive Information Statement

2. Name of registrant as specified in its charter:

ABS-CBN CORPORATION

3. Province, Country or other jurisdiction of incorporation or organization

QUEZON CITY, PHILIPPINES

4. SEC Identification Number: 1803

5. BIR Tax Identification Number: 000-406-761-000

6. Address of Principal Office

ABS-CBN Broadcast Center  
Sgt. Esguerra Avenue corner Mother Ignacia Street  
Quezon City 1103 Philippines

7. Registrant's telephone no. and area code: (632) 3415-22-72

8. Date, time and place of the meeting of security holders

Date : July 28, 2022  
Time : 8:00 A.M.  
Place : [https://conveneagm.com/ph/abscbn\\_asm2022](https://conveneagm.com/ph/abscbn_asm2022)

9. Approximate date of which the Information Statement is first to be sent or given to security holders

June 30, 2022

10. Securities registered pursuant to Sections 8 & 12 of the Code or Section 4 and 8 of the Revised Securities Act:

Common Shares 902,940,348 shares

11. Are any or all of these securities listed on the Philippine Stock Exchange?

Yes [ / ] No [ ]

The Company's common shares have been listed on the Philippine Stock Exchange since 1992.

## EXPLANATION OF AGENDA ITEMS

1. Call to Order

The Chairman of the Board, Mr. Martin L. Lopez, will call to order the Annual Stockholders' Meeting.

2. Proof of Service of Notice

The Corporate Secretary will be asked to certify that copies of the Notice and Agenda of the meeting, among others, were served upon the stockholders entitled to the same through publication in two (2) newspapers of general circulation, The Philippine Star and The Philippine Daily Inquirer in print.

3. Certification of Presence of Quorum

The Corporate Secretary will then certify whether or not, based on the number of shares present, through remote communication, *voting in absentia* or by proxy, a quorum exists for a valid meeting.

Pursuant to Sections 57 and 23 of the Revised Corporation Code which allow voting *in absentia* by the stockholders, the Corporation has set up [https://conveneagm.com/ph/abschn\\_asm2022](https://conveneagm.com/ph/abschn_asm2022) as the designated online web address which may be accessed by the stockholders to register and vote *in absentia* on the matters presented for resolution at the meeting. A stockholder who votes *in absentia* as well as a stockholder participating by remote communication shall be deemed present for purposes of quorum.

The following are the rules of conduct and procedures for the meeting:

- (i) Stockholders may attend the meeting via remote communication through [https://conveneagm.com/ph/abschn\\_asm2022](https://conveneagm.com/ph/abschn_asm2022). Questions and comments may be sent by email on or before 6:00pm on July 18, 2022 at [corporatesecretary@abs-cbn.com](mailto:corporatesecretary@abs-cbn.com) and shall be limited to the Items in the Agenda.
- (ii) Each of the proposed resolutions will be shown on the screen in the venue and during the livestreaming as the same is taken up at the meeting.
- (iii) Stockholders must notify the Company of their intention to participate in the Meeting by remote communication to be included in determining quorum, together with the stockholders who voted *in absentia* and by proxy.
- (iv) Voting shall only be allowed for Stockholders registered in the online system through [https://conveneagm.com/ph/abschn\\_asm2022](https://conveneagm.com/ph/abschn_asm2022) or through the Chairman of the meeting as proxy.
- (v) Stockholders voting *in absentia*, who have previously registered through [https://conveneagm.com/ph/abschn\\_asm2022](https://conveneagm.com/ph/abschn_asm2022), may cast their votes electronically until July 19, 2022.
- (vi) All the items in the Agenda for the approval by the stockholders will need the affirmative vote of stockholders representing at least a majority of the issued and outstanding voting stock present at the meeting.
- (vii) The Office of the Corporate Secretary will tabulate all votes received and an independent third party will validate the results. The Corporate Secretary shall report the results of voting during the meeting.

4. Approval of the Minutes of the Annual Stockholders' Meeting held on July 29, 2021.

The minutes of the previous annual stockholders' meeting has been made available on the Company's website <https://www.abs-cbn.com/investors/asm-2021/results-of-2021-asm/results-of-the-2021-annual-stockholders-meeting/id-517>. Copies of the minutes will also be distributed to the stockholders upon registration at [https://conveneagm.com/ph/abschn\\_asm2022](https://conveneagm.com/ph/abschn_asm2022). A resolution on this item requires the approval of a majority of the votes of the stockholders present and eligible to vote. The

minutes of the annual stockholders' meeting held on July 29, 2021 contain discussions of the following items:

- Approval of the Minutes of the Annual Stockholders' Meeting held on September 24, 2020 and the minutes of the special stockholders' meeting held on February 2, 2021.
- Report of the President and Discussions of Questions from the Stockholders
- Approval of Audited Financial Statements for the Year Ended December 31, 2020;
- Election of the Directors
- Ratification and approval of the acts of Board, the Officers and Management for the fiscal year 2020;
- Appointment of External Auditors
- Adjournment

5. Report of Management

The President and Chief Executive Officer will render the Report of Management on the Company's performance in 2021, as reflected in the audited financial statements.

6. Ratification of the Audited Financial Statements and Approval of Report of Management

The stockholders will be requested to ratify the Board's approval of the Corporation's audited financial statements as of December 31, 2021 and to approve the report of management. The audited financial statements are attached to the Information Statement and sent to eligible stockholders pursuant to the requirements of the Securities Regulation Code.

A resolution on the ratification of the approval of the audited financial statements and the approval of the report of management requires the approval of a majority of the votes of stockholders present and eligible to vote.

7. Election of Directors for the Ensuing Year

Pursuant to the Corporation's By-Laws, Manual of Corporation Governance, and applicable rules of the Securities and Exchange Commission, any stockholder, including minority stockholders, may submit nominations for the election of directors at least ten (10) calendar days prior to the date of the meeting or by July 18, 2022. As of June 16, 2022, the Nomination and Election Committee received nominations for directors and found such nominees to have all the qualifications and none of the disqualifications to serve as directors. The names of the nominees and their respective profiles, including directorships in listed companies, are duly indicated in the Information Statement. The election of directors will be done by plurality of votes using cumulative voting and voting by poll.

8. Ratification of the Acts of the Board and of Management

This will cover all acts and resolutions adopted by the board of directors and management since January 1, 2021 until December 31, 2021. These cover matters entered into in the ordinary course of business, with those of significance having been covered by the proper disclosures to the Securities and Exchange Commission and the Philippine Stock Exchange in accordance with applicable disclosure rules. A resolution on this agenda item requires the ratification of a majority of the votes of stockholders present and eligible to vote.

9. Appointment of External Auditors

The Audit Committee has recommended the re-appointment of SyCip, Gorres, Velayo & Co. as external auditors for the ensuing year. The profile of the firm is duly indicated in the Information Statement. A



resolution on this agenda item requires the approval of a majority of the votes of stockholders present and eligible to vote.

10. Consideration of such other business as may properly come before the meeting

The Chairman will open the floor for comments and questions by the stockholders submitted beforehand in accordance with the rules.

11. Other Business

This covers consideration of other business that may properly come before the meeting.

Under SEC Memorandum Circular No. 14, series of 2020, stockholders who alone, or together with other shareholders, hold at least five percent (5%) of the outstanding capital stock of ABS-CBN Corporation, shall have the right to include items on the agenda prior to the annual stockholders meeting.

The Company did not receive any such request to include items on the agenda in accordance with the Memorandum Circular before the filing of this Information Statement. Items added on the agenda pursuant to the Memorandum Circular after the filing of this Definitive Information Statement shall be filed under Other Business.

The Chairman of the meeting will entertain other comments, questions, or proposals or points of clarification from the stockholders.

## PROXY FORM

Date:

Item 1. **Identification**

This proxy will serve to nominate, constitute and appoint \_\_\_\_\_, as my attorney and proxy, to represent me at the Annual Meeting of the Stockholders of the Corporation scheduled on July 28, 2022 at 8:00 a.m. at [https://conveneagm.com/ph/abscbn\\_asm2022](https://conveneagm.com/ph/abscbn_asm2022), and any adjournment(s) thereof, as fully and to all intents and purposes as I might or could if present and voting in person, hereby ratifying and confirming any and all action taken on matters which may properly come before such meeting or adjournment(s) thereof.

Item 2. **Instruction**

By affixing his/her signature on the space provided below, the undersigned stockholder hereby directs the said proxy to vote on the agenda items set forth below as he/she has expressly indicated by marking the same with an "X", failing which, his/her said proxy shall exercise full discretion in acting thereon. **If the undersigned stockholder fails to indicate his/her vote on the items specified below, this shall serve to authorize his/her proxy to exercise full discretion to act,**

Please be advised that proxies are validated by the Company's stock and transfer agent, Rizal Commercial Banking Corporation. The record date for the stockholders entitled to attend and to vote in the said meeting is **June 9, 2022**.

Item 3. **Revocability of Proxy**

This proxy shall be valid for the Annual Stockholders Meeting scheduled on July 28, 2022 or any adjournment thereof. It shall be for a maximum period of five (5) years, unless withdrawn by the undersigned stockholder by written notice duly filed with the Corporate Secretary. This proxy shall not be valid where the undersigned stockholder personally appears and registers in the stockholders meeting. The proxy may not be withdrawn if coupled with an interest.

Proposal	Action		
	FOR	AGAINST	ABSTAIN
1. Approval of Minutes of the Annual Stockholders' Meeting held on July 29, 2021			
2. Ratification of the Audited Financial Statements for the Year Ended December 31, 2021 and Approval of Report of Management			
3. Ratification of the Acts of the Board and of Management			
4. Election of Directors			
Federico M. Garcia			
Carlo L. Katigbak			
Augusto Almeda Lopez			
Mario Luza Bautista			
Federico R. Lopez			
Martin L. Lopez			
Oscar M. Lopez			
Salvador G. Tirona			
Emmanuel S. de Dios (Independent Director)			
Randolf S. David (Independent Director)			
Honorio Poblador IV (Independent Director)			
5. Appointment of SyCip, Gorres, Velayo & Co. as External Auditors			
6. Consideration of such other business as may properly come before the meeting, including items added by stockholders pursuant to Memorandum Circular No. 14, series of 2020.			

IN WITNESS WHEREOF, I have hereunto set my hand at \_\_\_\_\_, this \_\_\_\_\_, 2022.

\_\_\_\_\_  
(Printed Name of Stockholder & Signature)

\_\_\_\_\_  
(Witness)

NOTE: Accomplished proxy form, together with copies of valid identification cards, should be delivered on or before July 18, 2022 to the Office of the Secretary at [corporatesecretary@abs-cbn.com](mailto:corporatesecretary@abs-cbn.com).

**THIS PROXY FORM IS BEING PROVIDED AS A SAMPLE FOR USE BY THE STOCKHOLDERS SHOULD THEY WISH TO ACCOMPLISH THE SAME. IT IS NOT BEING SOLICITED ON BEHALF OF THE CORPORATION OR ITS MANAGEMENT. THE CORPORATION OR ITS MANAGEMENT IS NOT ASKING YOU FOR A PROXY AND YOU ARE REQUESTED NOT TO SEND MANAGEMENT A PROXY.**

# ABS-CBN CORPORATION INFORMATION STATEMENT

This information statement is dated June 30, 2022 and is being furnished to stockholders of record of ABS-CBN Corporation (“ABS-CBN” or the Company”) as of June 16, 2022 in connection with the Annual Stockholders’ Meeting.

**WE ARE NOT ASKING YOU FOR A PROXY AND YOU ARE REQUESTED NOT TO SEND US A PROXY.**

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## **A. GENERAL INFORMATION**

### **Item 1. Date, time and place of meeting of security holders**

Date - July 28, 2022, Thursday  
Time - 8:00 A.M.  
Place - [https://conveneagm.com/ph/abscbn\\_asm2022](https://conveneagm.com/ph/abscbn_asm2022)

Due to restrictions on mass gathering brought about by Covid-19, there will be no physical venue for the meeting.

For purposes of the meeting, only stockholders of record as of June 9, 2022 are entitled to attend and vote in the said meeting. Online participation and voting by remote communication will be available for all stockholders. Stockholders who wish to participate and vote online by remote communication will be required to register starting July 7, 2022 and until July 18, 2022. Stockholders who are not able to register as of July 18, 2022 can no longer avail of online voting but may still participate by remote communication, provided such stockholders shall register not later than July 21, 2022. The **Registration and Validation Procedures for the 2022 Annual Stockholders Meeting (Virtual ASM)** are set out below as **Annex “A”**, as attached to this Notice and Agenda. Stockholders intending to participate by remote communication should register at [https://conveneagm.com/ph/abscbn\\_asm2022](https://conveneagm.com/ph/abscbn_asm2022). All stockholders who will not, are unable, or do not expect to attend the virtual meeting in person may choose to execute and send a valid proxy in writing to the Office of the Corporate Secretary, at 11F Investor Relations Office, ELJ Bldg, Mother Ignacia St. Quezon City or by email at [corporatesecretary@abs-cbn.com](mailto:corporatesecretary@abs-cbn.com) or in digital/electronic form at [https://conveneagm.com/ph/abscbn\\_asm2022](https://conveneagm.com/ph/abscbn_asm2022) on or before July 18, 2022. Proxies shall be validated beginning on July 19, 2022.

Principal Office - ABS-CBN Broadcast Center, Sgt. Esguerra Ave.,  
cor. Mo. Ignacia St., Quezon City, Metro Manila

### **Approximate date of which the Information Statement is first to be sent to security holders**

June 30, 2022

### **Item 2. Dissenters’ Right of Appraisal**

A stockholder has a right to dissent and demand payment of the fair value of his share: (i) in case any amendment to the articles of incorporation has the effect of changing or restricting the rights of any stockholders or class of shares or of authorizing preferences over the outstanding shares or of extending or shortening the term of corporate existence; (ii) in case any sale, lease, mortgage or disposition of all or substantially all the corporate property or assets; (iii) in case of merger or consolidation and (iv) in case of investment of corporate funds for any purpose other than the primary purpose of the corporation.

The appraisal right may be exercised by a stockholder who has voted against the proposed corporate action, by making a written demand on the Company within thirty (30) days after the date on which the vote was taken for the payment of the fair market value of his shares.

There are no matters or proposed corporate actions, which may give rise to a possible exercise by security holders of their appraisal rights under Title X of the Corporation Code of the Philippines.

**Item 3. Interest of Certain Persons in Matters to be acted upon**

- (a) No Director or Executive Officer of the Company has any substantial interest, direct or indirect, by security holdings or otherwise, in any matter to be acted upon.
- (b) No Director has informed the Company of his opposition to any action to be taken by the registrant at the meeting.

**B. CONTROL AND COMPENSATION INFORMATION**

**Item 4. Voting Securities and Principal Holders Thereof**

- (a) The Company has 902,940,348 common shares subscribed and outstanding as of May 31, 2022. Every stockholder shall be entitled to one vote for each share of common stock held as of the established record date.
- (b) The Company has 1,000,000,000 preferred shares subscribed and outstanding as of May 31, 2022. The preferred shares are voting and every holder of preferred shares shall be entitled to one vote for each share of preferred stock held as of the established record date.
- (c) All stockholders of record as of June 9, 2022 are entitled to notice of and to vote at the Company's Stockholders' Meeting.
- (d) With respect to the election of directors, a stockholder may vote such number of shares for as many persons as there are directors to be elected or he may accumulate said shares and give one candidate as many votes as the number of directors to be elected or he may distribute them on the same principle among as many candidates as he shall see fit; provided, that the total number of votes cast by him shall not exceed the total number of shares owned by him multiplied by the whole number of directors to be elected.
- (e) Security ownership of certain Record and Beneficial Owners and Management:

**Security Ownership of Certain Records and Beneficial Owners as of May 31, 2022:**

<b>Title Of class</b>	<b>Name and Address of Record Owner</b>	<b>Name of Beneficial Owner and Relationship with Record Owner</b>	<b>Citizen-ship</b>	<b>No. of Shares Held</b>	<b>% of Class</b>	<b>% of Outstandin g</b>
Common	Lopez, Inc. 16/F North Tower, Rockwell Business Center, Sheridan cor. United St., Mandaluyong City	Lopez, Inc.	Filipino	480,933,747	53.26	25.27

Common	PCD Nominee Corporation* G/F Makati Stock Exchange Bldg., Ayala Ave., Makati City	Lopez, Inc.	Filipino	21,322,561	2.36	1.12
Common	PCD Nominee Corporation* G/F Makati Stock Exchange Bldg., Ayala Ave., Makati City	ABS-CBN Holdings Corporation	Filipino	268,211,430	29.70	14.09
Preferred	Lopez, Inc. 16/F North Tower, Rockwell Business Center, Sheridan cor. United St., Mandaluyong	Lopez, Inc.	Filipino	987,130,246	98.71	51.87

*\*PCD Nominee Corporation is not a related to the Company*

Lopez, Inc. is the holding company of the Lopez family. It is owned by the respective holding companies of the families of the late Eugenio Lopez, Jr., Oscar M. Lopez, the late Presentacion L. Psinakis and Manuel M. Lopez. It has issued Philippine Deposit Receipts covering the shares in the Company registered and beneficially owned by it in favor of Lopez Holdings Corporation (formerly: Benpres Holdings Corporation).

In connection with the 2021 Annual Stockholders' Meeting, Martin L. Lopez was named and appointed to exercise the voting power of Lopez Inc.'s shares in ABS-CBN Corporation.

The 268,211,430 common shares under the name of PCD Nominees Corporation are held for ABS-CBN Holdings Corporation (ABS-CBN Holdings) and represent the underlying shares covered by Philippine Deposit Receipts (PDRs) issued by ABS-CBN Holdings. ABS-CBN Holdings is owned 59.75 by Lopez, Inc. and 40.25% by Oscar M. Lopez, Manuel M. Lopez, Salvador G. Tirona, Emmanuel S. De Dios, Benjamin R. Lopez, Jose C. Vitug and Eugenio Lopez III. The shares in the Company registered and beneficially owned by it are covered by the Philippine Depository Receipts (PDRs) which gives the holder thereof the right to delivery or sale of the underlying share. The PDRs are listed with the PSE.

In connection with the 2021 Annual Stockholders' Meeting, Martin L. Lopez was named and appointed to exercise the voting power of ABS-CBN Holdings' shares in ABS-CBN Corporation.

Other than the stockholders identified above, as of May 31, 2022, there are no other stockholders other than participants under PCD account who own more than 5% of the voting securities.

There are no foreign shareholders.

#### **Security Ownership of Management as of May 31, 2022:**

As of May 31, 2022, the Company's directors and senior officers owned an aggregate of 13,102,695 shares of the Company, equivalent to 1.55% of the Company's total issued and outstanding capital stock.

<b>Title of Class</b>	<b>Stockholder Name and Position</b>	<b>Nature of Beneficial Ownership</b>	<b>Citizenship</b>	<b>Number of Shares Held</b>	<b>Percent Held</b>
Common	Martin L. Lopez <i>Chairman</i>	Direct	Filipino	1,126,950	0.13%
Common	Augusto Almeda-Lopez <i>Vice-Chairman</i>	Direct/Indirect	Filipino	253,888	0.03%
Common	Oscar M. Lopez <i>Director</i>	Direct	Filipino	63,605	0.01%
Common	Carlo L. Katigbak <i>Director, President and Chief Executive Officer</i>	Direct	Filipino	1,527,015	0.17%
Common	Federico R. Lopez <i>Director</i>	Direct	Filipino	1	0.00%
Common	Randolf S. David <i>Independent Director</i>	Direct	Filipino	1	0.00%
Common	Salvador G. Tirona <i>Director</i>	Direct	Filipino	22,002	0.00%
Common	Federico M. Garcia <i>Director</i>	Direct	Filipino	13,898	0.00%
Common	Honorio G. Poblador IV <i>Independent Director</i>	Direct	Filipino	16,000	0.00%
Common	Emmanuel S. De Dios <i>Independent Director</i>	Direct	Filipino	1	0.00%
Common	Mario L. Bautista <i>Director and General Counsel</i>	Direct	Filipino	29,000	0.00%
Common	Maria Luisa S. Alcaneses <i>Data Privacy Officer</i>	Direct	Filipino	1,054	0.00%
Common	Roberto V. Barreiro <i>Chief Partnership Officer</i>	Direct	Filipino	592,172	0.07%
Common	Ma. Rosario S. Bartolome <i>Head, Integrated Marketing and Customer Experience</i>	Direct	Filipino	938,133	0.10%
Common	Ernilda L. Bayani <i>Head, Human Resources and Organizational Development</i>	Direct	Filipino	207,577	0.02%
Common	Aldrin M. Cerrado <i>Head, Global</i>	Direct	Filipino	1,393,019	0.15%
Common	Kane Errol C. Choa <i>Head, Integrated Corporate Communications</i>	Direct	Filipino	101,792	0.01%
Common	Carmela Grace C. Del Mundo <i>Head, Internal Audit</i>	Direct	Filipino	250,922	0.03%
Common	Roberto G. Labayen <i>Head, Creative Communication Management</i>	Direct	Filipino	568,166	0.06%
Common	Kriz Anthony G. Gazmen <i>Head, ABS-CBN Films</i>	Direct	Filipino	75,869	0.01%
Common	Dennis Marco A. Liquigan <i>Head, Star Music</i>	Direct	Filipino	137,790	0.02%

Common	Eugenio Lopez IV <i>Head, Digital</i>	Direct	Filipino	81,500	0.01%
Common	Raymund Martin T. Miranda <i>Chief Strategy Officer, Chief Risk Management Officer and Compliance Officer</i>	Direct	Filipino	1,046,778	0.12%
Common	Ma. Regina E. Reyes <i>Head, Integrated News and Current Affairs</i>	Direct	Filipino	496,609	0.06%
Common	Ricardo B. Tan, Jr. <i>Group Chief Financial Officer</i>	Direct	Filipino	746,771	0.08%
Common	Rosanna H. Trinidad <i>Head, Integrated Sales</i>	Direct	Filipino	350,071	0.04%
Common	Antonio S. Ventosa <i>President and Chief Operating Officer, Sky Cable, and Concurrent Head, Narrowcast</i>	Direct	Filipino	326,682	0.04%
Common	Ma. Socorro V. Vidanes <i>Chief Operating Officer, Broadcast</i>	Direct	Filipino	2,723,814	0.30%
Common	Enrique I. Quiason <i>Corporate Secretary</i>	Direct	Filipino	9,615	0.00%
Common	Marifel Gaerlan-Cruz <i>Assistant Corporate Secretary</i>	Direct	Filipino	2,000	0.00%
	<b>Total Security Ownership of Directors and Management</b>			<b>13,102,695</b>	<b>1.45%</b>

None of the members of the Company's directors and management owns 2% or more of the outstanding capital stock of the Company.

- (f) The Company knows of no person holding more than 5% of common shares under a voting trust or similar agreement.
- (g) No change of control in the Company has occurred since the beginning of its last fiscal year.

**Matters with Respect to the Previously Held Annual Stockholders' Meeting and Other Items in Relation to Section 49 of the Revised Corporation Code**

(a) Manner of Voting / Submission of Questions

Under the Company's Articles of Incorporation, all common and voting preferred shares have full voting rights. All common and preferred stockholders as of record as of June 11, 2021 were entitled to registered and vote the number of shares in their name as of the record date.

The published Notice and Agenda included an explanation of the agenda items. As stated in the Registration and Validation Procedures for the Virtual Annual Stockholders Meeting furnished to the stockholders, a validation of the stockholders was conducted from July 8, 2021 to July 19, 2021. Stockholders intending to participate in the virtual annual stockholders meeting were requested to register through a designated link. Validated stockholders and proxies were sent a confirmation through email and the links to the virtual annual stockholders meeting. They were requested to cast their votes on or before July 19, 2021 through a secure online voting platform. The online voting platform contained the items for approval as indicated in the agenda set out in the notice. The proposed resolution for each of the item was shown on the screen during the meeting.



The manner of voting during the annual stockholders' meeting held on July 29, 2021 was non-cumulative, except as to the election of directors. Each stockholder had one vote for each share entitled to vote and registered in his name. The stockholders had the option to either vote in favor of, or against a matter for approval, or to abstain. The vote of the stockholders representing at least a majority of the shares present or represented was sufficient to approve any of the matters for approval.

On the election of directors, cumulative voting was allowed and the top eleven nominees with the most number of votes were elected as directors. Votes received through electronic voting or voting in absentia and votes cast through proxies were tabulated by the Office of the Corporate Secretary and validated by Rizal Commercial Banking Corporation Stock Processing Section. The results of the voting with full details of the affirmative and negative votes, as well as abstentions, were reflected in the minutes of the meeting.

Questions and comments were allowed to be submitted during registration and until July 19, 2021. The questions and comments referred to non-renewal of franchise, international expansion, strategy for 2022 election coverage, and plans for artists and talents. The President answered the questions and they are reflected in the minutes of the meeting.

(b) Matters Discussed and Resolutions Reached

The following was the agenda for the 2021 annual stockholders' meeting:

1. Call to Order
2. Proof of Service of Notice
3. Certification of Presence of Quorum
4. Approval of the Minutes of Annual Stockholders' Meeting held on September 24, 2020 and the Minutes of the Special Stockholders' Meeting held on February 2, 2021
5. Report of Management
6. Ratification of the Audited Financial Statements and Approval of Report of Management
7. Election of Directors for Ensuing Year
8. Ratification of all acts of the Board of Directors and Management for the period covering January 1, 2020 through December 31, 2020 adopted in the ordinary course of business
9. Appointment of External Auditors
10. Other Business
11. Adjournment

Resolutions relating to the Approval of the Minutes of the Annual Stockholders' Meeting, the Ratification of the Audited Financial Statements, Ratification of the Acts of the Board of Directors and Management, Appointment of External Auditors, and the Amendment of the Executive Stock Purchase Plan were formally tabled and approved by the stockholders, and reflected in the minutes.

(c) Record of Voting Results

Out of the 854,330,968 common shares and the 1,000,000,000 voting preferred shares of the Company issued and outstanding, there were present in the meeting, virtually or by proxy, 756,204,450 shares of the common stock and 987,130,246 representing at least 94.01% of the issued and capital stock.

Proposal	Action		
	FOR	AGAINST	ABSTAIN
Approval of Minutes of the Annual Stockholders' Meeting held on September 24, 2020, and the minutes of the Special Stockholders' Meeting held on February 2, 2021	1,743,332,423 (99.99%)	0	2,273
Ratification of the Audited Financial Statements for the Year Ended Dec. 31, 2021 and Approval of Report of Management	1,743,332,423 (99.99%)	0	2,273
Ratification of the Acts of the Board, and of Management	1,743,332,423 (99.99%)	0	2,273
Election of Directors			
Augusto Almeda Lopez	1,743,331,423 (99.99%)	0	2,253
Emmanuel S. de Dios (Independent Director)	1,743,331,423 (99.99%)	0	2,253
Federico M. Garcia	1,743,334,529 (99.99%)	0	2,253
Carlo L. Katigbak	1,743,331,530 (99.99%)	0	2,253
Federico R. Lopez	1,743,331,423 (99.99%)	0	2,253
Honorio Poblador IV (Independent Director)	1,743,331,423 (99.99%)	0	2,253
Martin L. Lopez	1,743,332,923 (99.99%)	0	2,253
Oscar M. Lopez	1,743,331,423 (99.99%)	0	2,253
Randolf S. David (Independent Director)	1,743,331,423 (99.99%)	0	2,253
Salvador G. Tirona	1,743,331,723 (99.99%)	0	2,253
Appointment of SyCip, Gorres, Velayo & Co. as External Auditors	1,743,334,696 (99.99%)	0	2,253

(d) Attendance at the 2021 Annual Stockholders' Meeting

Out of the 854,330,968 common shares and the 1,000,000,000 voting preferred shares of the Company issued and outstanding, there were present in the meeting, virtually or by proxy, 756,204,450 shares of the common stock and 987,130,246 representing at least 94.01% of the issued and capital stock.

The following directors attended the 2021 annual stockholders' meeting:

Martin L. Lopez  
Augusto Almeda Lopez  
Carlo L. Katigbak  
Emmanuel S. de Dios (independent director)  
Federico M. Garcia  
Federico R. Lopez  
Mario L. Bautista  
Antonio Jose U. Periquet (independent director)  
Salvador G. Tirona

The following board advisors attended the meeting:

Cesar V. Purisima  
Randolf S. David  
Rafael L. Lopez  
Honorio Poblador IV  
Ma. Rosario Santos-Concio

The following officers were also present:

Robert V. Barreiro, Head, Customer Engagement;  
Rosario S. Bartolome, Head, Integrated Marketing  
Nilda L. Bayani, Head, Human Resources and Organizational Development  
Aldrin M. Cerrado, Compliance Officer  
Kane Errol C. Choa, Head, Integrated Corporate Communications  
Olivia G. De Jesus, Head, Global  
Carmela Grace C. Del Mundo, Head Internal Audit  
Olivia M. Lamasan, Managing Director, ABS-CBN Film Productions, Inc. (Star Cinema)  
Dennis Marco A. Liquigan, Head, Star Music  
Eugenio Lopez IV, Head, Digital  
Raymund Martin T. Miranda, Chief Strategy Officer and Chief Risk Management Officer  
Regina E. Reyes, Head, Integrated News and Current Affairs,  
Ricardo B. Tan, Jr., Group Chief Financial Officer,  
Rosanna H. Trinidad, Head, Integrated Sales  
Antonio S. Ventosa, Chief Executive Office, Sky Cable  
Ma. Socorro V. Vidanes, Chief Operating Officer, Broadcast  
Marifel G. Gaerlan-Cruz, Assistant Corporate Secretary

Catherine E. Lopez, from the Company's external auditors, SyCip Gorres Velayo & Co. was also present.

(e) Material Information on the Current Stockholders and their Voting Rights

The Manual on Corporate Governance provides that the Board recognizes and shall respect the rights of the stockholders as provided in the Corporation Code, namely:

1. Right to dividends once declared by the Board in accordance with the dividend policy;
2. Right to vote on all matters that require their consent or approval;
3. Power of inspection; and
4. Appraisal rights.

The shareholders, as a whole, have the right to receive timely and transparent information about the Corporation as may be required by laws or rules of the Philippine Stock Exchange.

(f) Appraisal, Performance and Assessment of the Board

The Manual on Corporate Governance requires the Board to conduct an annual self-assessment of its performance, including the performance of the Chairman, individual members and committees. Every three (3) years, an external facilitator shall support the assessment. Such a system shall allow for a feedback mechanism from the shareholders.

The Board of Directors regularly conducts its self-assessment as well as an assessment of ABS-CBN's compliance with the Manual of Corporate Governance.

The Board of Directors likewise conduct an evaluation of the performance of the Board, Chairman of the Board, Chief Executive Officer, Chief Risk Officer, Chief Audit Executive and Chief Compliance Officer.

The guidelines in conducting the annual performance assessments are as follows:

A. For the performance assessment of the Board

In assessing the performance of the Board, the following guidelines and/or criteria may be considered:

- (i) Composition and Structure
- (ii) Role and Governance Function
- (iii) Internal Control/Risk Management Function
- (iv) Dynamics and Functioning

B. For the performance assessment of the Directors

In assessing the performance of the individual Directors, the following guidelines and/or criteria may be considered:

- (i) Governance Role
- (ii) Knowledge of the Corporation and the Environment
- (iii) Effective Behavior and Relationships
- (iv) Fair Dealing

C. For the performance assessment of the Board Committees

In assessing the performance of the Board Committees, the following guidelines and/or criteria may be considered:

- (i) Committee Structure
- (ii) Conduct of Committee Meetings
- (iii) Committee Processes and Procedures

D. For the performance assessment of the Chief Executive Officer and other key executives

- (i) Leadership and Administration
- (ii) Knowledge and Competence
- (iii) Corporate Core Values
- (iv) Relationship with the Board

(g) Directors' Disclosures on Self-Dealing and Related Party Transactions

The Board Charter provides that a director may be temporarily disqualified or dismissed from directorship if he refuses to fully disclose the extent of his business interest as required under the Securities Regulation Code and its Implementing Rules and Regulations. The disqualification shall be in effect as long as his refusal persists.

The Related Party Transaction Policy provides that board members, substantial shareholders, and officers shall fully disclose to the Board of Directors all material facts related to Material RPTs, as well as their direct and financial interest in any transaction or matter that may affect or is affecting the Company. Such disclosure shall be made at the board meeting where the material RPT will be presented for approval and before the completion or execution of the material RPT.

Directors with personal interest in the transaction should abstain from participating in discussions and voting on the same. In case there is a refusal to abstain, their attendance shall not be counted for purpose of determining approval.

## **Item 5. Directors and Executive Officers**

### **Board of Directors**

The following are expected to be nominated as members of the Board of Directors for the ensuing year during the Company's Annual Stockholders' Meeting on July 28, 2022:

Martin L. Lopez  
Augusto Almeda-Lopez  
Carlo L. Katigbak  
Mario L. Bautista  
Federico M. Garcia  
Federico R. Lopez  
Oscar M. Lopez  
Salvador G. Tirona  
Emmanuel S. de Dios (*Independent Director*)  
Randolf S. David (*Independent Director*)  
Honorio Poblador IV (*Independent Director*)

All of the nominees are incumbent directors. They were formally nominated by Lopez Inc., through its Chairman, Mr. Federico R. Lopez. The nominees will serve as directors of the Company for one year from date of election. The independent directors were nominated by Mr. Raul B. Quizon, a stockholder. Mr. Quizon is not related in any way to the nominees for independent directors.

The Nomination and Election Committee reviews and evaluates the qualifications of all persons nominated to the Board and other appointments that require Board approval and assesses the effectiveness of the Board's processes and procedures in the election or replacement of directors. It is composed of Randolf S. David, Emmanuel S. De Dios, and Federico R. Lopez. Rafael L. Lopez is an advisor of the committee.

The Company has adopted the SRC Rule 38 (Requirements on Nomination and Election of Independent Directors) and has complied therewith.

The following nominees have held their current positions in their respective companies for more than five (5) years unless otherwise indicated. Below is a summary of the nominees' qualifications:

#### **Martin L. Lopez, Filipino, age 49 Chairman**

Mr. Martin Lopez was appointed as a Director on April 6, 2017. He was elected as Chairman of the Board on April 19, 2018. He is responsible for setting the Company's strategic direction. Prior to joining the Company, he was Vice President and Chief Information Officer of Meralco. He was also the President of e-Meralco Ventures, Inc. (eMVI), a wholly owned subsidiary of Meralco. He is a graduate of Menlo College in California with a degree in Business Administration. He completed the Executive MBA Program from the Asian Institute of Management.

#### **Augusto Almeda-Lopez, Filipino, age 93 Vice-Chairman**

Mr. Augusto Almeda Lopez became a Director on April 27, 1988 and has served as Vice Chairman since 1989. He also serves as Director of the First Philippine Holdings Corporation (FPHC), First Philippine Industrial Corporation (FPIC), and ADTEL Inc. He is the Board Chairman of his family's company, ACRIS Corporation. He is an Alumnus of De La Salle College, Ateneo de Manila, and the University of the Philippines College of Law Class 1952. He has attended several Business Seminars including the Advance Management Program at Harvard Business School in 1969.

#### **Carlo L. Katigbak, Filipino, age 52 President and Chief Executive Officer**

Mr. Carlo L. Katigbak was appointed President and Chief Executive Officer of the Company effective January 1, 2016. Mr. Katigbak became a Director on May 5, 2016. He has almost 30 years of experience in business, spanning

financial management, business operations, corporate planning and general management. He began his career as a financial analyst with First Pacific Capital Corporation in 1992. Joining SKY Cable in 1994 as a Corporate Finance Manager, he eventually held various positions in Corporate Planning, Provincial Operations and Finance. In 1998, he served as the first Managing Director of Pilipino Cable Corporation. He was appointed Managing Director of ABS-CBN Interactive the following year and led the Company's pioneering efforts in various digital services such as mobile downloads, interactive television, online advertising and online video-on-demand. In 2005, he returned to SKY Cable as Managing Director. In 2015, he was appointed as Chief Operating Officer of the Company. Mr. Katigbak holds a degree in Bachelor of Science in Management Engineering from the Ateneo De Manila University, and has completed the Advanced Management Program at Harvard Business School in 2009.

**Mario L. Bautista, Filipino, age 68**  
**Board Member and General Counsel**

Mr. Bautista was elected as a Director of ABS-CBN effective September 2020. He is also the General Counsel of ABS-CBN and was a member of the Board of Advisors to the Board of Directors of the Company from 2011 to 2020. He is also a Board Adviser of First Philippine Holdings Corporation. He is a Founding Partner of the Poblador Bautista and Reyes Law Office and has been its Managing Partner since 1999. He sits in the board of directors and acts as corporate secretary in several companies. Mr. Bautista graduated with a Bachelor of Arts Degree in Communication Arts from the Ateneo de Manila University in 1975. He obtained his Bachelor of Laws Degree from the University of the Philippines in 1979 and ranked sixth in the Bar Examinations of that year. He was a Professor of Criminal Law at the Ateneo de Manila School of Law.

**Federico M. Garcia, Filipino, age 77**  
**Board Member**

Mr. Garcia has been a Director of ABS-CBN, since his appointment on September 2, 1992. He was also a consultant for radio and television broadcasting from January 2006 to present. Mr. Garcia is currently the Chairman of Programming Committee and a member of Compensation Committee for the Chairman and CEO and Risk Management Committee. Mr. Garcia was the President of ABS-CBN from 1997 to 2003. Prior to his appointment as President, Mr. Garcia was Executive Vice President and General Manager of ABS-CBN from 1987 to 1998. He also worked as a TV Sales Executive with ABS-CBN in 1966 until Martial Law. Before rejoining the Company in 1987, he was Executive Vice President of GMA Network, managing its marketing and programming activities. He attended the College of Business Administration at the University of the Philippines. Mr. Garcia is a recipient of various Philippine broadcasting industry awards.

**Federico R. Lopez, Filipino, age 59**  
**Board Member**

Mr. Federico Lopez has served as Director of the Company since August 25, 1999. Mr. Lopez is Chairman and Chief Executive Officer of First Philippine Holdings Corporation (FPH), First Gen Corporation (First Gen) and Energy Development Corporation (EDC). First Gen and EDC are publicly listed power generation companies that are into clean and indigenous energy and are part of the FPH portfolio. He is currently the Vice Chairman of Rockwell Land Corporation. An advocate of the environment, Mr. Lopez is the Chairman of the Oscar M. Lopez Center for Climate Change Adaptation and Disaster Risk Management Foundation (The OML Center) and the Sikat Solar Challenge Foundation, Inc. The OML Center is the result of the advocacy of the Lopez family for environmental protection and public service. He is also a member of the Board of Trustees of World Wildlife Fund Philippines, Philippine Disaster Recovery Foundation and the Forest Foundation Philippines. Mr. Lopez is a member of the World Presidents Organization, Asia Business Council, ASEAN Business Club, New York Philharmonic International Advisory Board, Management Association of the Philippines, Philippine Chamber of Commerce and Industry, European Chamber of Commerce of the Philippines and Makati Business Club. Mr. Lopez graduated with a Bachelor of Arts degree, major in Economics and International Relations (cum laude) from the University of Pennsylvania, U.S.A. in 1983.

**Oscar M. Lopez, Filipino, age 92**  
**Board Member**

Mr. Oscar M. Lopez has served as a Director of ABS-CBN since July 1966. He also serves as Chairman Emeritus to First Philippine Holdings Corp., Lopez Holdings Corporation, First Gen Corporation, Energy Development Corp., Rockwell Land Corp., First Philippine Industrial Park, among others. He was Management Association of the Philippines' Management Man of the Year 2000. He was the first Filipino businessman to be awarded the most

prestigious Officer's Cross of the Order of Merit of the Federal Republic of Germany in 2005. He was a recipient of The Outstanding Filipino (TOFIL) Award in the field of Business for the year 2009. Mr. Lopez has a Master's Degree in Public Administration from the Littauer School of Public Administration at the Harvard University (1955), where he also earned his Bachelor of Arts degree, cum laude, in 1951.

**Salvador G. Tirona, Filipino, age 67**

**Board Member**

Mr. Salvador G. Tirona has served as a Director of the Company since July 28, 2010. He is the President and Chief Operating Officer and concurrently, Chief Finance Officer of Lopez Holdings Corporation. He initially joined Lopez Holdings Corporation as its Chief Finance Officer in September 2005 and held this position until his appointment to his current position in 2010. He was formerly a Director and the Chief Finance Officer of Bayan Telecommunications, Inc. He joined the Lopez Group in 2003 as the Chief Finance Officer of Maynilad Water Services, Inc. He holds a Bachelor's degree in Economics from the Ateneo de Manila University and a Master's degree in Business Administration from the same university.

**Emmanuel S. de Dios, Filipino, age 68**

**Board Member, Independent Director**

Mr. Emmanuel S. de Dios was appointed as independent director on April 23, 2013. Mr. de Dios has been a Professor of Economics at the University of the Philippines School of Economics since 1989. He is also the President of Human Development Network (Philippines) since July 2012. He was the Dean of the University of the Philippines School of Economics from 2007 to 2010. He was a member of the Board of Advisors to the Board of Directors of the Company from 2011 until his election as an Independent Director in 2013. He became chair of the Board of Trustees of Pulse Asia Research, Inc. as of 2016. He received his AB Economics degree from the Ateneo de Manila University (cum laude) in 1978 and his Ph.D. in Economics from the University of the Philippines in 1987. He pursued post-doctoral studies at the Universität Konstanz in Germany from 1987 to 1988 and is the author or editor of various books, monographs, articles and reviewers in economics.

**Randolf S. David, age 76**

**Board Member, Independent Director**

Mr. Randolf S. David is professor emeritus of sociology at the University of the Philippines in Quezon City, where he retired as Full Professor in 2010. He was educated at the University of the Philippines and the University of Manchester. He has published five books and has lectured extensively in various universities in the Philippines and abroad. He was visiting scholar at the Ryukoku Buddhist University in Kyoto in 1991 and visiting lecturer at the National Autonomous University of Mexico in 1996. In the wake of the 1986 EDSA people power revolution, he started a second career in media, hosting a multi-awarded public affairs TV talk show in the Filipino language from 1986 to 2003. His column, "Public Lives," has appeared in the Philippine Daily Inquirer since 1995. Recognized as one of the country's leading public intellectuals, he has been honored for his work in the mass media, the social sciences, and education. He is the recipient of an honorary doctorate in humanities from the Ateneo de Naga University, the Ozanam Award from the Ateneo de Manila University, and, in 2019, the Grand Prize from the Fukuoka Asian Prize of Japan. He was a member of the Board of Advisors to the Board of Directors of the Company from 2011 to 2021.

**Honorio Poblador IV, age 52**

**Board Member, Independent Director**

Mr. Honorio Poblador IV has deep experience in investment banking and private equity from Credit Suisse First Boston, Morgan Stanley Private Equity, Iron Capital Management, and Rothschild. He is the Founder and Managing Partner of The Navegar Fund. He is a Director for entities under The Bistro Group and Bo's Coffee. He is also a Director of Camp Resources and Asia Digital Holdings. He holds a Bachelor's degree in Management Economics from the Ateneo de Manila University and a Master's degree in Business Administration from Columbia University. He was a member of the Board of Advisors to the Board of Directors of the Company from 2014 to 2021.

**Independent Directors of the Board**

The Independent Directors, Mr. David, Mr. Poblador and Mr. de Dios, are independent of management and free from any business or other relationship, which could, or could reasonably be perceived to, materially interfere

with their exercise of independent judgment in carrying out their responsibilities as directors of the Company. Specifically, Mr. David, Mr. Poblador and Mr. de Dios: (i) are not directors or officers or substantial stockholders of the Company or its related companies or any of its substantial shareholders (other than as independent directors of any of the foregoing); (ii) are not relatives of any director, officer or substantial shareholder of the Company, or any of its related companies or any of its substantial shareholders; (iii) are not acting as nominees or representatives of a substantial shareholder of the Company, or any of its related companies or any of its substantial shareholders; (iv) have not been employed in any executive capacity by the Company, or any of its related companies or by any of its substantial shareholders within the last two (2) years; (v) are not retained as professional advisers by the Company, any of its related companies or any of its substantial shareholders within the last two (2) years, either personally or through their firms; (vi) have not engaged and do not engage in any transaction with the Company or with any of its related companies or with any of its substantial shareholders, whether by themselves or with other persons or through a firm of which they are partners or companies of which they are directors or substantial shareholders, other than transactions which are conducted at arm's length and are immaterial; (vii) do not own more than two percent of the shares of the Company and/or its related companies or any of its substantial shareholders; (viii) are not affiliated with any non-profit organization that receives significant funding from the Company or any of its related companies or substantial shareholders; and (ix) are not employed as executive officers of another company where any of the Company's executives serve as directors. Mr. David, Mr. Poblador and Mr. de Dios do not possess any of the disqualifications enumerated under the Code of Corporate Governance and SEC Memorandum Circular No. 19, Series of 2016.

### **List of Executive Officers**

The following officers are expected to be nominated for re-election or election at the Organizational Meeting of the Board of Directors following the Annual Stockholders' Meeting on July 28, 2022.

#### **Maria Luisa S. Alcaneses, Filipino, age 51**

##### **Data Privacy Officer**

Ms. Alcaneses has more than 25 years of IT auditing and operations experience. Prior to being appointed as Data Privacy Officer, she was the Head of ABS-CBN's IT and Technical Audit, where she was responsible for managing all application systems and IT general controls review and technical process reviews covering ABS-CBN and its Subsidiaries, ABS-CBN Foundation, and Sky Cable. Prior to joining ABS-CBN in 2009, she was with an external audit firm, PricewaterhouseCoopers (PWC) in Dublin, Ireland as Systems Process Assurance Manager where she was the lead manager for the TICE (Technology, Information, Communication and Entertainment) industry. She graduated from University of Santo Tomas with a degree of B.S. Mathematics major in Computer Science. Among her global certifications include: Certified Data Privacy Solutions Engineer (CDPSE), Certified Ethical Hacker (CEH), Certified Information Systems Auditor (CISA), and Certified in Risk and Information Systems Control (CRISC). She is also a member of the Advisory Council of PNP's Anti-Cybercrime Group.

#### **Ma. Rosario S. Bartolome, Filipino, age 51**

##### **Head, Integrated Marketing and Customer Experience**

Ms. Bartolome is the Head of Integrated Marketing and Customer Experience. Prior to this, she held the positions of President & CEO of Play Innovations, Inc. (PII) and ABS-CBN Themed Experiences Inc., and Head of ABS-CBN Integrated Marketing. Ms. Bartolome brings with her more than 21 years of experience in integrated communications planning and media marketing. She is recognized locally and internationally for her innovative and cutting-edge media solutions that have shaped the Philippine media landscape. Prior to joining ABS-CBN, she was the Managing Director of Carat Philippines and was Vice President of Universal McCann Philippines. Ms. Bartolome graduated from the Ateneo de Manila University with a degree in Communication Arts. In 2016, she completed the IAAPA Attraction Managers Program and Harvard Business School's Advanced Management Program.

#### **Ernilda L. Bayani, Filipino, age 53**

##### **Head, Human Resources and Organizational Development**

Ms. Bayani is the Company's Head for Human Resources and Organizational Development since 2019. As Head, Ms. Bayani will drive the strategic initiatives of the division to ensure alignment with corporate strategies. Ms. Bayani



has over 24 years of experience in Human Resources management handling various leadership roles in the Company and others. Her expertise in HR systems, compensation and benefits facilitated the establishment, review, and upgrading of various enterprise-wide HR Systems in the Company. Ms. Bayani graduated from University of the Philippines with a Bachelor's Degree in Psychology. She also graduated from University of the Philippines with a Master's Degree in Labor and Industrial Relations in 2003.

**Aldrin M. Cerrado, Filipino, age 52**

**Head, Global**

Mr. Cerrado was appointed Head, Global on February 1, 2021. Prior to this appointment, he was the corporation's compliance officer while concurrently serving as the Chief Financial Officer of ABS CBN Corporation since 2013. Prior to joining ABS-CBN on July 1, 2012, Mr. Cerrado was a Partner in SyCip Gorres Velayo & Co. He is a certified public accountant with close to 25 years of experience in providing independent assurance on financial and non-financial information on companies in various industries, including media and entertainment. His previous roles include transaction advisory partner focused on providing transaction support services, which included financial and commercial due diligence work and merger and acquisitions advisory work. Mr. Cerrado completed his Bachelor's degree in Business Administration from the University of Santo Tomas in 1991. He obtained his Master's in Business Management degree, with distinction, from the Asian Institute of Management in 1998.

**Kane Errol C. Choa, Filipino, age 49**

**Head, Integrated Corporate Communications**

Mr. Choa is currently the head of the Integrated Corporate Communications of ABS-CBN. He is a communication leader with extensive experience in media and public relations. He also serves as the recognition director of the International Association of Business Communicators (IABC) Asia Pacific, as an adviser to the International Association of Business Communicators (IABC) Philippines, vice president of Anak TV, a trustee of the Quezon City Tourism Council, and a member of the Standards Authority of the Kapisanan ng mga Brodkaster ng Pilipinas. He writes a column for The Philippine Star and teaches part-time at the University of Santo Tomas. He obtained his Master of Science degree in Media and Communications with Merit from The London School of Economics and Political Science in 2005 as a British Chevening scholar.

**Carmela Grace C. Del Mundo, Filipino, age 50**

**Head, Internal Audit**

Carmela Grace Del Mundo is currently the head of the Internal Audit Division of ABS-CBN. She has over 25 years of experience in internal audit, finance operations and risk management. Prior to her role as the Head of Internal Audit, she was the Head of Financial and Operations Audit, where she was responsible for overseeing and managing financial and operations review of ABS-CBN and its subsidiaries, Sky Cable and ABS-CBN Lingkod Kapamilya Foundation. Prior to joining ABS-CBN, she was with Bayan Telecommunications Inc. as Audit Manager, was a Finance Officer at Asea Brown Boveri Inc. and a Technical Staff Consultant at SyCip Gorres and Velayo and Co. She graduated from De La Salle University with degrees of Bachelor of Arts in Asian Studies and Bachelor of Science in Accountancy. She also completed the Advanced Management Program in the Asian Institute of Management. Carmela is a Certified Public Accountant, Certified Internal Auditor, Certified Fraud Examiner and Certified Forensic Accountant.

**Kriz Anthony G. Gazmen, Filipino, age 35**

**Head, ABS-CBN Films**

Kriz Anthony Gazmen has 15 years of experience in the film industry, working as producer, screenwriter and creative director. Prior to being appointed as Head, ABS-CBN Films, he was the Business Unit Head of Black Sheep, where he was responsible for the creation of the brand, crafting and implementation of strategies to capture a new audience base and creative and business direction of all its projects. Black Sheep gave the industry a new "mainstream-indie" brand that collaborates and connects filmmakers, giving them a platform to push their stories to a wider reach. He also represented ABS-CBN Films and brought its projects in international film markets and festivals. He was also selected both as participant and mentor in international film labs and collaborated with global filmmakers. Prior to heading Black Sheep, he was the creative director for Star Cinema, where his works as screenwriter and producer garnered multiple awards and recognitions from award-giving bodies. He graduated from the University of the Philippines Diliman, cum laude, with a degree in Film and Audio-Visual Communication.

**Dennis Marco A. Liquigan, Filipino, age 51**  
**Head, ABS-CBN Music**

Mr. Liquigan was appointed as Head of ABS-CBN Music (formerly Star Music) in 2013. Prior to becoming Head of ABS-CBN Music, he held various positions in ABS-CBN, starting as a Researcher, then as a Segment Producer for Showbiz Lingo, an Executive Producer for The Buzz, and rising up the rank as Promo Director for Star Cinema. He graduated from the University of Santo Tomas with a Bachelor of Arts degree in Communication Arts.

**Eugenio Lopez IV, Filipino, age 42**  
**Head, Digital**

Mr. Lopez is the Head of Digital of ABS-CBN Corporation. Prior to this appointment, Mr. Lopez has spent the past 4 years in Sky Cable in various capacities: Customer Engineering, Project Management Office, and Program Owner for Business Transformation. Prior to this, he spent 4 years with Energy Development Corporation in the Information Technology Group as its IT Integration Manager where he led the management of EDC's Central IT Group. He graduated with a degree in Bachelor of Arts (BA) in Psychology and completed Master's in Business Administration (MBA) in Notre Dame de Namur University.

**Raymund Martin T. Miranda, Filipino, age 59**  
**Chief Strategy Officer, Chief Risk Management Officer, Compliance Officer**

Mr. Miranda has been an Asia-Pacific media executive and strategist throughout most of his professional career. Mr. Miranda has served as Chief Strategy Officer of ABS-CBN Corporation since August 2012. He was appointed Chief Risk Management Officer in a concurrent capacity in November 2012. Prior to his appointment with ABS-CBN, he was a consultant for the company for various projects. Mr. Miranda served as the Managing Director, Global Networks Asia-Pacific of NBCUniversal from 2007 to 2011, heading the entertainment channels division of NBCUniversal across 33 countries. Before that, he spent a year in Manila as the President/CEO of Nation Broadcasting Corporation (92.3x FM) and Head of Strategy and Content for Mediaquest Holdings, Inc. From 1998 to 2006, he was with The Walt Disney Company in Singapore and Manila as Managing Director Southeast Asia for Walt Disney International, Managing Director for Southeast Asia/Korea for Walt Disney Television International and the Head of Radio Disney Asia. He started his career in FM radio before joining the GMA Network group in 1987. He was named Vice-President, Creative Services of GMA Network, Inc. in 1992. Mr. Miranda took up degrees in Bachelor of Science in Biology and Bachelor of Arts in Communication at the University of the Philippines.

**Ma. Regina E. Reyes, Filipino, age 59**  
**Head, Integrated News and Current Affairs**

Ms. Reyes is responsible for all newsgathering, content and strategic direction of the News and Current Affairs Division of ABS-CBN. She has over 30 years of solid experience as a broadcast journalist. She joined ABS-CBN in 1986 as a Production Assistant, rose from the ranks to become Executive Producer and Head Writer of the award-winning "The World Tonight" and other special events, and eventually, Director for News Production. Prior to her appointment as Head of News and Current Affairs, Ms. Reyes was ABS-CBN'S North America News Bureau Chief from 2002 to 2010. In 2007, she was named by the Filipina Women's Network as one of the 100 Most Influential Filipino Women in the U.S. Ms. Reyes received her Bachelor of Arts in Broadcast Communication from the University of the Philippines. Under her leadership for the past decade, ABS-CBN News pivoted to a digital-first organization, pursued data analytics-driven reporting and produced award-winning documentaries. She continues to provide editorial oversight on TV Patrol and other programs, and leads the operations of cable news channels Teleradyo and ANC.

**Ricardo B. Tan, Jr., Filipino, age 57**  
**Group Chief Financial Officer**

Mr. Tan was appointed as Group Chief Financial Officer in April 2020. He joined ABS-CBN in 2013 as the Head of Corporate Treasury and Investor Relations. Before joining ABS-CBN Corporation, he was the Chief Financial Officer of Vista Land & Lifescapes Inc. where he was employed for over five (5) years. He has also worked for the Philippine government (International Finance Group of the Department of Finance), Philippine Airlines (finance division), Philippine Long Distance Telephone Company (in various divisions as Vice President - regulatory management, investor relations, and strategic planning), and as a consultant for the Asian Development Bank. Mr. Tan obtained his BSc. degree in Monetary Economics from the London School of Economics in 1986, and MBA degree (Finance and International Business) from the University of Chicago Booth School of Business in 1991.

**Rosanna H. Trinidad, Filipino, age 59**  
**Head, Integrated Sales**

Ms. Trinidad was appointed as Head, Integrated Sales in January 2020. She joined ABS-CBN Corporation in 2008 as the Head of Sales Strategic Planning. At this time, she was tasked to drive strategic revenue planning/maximization through utilizing different platforms. Thereafter, from 2012 to 2019 she held the position of Head of Channel 2 & Strategic Planning. For this role, she established strategic partnerships with agencies and client advertisers. Ms. Trinidad graduated from De La Salle University with a Bachelor of Science Degree in Applied Math in 1984.

Ms. Trinidad has several years of experience in the media and advertising industry. She was previously President & CEO of ZenithOptimedia Philippines, Media Planning Director for Stracom Mediavest, and Media Director for Strategic planning in Jimenez d'Arcy.

**Antonio S. Ventosa, Filipino, age 60**  
**President and Chief Operating Officer, Sky Cable**

Mr. Ventosa joined the Company in 2006 as Head of Corporate Marketing. In November 2015, he was appointed COO of Sky Cable Corporation and in June 2017 was appointed President. In his over 15 years with ABS-CBN, immediately prior to his appointment to Sky, March took was the OIC of Access Group and concurrent Head of ABS-CBN's Narrowcast group consisting of ABS-CBN Integrated Sports, ABS-CBN Publishing, and Creative Programs, Inc. He was involved with the launch of ABS-CBN TV+, the group's DTT service and managed over 20 TV channels, magazines, books and digital brands. He brings to the network his 20 years of professional experience in general management, marketing and communications here and abroad. Prior to ABS-CBN, he was managing director of Leo Burnett Manila, President of ARC Worldwide & Blackpencil Advertising and Regional Account Director with Leo Burnett Asia.

He also took on roles with industry organizations as chairman and president of the Association of Accredited Advertising Agencies of the Philippines, a board director of AdBoard, Executive Vice President of the Kapisanan ng mga Broadkaster ng Pilipinas, and the founding chairman of the Araw Values Awards. He is currently a member of the Advisory Board of UA&P Tambuli Awards. He obtained his degree of Bachelor of Science in Marketing from De La Salle University.

**Ma. Socorro V. Vidanes, Filipino, age 60**  
**Chief Operating Officer, Broadcast**

Ms. Vidanes was appointed as Chief Operating Officer, Broadcast on February 1, 2016. In November 2020, she was also appointed as concurrent Head of Creative Programs, Inc. Prior to this, Ms. Vidanes was Head of Free TV, Head of Channel 2 Mega Manila, and Managing Director for ABS-CBN TV Production. She has been with ABS-CBN since 1986, starting as an Associate Producer and has since then been involved in the production of all types of programs – talk shows, variety, reality, game, comedy and drama. Ms. Vidanes obtained her degree of Bachelor of Arts in Communication Arts from the Ateneo de Manila University. She has also completed the Advance Management Program at Harvard Business School in 2014.

**Other Corporate Officers**

The following are the other corporate (non-executive) officers of the Company:

**Enrique I. Quiason, Filipino, age 61**  
**Corporate Secretary**

Mr. Enrique I. Quiason was appointed as Corporate Secretary in 2015. He has been the Assistant Corporate Secretary of the Company since 1993. He received a Bachelor of Science degree in Business Economics and a Bachelor of Laws degree from the University of the Philippines, and a Master of Laws degree in Securities Regulation from Georgetown University. He is a senior partner of the Quiason Makalintal Barot Torres Ibarra Sison & Damaso Law Office. He is the corporate secretary of FPHC, LHC, Lopez, Inc., Rockwell Land Corporation, ABS-CBN Holdings, Inc., and Sky Cable Corporation.

**Marifel G. Gaerlan-Cruz, Filipino, age 55**  
**Assistant Corporate Secretary**

Ms. Gaerlan-Cruz was appointed as Assistant Corporate Secretary in 2015. She was the Head for Contracts and Corporate Services since 2006, and the Head of the Legal Services Department of the Company and its subsidiaries until August 2020. She received her Bachelor of Arts in History (cum laude) from the University of the Philippines, and her Juris Doctor degree (second honors) from the Ateneo de Manila School of Law.

**Family Relationships**

Mr. Oscar M. Lopez is the father of Mr. Federico R. Lopez and uncle to Mr. Martin L. Lopez and Mr. Raffy Lopez.

Mr. Martin L. Lopez is the cousin of Mr. Federico R. Lopez, Mr. Carlo L. Katigbak and Mr. Raffy Lopez. Eugenio Lopez IV is a nephew of Martin L. Lopez and Federico R. Lopez.

**Significant Employees**

The Company considers its entire workforce as significant employees. Everyone is expected to work together as a team to achieve the company's goals and objectives.

**Changes in Control**

There have not been any arrangements that have resulted in a change in control of the Company during the period covered by this report. The Company is not aware of the existence of any voting trust arrangement among the shareholders.

 **Involvement of Directors and Officers in Certain Legal Proceedings**

For the past five (5) years up to May 31, 2022 the Company is not aware of any bankruptcy proceedings filed by or against any business of which a director, person nominated to become a director, executive officer, or control person of the Company is a party or of which any of their property is subject.

For the past five (5) years up to May 31, 2022, the Company is not aware of any conviction by final judgment in a criminal proceeding, domestic or foreign, or being subject to a pending criminal proceeding, domestic or foreign, of any of its director, person nominated to become a director, executive officer, or control person, except for People of the Philippines v. Tulfo et. al., a libel case filed against Eugenio Lopez III, in his former capacity as President and CEO of the Company. In an Order dated February 10, 2022, the trial court granted the demurrer to evidence filed by the accused and dismissed the case. Private complainant filed a motion for reconsideration.

For the past five (5) years up to May 31, 2022, the Company is not aware of any order, judgment, or decree not subsequently reversed, superseded, or vacated, by any court of competent jurisdiction, domestic or foreign, permanently or temporarily enjoining, barring, suspending, or otherwise limiting the involvement of a director, person nominated to become a director, executive officer, or control person of the Company in any type of business, securities, commodities, or banking activities.

For the past five (5) years up to May 31, 2022, the Company is not aware of any findings by a domestic or foreign court of competent jurisdiction (in a civil action), the Commission or comparable foreign body, or a domestic or foreign exchange or electronic marketplace or self-regulatory organization, that any of its director, person nominated to become a director, executive officer, or control person has violated a securities or commodities law.

**Relationships and Related Transactions**

For a detailed discussion of ABS-CBN’s related party transactions, see the accompanying notes to the Company’s audited consolidated financial statements.

Except for transactions discussed in the accompanying notes to the Company’s audited consolidated financial statements, there had been no material transactions during the past two (2) years, nor is any material transaction presently proposed, to which the Company was or is to be a party in which any director, executive officer of the Company, or security holder of more than 10% of the Company’s voting securities, any relative or spouse of any such director or executive officer or owner of more than 10% of the Company’s voting securities had or is to have direct or indirect material interest.

Furthermore, there had been no material transactions during the past two (2) years, nor is any material transaction presently proposed, between the Company and parties that fall outside the definition of “related parties” under Philippine Accounting Standards (PAS) No. 24, but with whom the registrants or its related parties have a relationship (e.g., former senior management of the Company or other parties who have some other former or current relationship with the Company) that enables the parties to negotiate terms of material transactions that may not be availed from other, more clearly independent parties on an arm's length basis.

#### Item 6. Compensation of Directors and Executive Officers

Information as to the aggregate compensation paid or accrued during the last two (2) fiscal years and to be paid in the ensuing fiscal year to the Company’s chief executive and four (4) other most highly compensated executive officers follow:

<b>SUMMARY COMPENSATION TABLE</b>				
<b>Annual Compensation – 2019 to 2021 Actual and 2022 Estimated</b>				
<b>Chief Executive and most highly compensated executive officers</b>				
	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022E</b>
Salaries (Guaranteed)	252,351,834 <sup>1</sup>	252,351,834 <sup>2</sup>	147,471,967 <sup>3</sup>	190,514,158 <sup>4</sup>
Bonuses	-	-	-	-
Others: Employee Stock Plan (compensation for voluntary payouts over last 16 months)				85,166,457
	<b>252,351,834</b>	<b>175,791,602</b>	<b>147,471,967</b>	<b>275,680,615</b>
	Dyogi, Laurenti M Endrinal, Roldeo Katigbak, Carlo L Lamasan, Olivia M Valdueva, Rolando P Vidanes, Ma. Socorro	Cerrado, Aldrin Dyogi, Laurenti Endrinal, Roldeo Katigbak, Carlo L Vidanes, Ma. Socorro	Katigbak, Carlo L Lopez, Martin Miranda, Raymund Ventosa, Antonio Vidanes, Ma. Socorro	

<b>Managers and Up*</b>				
	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2020E</b>
Salaries (Guaranteed)	2,348,446,660 <sup>1</sup>	1,179,176,253 <sup>2</sup>	1,172,747,186 <sup>3</sup>	1,166,231,664 <sup>4</sup>
Bonuses	-	-	-	-
Others:(Employee Stock Plan - compensation for voluntary paycuts over last 16 months, Commissions, other cash ben)		27,672,919	28,383,454 <sup>5</sup>	148,433,857
	<b>2,348,446,660</b>	<b>1,206,849,171</b>	<b>1,201,130,640</b>	<b>1,314,665,521</b>

Notes to the tables:

\*Managers and up – including all other Officers and Directors

<sup>1</sup>2019 - Salaries (Guaranteed) includes 13th and 14th month pay amounting to P59,082,175

<sup>2</sup>2020 - Salaries (Guaranteed) (a) reflects voluntary paycuts (b) includes 13th and 14th month pay amounting to P28,214,396 and taxable allowance of P9,200,752

<sup>3</sup>2021 - Salaries (Guaranteed) reflects voluntary paycuts

<sup>4</sup>2022E - Salaries (Guaranteed), paycuts are no longer implemented; There has been no salary increase across the company since 2019. The figures for 2022E include the Employee Stock Plan that allowed employees to own shares of the company as compensation for voluntary pay cuts that they took to help the company.

<sup>5</sup>Includes per diem of Directors

## **Item 7. Independent Public Accountants**

The principal accountants and external auditors of the Company is the accounting firm of SyCip, Gorres, Velayo & Company (SGV & Co.). The accounting firm of SGV & Co. has been the Company's Independent Public Accountants for the last five (5) years. There was no event in the past five (5) years where SGV & Co. and the Company had any disagreement with regard to any matter relating to accounting principles or practices, financial statement disclosure or auditing scope or procedure.

The Company has engaged SGV & Co., with Ms. Djole S. Garcia, as the engagement partner, for the audit of the Company's books in 2021. The Company has complied with SRC Rule 68, paragraph 3(b)(iv).

SGV & Co. is being recommended for re-election at the scheduled Annual Stockholders' Meeting on July 28, 2022.

Representatives of SGV & Co. for the current year and for the most recently completed fiscal year are expected to be present at the Annual Stockholders' Meeting. They will have the opportunity to make a statement if they desire to do so and are expected to be available to respond to appropriate questions.

The aggregate fees billed to ABS-CBN and its subsidiaries for each of the last two (2) fiscal years for professional services rendered by the external auditor are as follows:

	2021	2020
Audit Fees	Php13,304,420	Php13,589,420
Non-Audit Fees	Php12,853,422	Php25,962,697

The Audit Committee's approval policies and procedures for the above services from SGV & Co., the external auditors are discussed in Section IV of the Revised Company's Manual of Corporate Governance filed with the Commission in July 2018. The Audit Committee pre-approves all audit and non-audit services as these are proposed or endorsed before these services are performed by our independent auditor.

The Audit Committee is composed of Mr. Emmanuel De Dios as Chairman, Mr. Salvador Tirona, and Mr. Honorio G. Poblador IV.

## **Item 8. Compensation Plans**

### **Employee Stock Option and Stock Grant Plans**

The Company had an employee stock option plan (ESOP) which covered 1,403,500 shares at 95% of offer price during the initial public offering. Collections were made in 48 semi-monthly installments without interest through payroll deductions. Shares offered under the ESOP have been fully paid and issued since 1995.

On March 29, 2000, the Board of Directors approved another ESOP covering 6,080,306 shares. In 2002, all the shares acquired by the Company covering this ESOP, were exercised by the employees. As of December 31, 2010, there are no more outstanding ESOP.

On February 22, 2017, the Board of Directors approved an Employee Stock Purchase Plan and an Executive Stock Purchase Plan. The ABS-CBN Employee Stock Purchase Plan was offered to rank and file employees, technical specialists and Internal Job Market members with at least one (1) year tenure, in January 2018. The maximum number of ABS-CBN common shares that was subscribed by a participant under this plan is 2,000 shares. The subscription price was at PHP29.50, which was a 15% discount on the closing price as of the offer date. The subscription price will be paid in 5 years. The Executive Stock Purchase Plan was offered to managers and artists and members of the Board of Directors with at least one (1) year tenure. Managers and artists can subscribe up to a maximum of shares equivalent to 2.5 months of their monthly salary or income. Members of the Board of Directors can subscribe up to 100,000 shares. The subscription price for the first 2,000 shares was at PHP29.50, which was a 15% discount on the closing price as of the offer date. There was no discount on the subscription price for the shares subscribed in excess of 2,000 shares. The subscription price will be paid in 5 years. The stockholders unanimously approved the Employee Stock Purchase Plan and Executive Stock Purchase Plan on April 6, 2017, and the Securities and Exchange Commission (SEC) resolved that the issuance of said shares is exempt from the registration requirement, pursuant to Section 10.2 of the Securities and Regulation Code, on September 28, 2017. From January 22, 2018 to February 9, 2018, the Company offered shares to qualified employees and executives under the ESPP and the Executive Stock Purchase Plan and as of February 22, 2018, the Company accepted a total subscription from participants of 11,391,500 common shares.

On August 20, 2020, the Board of Directors recommended to the stockholders the amendment of Section 12.1 of the Executive Stock Purchase Plan to allow the withdrawal of Participants thereto at any time.

On December 18, 2020, the Board of Directors approved the ABS-CBN Stock Purchase Plans and Stock Grant Plans. The ABS-CBN Stock Purchase Plan 1 will apply to all employees who agreed to a pay reduction from September 2020 until February 2021. The ABS-CBN Stock Purchase Plan 2 will apply to all employees who agreed to a pay reduction from March to December 2021. The subscription price is based on the 45-day preceding volume

weighted average price as of May 31, 2021. The ABS-CBN Stock Grant Plans will be given to employees who were promoted anytime between September 2020 to December 2021, and who did not receive any salary adjustment for the said period. There will be a holding period of six (6) months from award date. The shares may only be sold encumbered or disposed after the holding period. The stockholders unanimously approved the Employee Stock Purchase Plan and Executive Stock Purchase Plan on February 2, 2021, and the Securities and Exchange Commission (SEC) resolved that the issuance of said shares is exempt from the registration requirement, pursuant to Section 10.2 of the Securities and Regulation Code, on December 9, 2021. The shares under these Plans are subject for listing with the Philippines Stock Exchange.

### **C. ISSUANCE AND EXCHANGE OF SECURITIES**

#### **Item 9. Item Authorization or Issuance of Securities Other than for Exchange**

No action is to be taken with respect to the authorization or issuance of securities.

#### **Item 10. Modification or Exchange of Securities**

No action is to be taken with respect to the modification or exchange of the Company's securities.

#### **Item 11. Financial and Other Information**

No action is to be taken.

#### **Item 12. Mergers, Consolidations, Acquisitions, and Similar Matters**

No action is to be taken with respect to the mergers, consolidations, acquisitions, and similar matters.

#### **Item 13. Acquisition or Disposition of Property**

No action is to be taken with respect to the acquisition or disposition of any property.

#### **Item 14. Restatement of Accounts**

No action is to be taken with respect to the restatement of any asset, capital or surplus account of the Company.

### **D. OTHER MATTERS**

#### **Item 15. Action with Respect to Reports**

- Approval of the Minutes of the Annual Meeting of the Stockholders held on July 29, 2021 covering the following matters:
  - Approval of the Minutes of the Annual Stockholders' Meeting held on September 24, 2020 and the minutes of the Special Stockholders' Meeting held on February 2, 2021
  - Report of the President and Discussions of Questions from the Stockholders
  - Approval of Audited Financial Statements for the Year Ended December 31, 2020
  - Election of the Directors
  - Ratification and approval of the acts of Board, the Officers and Management for the fiscal year 2020
  - Appointment of External Auditors
  - Adjournment
  
- Approval of the Annual Report of Management and the Audited Financial Statements for the year ending December 31, 2021



## **Item 16. Matters Not Required to be Submitted**

No action is to be taken with respect to any matter that is not required to be submitted to a vote of security holders.

## **Item 17. Amendment of Charter, By-laws or Other Documents**

No action is to be taken with respect to an amendment of the Articles of Incorporation or By-laws of ABS-CBN.

## **Item 18. Other Proposed Actions**

Other proposed actions in the Agenda are:

- Ratification of all acts of the Board of Directors and Management for the period covering January 1, 2021 through December 31, 2021 adopted in the ordinary course of business. These matters have already been approved by the Board of Directors and these acts are not being submitted for approval or disapproval and are subject to general ratification of stockholders:
  - (a) The resolutions of the Board were duly adopted in the normal course of trade or business and involve:
    - i) Approval of contracts, projects, investments, and other acts which have been covered by disclosures to the PSE and the SEC;
    - ii) Treasury matters, including borrowings, opening of accounts and bank transactions; and
    - iii) Housekeeping matters, including the appointment of signatories and amendments thereof.
  - (b) Election of the members of the Board, including the independent directors, for the ensuing year.
  - (c) Election of the external auditor and fixing its remuneration.
- Other Business:

Under SEC Memorandum Circular No. 14, series of 2020, stockholders who alone, or together with other shareholders, hold at least 5% of the outstanding capital stock of ABS-CBN, shall have the right to include items on the agenda prior to the annual stockholders meeting.

The Company did not receive any such request to include items on the agenda in accordance with the Memorandum Circular before the filing of this Definitive Information Statement. Items proposed to be added on the agenda pursuant to the Memorandum Circular after the filing of this Definitive Information Statement shall be filed under Other Business.

## **Item 19. Voting Procedures**

- (a) **Vote Required:** The proposed actions listed in Item 15 and Item 18, as in motions in general, require the affirmative vote of a majority of the shares of the Company's common stock and preferred stock present through remote communication, electronic voting in absentia and/or represented and entitled to vote via proxy. The manner of voting is non-cumulative, except as to the election of directors.
- (b) **Method:** Straight and cumulative voting. In the election of directors, the top eleven nominees with the most number of votes will be elected as directors. If the number of nominees does not exceed the number of directors to be elected, all the shares present or represented at the meeting will be cast in favor of the nominees. If the number of nominees exceeds the number of directors to be elected, voting will be done by ballots. On the election of directors, each stockholder may vote such number of shares for as many persons as there are directors to be elected or he may accumulate such shares and give one candidate as many votes as the number of directors to be elected multiplied by the number of his shares shall equal, or he may distribute them on the same principle among as many candidates as he shall see fit; provided, that the total number of votes cast by him shall not exceed the number of shares owned by him multiplied by the whole number of

directors to be elected. In light of regulations relating to the COVID-19 pandemic, stockholders will only be allowed to vote by appointing the Chairman of the meeting as proxy or via electronically voting in absentia.

Voting will be by poll. Upon registration at the annual stockholders' meeting, each stockholder will be provided with an electronic ballot to enable him to vote on each item or proposal in the Agenda. All votes will be counted and tabulated by the Office of the Corporate Secretary and the results will be validated by SGV & Co.

The Corporate Secretary will be responsible for counting the votes based on the number of shares entitled to vote owned by the stockholders who are present or represented by proxies at any meeting of the stockholders, and the results will be validated by SGV & Co..

(c) Participation via Remote Communication

To comply with applicable regulations on mass gatherings, and/or requirements of social distancing to prevent the spread of COVID-19 and to ensure the safety, security, and welfare of our directors and stockholders, the Company will dispense with the physical attendance of stockholders at the meeting and will only allow attendance through remote communication, as set forth below, by voting in absentia or by voting through the Chairman of the meeting as proxy.

The live webcast of the Annual Stockholders Meeting may be accessed through [https://conveneagm.com/ph/abscbn\\_asm2022](https://conveneagm.com/ph/abscbn_asm2022). To enable the Company to perform validation procedures, identify the shareholders participating by remote communication and record their presence for purposes of quorum, the shareholders shall follow the registration and validation procedures attached as Annex A to the notice.

**Upon the written request of a stockholder, the Company undertakes to furnish said stockholder with a copy of the Company's annual report on SEC Form 17-A free of charge. Any written request for a copy of the annual report shall be addressed to the following:**

**ABS-CBN Corporation  
ABS-CBN Broadcast Center  
Sgt. Esguerra Avenue corner Mother Ignacia Street, Diliman, Quezon City**

**Attention: Ricardo B. Tan, Jr.  
Group Chief Financial Officer**

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this report is true, complete and correct. This report is signed in Pasig City on June 16, 2022.

**ABS-CBN CORPORATION**



By:

\_\_\_\_\_  
**ENRIQUE I. QUIASON**  
Corporate Secretary

## **PART I - BUSINESS AND GENERAL INFORMATION**

### **1. Business Overview**

#### **1.1. Historical Background**

ABS-CBN Corporation (“ABS-CBN” or the “Company”) traces its roots to Bolinao Electronics Corporation (BEC), established in 1946 as an assembler of radio transmitting equipment. In 1952, BEC adopted the business name Alto Broadcasting System (ABS) and began setting up the country’s first television broadcast in 1953. On September 24, 1956, Chronicle Broadcasting Network (CBN), owned by Don Eugenio Lopez Sr. of the Lopez family, was organized primarily for radio broadcasting. In 1957, Don Eugenio Lopez Sr. acquired ABS and on February 1, 1967, the operations of ABS and CBN were integrated and BEC changed its corporate name to ABS-CBN Broadcasting Corporation. On August 16, 2010, the Philippine Securities and Exchange Commission (SEC) approved the change of Company’s corporate name to ABS-CBN Corporation. This change was meant to reflect the Company’s diverse businesses interests.

ABS-CBN achieved many firsts since it started the television industry in the country in 1953. However, with the imposition of martial law in September 1972, ABS-CBN ceased operations as the government forcibly took control of the Company. ABS-CBN resumed commercial operations in 1986 after the People Power or EDSA revolution.

Recovery after fourteen (14) years of absence was difficult as resources were scarce. Nevertheless, through relentless effort, ABS-CBN recaptured leadership in the Philippine television and radio industries by 1988. During the 1990s and the early part of the new millennium, the Company expanded and ventured into complementary businesses in cable and satellite TV, international syndication, music, feature films, artist management, sports and the online space as well as mobile services, consumer products, theme parks, events and concerts and magazine publishing.

On 05 May 2020, the National Telecommunications Commission (“NTC”) issued an Order which directed ABS-CBN to cease operating all its radio and television stations throughout the Philippines (the “CDO”), and on 30 June 2020, the NTC likewise issued an Alias Cease and Desist Order which directed the shutdown of ABS-CBN’s Digital Terrestrial Television DTT) network (the “Alias CDO”).

On July 10, 2020, the House Committee on Legislative Franchises passed and approved the Resolution which denied the franchise application of ABS-CBN to construct, install, establish, operate, and maintain radio and television broadcasting stations in the Philippines (the “Resolution”).

Under the Resolution, the House Committee on Legislative Franchises adopted the findings and recommendations of a Technical Working Group (TWG), which recommended that the committee deny the broadcast franchise application of ABS-CBN. The Resolution likewise stated that, pursuant to Section 49 of the 18th Congress’ Rules of the House of Representatives, all of the House Bills and House Resolutions relative to the grant or renewal of the franchise application of ABS-CBN are “laid on the table”, or effectively “killed”. Consequently, ABS-CBN was no longer authorized to operate as a broadcast company.

Through a decision dated 9 September 2020, the NTC recalled all the frequencies assigned to the Company. The NTC also cancelled all provisional authorities granted to the Company.

The Company has continued to produce world-class content and distribute its programs on different platforms such as Cable and Satellite TV (domestic and international), domestic free TV through various partnerships with local broadcasters and, 3rd party digital platforms, ABS-CBN’s own streaming service iWantTFC, and through co-production and syndication agreements with international streaming platforms.

#### **1.2. Lines of Business**

ABS-CBN is one of the Philippines’ leading media and entertainment companies. The Company presents its operations into the following reportable segments:

- A. Content Production and Distribution
- B. Cable, Satellite and Broadband

## CONTENT PRODUCTION AND DISTRIBUTION

Content Production and Distribution refers to content exhibited on terrestrial free television (TV), cable and satellite channels and on-line streaming and TVOD/SVOD platforms; international syndication and distribution of content and linear channels; feature films; music; digital and on-line publications; as well as live events and concerts.

The content exhibition segment includes ABS-CBN produced, co-produced or acquired entertainment and news and current affairs programs that are exhibited through block time, licensing and other industry practice arrangements on free TV, pay TV channel, and online or digital streaming platforms. Filipinos are able to watch ABS-CBN entertainment and news on free analog and digital terrestrial TV via A2Z Channel 11 and TV5's Metro Manila and regional channels as well as various DTT and cable/satellite providers. ABS-CBN also programs various cable/satellite, IPTV and online linear channels including Kapamilya Channel, Cinema, Jeepney TV, CinemaOne, Metro Channel, MYX, and Knowledge Channel. ABS-CBN's news channels include TeleRadyo and the ABS-CBN News Channel (ANC). Online, ABS-CBN content is available across multiple third party platforms like Youtube and Facebook, through TVOD portals such as Amazon and iTunes, as well as via ABS-CBN's own iWantTFC and KTX. Various movies and series are also available on international streaming platforms including Netflix, Viu, WeTV, and iQIYI. Our music and podcasts are now available on Spotify and various audio streaming platforms.

**Global Operations** The Global segment pioneered the international marketing and distribution of ABS-CBN content and media products in the United States in 1994 through ABS-CBN International, with the main goal of bringing global Filipinos back to their roots through programs and products that reflect their needs, dreams, and aspirations.

Global's flagship product, The Filipino Channel (TFC), is a 24-hour programming service consisting primarily of general entertainment, news and feature programs in Tagalog and/or Tagalog-English language, distributed in different countries via cable, direct-to-home (DTH) satellite, online, internet protocol television (IPTV), mobile applications and over-the-top media streaming services, to suit the needs and preferences of over 10 million Filipinos overseas. TFC distributes content in over 200 countries worldwide with on-ground presence in the US, Canada, Middle East, Europe, Australia, and Asia through ABS-CBN's international subsidiaries and/or through third-party distributors and carriage partners. Global's portfolio of products and services also includes advertising sales, transactional video-on-demand (pay per view), theatrical film distribution, digital and on-ground events, including concerts and music tours, retail, online radio and audio streaming, and philanthropic support for Filipinos and the communities they now call home.

The **Feature Films** segment of the Company is ABS-CBN Film Productions, Inc. (AFPI) or more popularly known as Star Cinema. AFPI is made up of different film brands, that include Star Cinema, Black Sheep, Cinebro, and Cinema One Originals. Movies which may be acquired, or co-produced with other local or international producers, are distributed by AFPI through its own Cinexpress, a consolidated circuit which includes theatrical distribution, TVOD via iWantTFC, KTX and 3rd party international platforms, satellite Pay-per-View (PPV) via Cignal, cable PPV via Sky Cable, and IPTV via TFC Global. KTX, as mentioned above, is a ticketing and live event streaming platform directly managed by AFPI. Lastly, AFPI runs the Rise Artists Studio that trains and manages future movie stars

The **Music** segment of the Company handles production, promotion, servicing and distribution, and licensing of music. Its main business is the production and promotion of Original Sound Recordings (OSRs), the administration of any and all copyright on songs, lyrics and musical compositions, and the development of singers and songwriters. The music division has various music labels such as Star Music, Tarsier, Starpop, and DNA Records. In addition, there are also other business units which produce audio and video content like MOR Entertainment, Myx, and OneMusicPH. Revenues mainly come from audio and video streaming and downloads from various Digital Service Providers (DSPs) such as Spotify, Apple Music, Amazon, and YouTube. Complementary to this business is the management of artists and the creation and mounting of events. The

Company also produces commissioned recordings for television shows and commercial advertisements. The Company also controls a valuable music publishing and sound recording catalogue of iconic Filipino hit songs which covers half a century. These are licensed to third parties for various uses, including theme songs in TV shows and films, commercial advertisements, and communication to the public.

The **Digital** segment manages and operates the online assets and businesses of the company. These assets include some of the top domains and accounts in the world. Abs-cbn.com is among the top websites and publishers in the world. Our Youtube and Facebook accounts rank among the top accounts in the world. DASH is ABS-CBN's self-service advertising portal that caters to small and medium advertisers across the world. The company's online assets span the content that it represents. News.abs-cbn.com ranks among the top 10 publishers online and is the top draw of the company's website. As part of its evolution, the company is expanding into podcasts, as well as new social media and messaging platforms in its desire to reach as wide an audience as possible.

**iWantTFC** is ABS-CBN's owned and operated OTT platform which is available across the world. Now the home of Filipino stories, iWantTFC is making available the Company's full content library with over 60 years' worth of movies, series, documentaries and originals. To cater to different markets, iWantTFC is experimenting with a hybrid business model – a mix of advertising and subscription based on various geographies.

## CABLE, SATELLITE AND BROADBAND

Sky Cable Corporation pioneered innovative and superior cable services in the Philippines more than 30 years ago. It offers value for money Home Internet, Pay TV and bundled subscription plans through the latest DOCSIS 3.0 technology coupled with reliable fiber connectivity, as well as its introduction of modern in-premise customer equipment ranging from 2-way digiboxes via the new SKY EVO box to high-speed modems and wifi mesh for seamless connectivity at home.

Its roster of products includes SKYCable, the leading cable TV brand in the country that is known for its topnotch programming with an extensive lineup of HD channels and Pay per view offerings, as well as SKY Fiber, a fiber-to the curb (FTTC) powered broadband service with plans of up to 200Mbps. It recently introduced SKY Fiber Edge, which utilizes its fiber to the home (FTTH) backbone as well as competitive Ultra High-Speed plans of up to 1Gbps, available only in select condominiums and villages in Mega Manila.

SKY is also a promising player in the SME and Enterprise market catering to commercial businesses through SKYbiz, which offers content services and customized broadband connectivity. SKYbiz is the first provider to create relevant content for the hospitality industry, making it the preferred cable TV provider of premier establishments in the country.

### 1.3. Subsidiaries

The following is a list of the Company's active subsidiaries, which ABS-CBN has economic rights as of December 31, 2021 and 2020:

Company	Place of Incorporation	Principal Activities	Functional Currency	Effective Interest	
				2020	2019
<b>Content Production and Distribution</b>					
<i>Global:</i>					
ABS-CBN Global Ltd. (ABS-CBN Global) <sup>(a) (i)</sup>	Cayman Islands	Holding company	United States dollar (USD)	<b>100.0</b>	100.0
ABS-CBN Europe Ltd. (ABS-CBN Europe) <sup>(b)(c) (i)</sup>	United Kingdom	Cable and satellite programming services	Great Britain pound (GBP)	<b>100.0</b>	100.0
ABS-CBN Japan, Inc. (ABS-CBN Japan) <sup>(d) (i) (r)</sup>	Japan	Cable and satellite programming services	Japanese yen (JPY)	<b>100.0</b>	100.0
ABS-CBN Middle East FZ-LLC (ABS-CBN Middle East) <sup>(b) (i)</sup>	Dubai, UAE	Cable and satellite programming services	United Arab Emirates dirham (AED)	<b>100.0</b>	100.0
ABS-CBN Global Hungary Kft. (ABS-CBN Hungary) <sup>(i)</sup>	Budapest, Hungary	Holding company	USD	<b>100.0</b>	100.0
Makati Kft. <sup>(i)</sup>	Budapest, Hungary	Holding company	USD	<b>100.0</b>	100.0

Company	Place of Incorporation	Principal Activities	Functional Currency	Effective Interest	
				2020	2019
ABS-CBN International, Inc. (ABS-CBN International) <sup>(j) (n)</sup>	California, USA	Cable and satellite programming services	USD	100.0	100.0
ABS-CBN Australia Pty. Ltd. (ABS-CBN Australia) <sup>(j) (k)</sup>	Victoria, Australia	Cable and satellite programming services	Australian dollar (AUD)	100.0	100.0
ABS-CBN Canada, ULC (ABS-CBN Canada) <sup>(j) (k)</sup>	Canada	Cable and satellite programming services	Canadian dollar (CAD)	100.0	100.0
ABS-CBN Telecom North America, Inc. <sup>(j) (k)</sup>	California, USA	Telecommunications	USD	100.0	100.0
<i>Films and Music:</i>					
ABS-CBN Film Productions, Inc. (ABS-CBN Films)	Philippines	Movie production	Philippine peso	100.0	100.0
Cinescreen, Inc. (Cinescreen) <sup>(l)</sup>	Philippines	Theater operator	Philippine peso	100.0	100.0
<i>Narrowcast</i>					
Creative Programs, Inc. (CPI) <sup>(v)</sup>	Philippines	Content development, publishing and programming services	Philippine peso	100.0	100.0
<i>Others:</i>					
ABS-CBN Europe Remittance Inc. <sup>(d) (j) (y)</sup>	United Kingdom	Services - money remittance	GBP	100.0	100.0
E-Money Plus, Inc. <sup>(b)</sup>	Philippines	Services - money remittance	Philippine peso	100.0	100.0
ABS-CBN Global Remittance Inc. <sup>(j) (k) (y)</sup>	California, USA	Services - money remittance	USD	100.0	100.0
ABS-CBN Canada Remittance Inc. <sup>(j) (n) (y)</sup>	Canada	Services - money remittance	CAD	100.0	100.0
ABS-CBN Center for Communication Arts, Inc. <sup>(e)</sup>	Philippines	Educational/training	Philippine peso	100.0	100.0
ABS-CBN Global Cargo Corporation <sup>(t)</sup>	Philippines	Non-vessel operations common carrier	Philippine peso	100.0	100.0
ABS-CBN Integrated and Strategic Property Holdings, Inc.	Philippines	Real estate	Philippine peso	100.0	100.0
ABS-CBN Shared Service Center PTE. Ltd. <sup>(j) (m)</sup>	Singapore	Services - support	Singapore dollar (SGD)	100.0	100.0
Professional Services for Television & Radio, Inc.	Philippines	Services - production	Philippine peso	100.0	100.0
Grassfed Corporation	Philippines	Services - livestock	Philippine peso	100.0	100.0
Probabilistic Insights, Inc. (aa)	Philippines	Services - support	Philippine peso	100.0	100.0
Rosetta Holdings Corporation (RHC)	Philippines	Holding company	Philippine peso	100.0	100.0
Callirrhoe, Inc.	Philippines	Holding company	Philippine peso	100.0	-
Eukelade Holding Corporation	Philippines	Holding company	Philippine peso	100.0	-
Sarimanok News Network, Inc.	Philippines	Content development and programming services	Philippine peso	100.0	100.0
The Big Dipper Digital Content & Design, Inc. (Big Dipper)	Philippines	Digital film archiving and central library, content licensing & transmission	Philippine peso	100.0	100.0
The Chosen Bun, Inc. (Chosen Bun) <sup>(z)</sup>	Philippines	Services - restaurant and food	Philippine peso	100.0	100.0
TV Food Chefs, Inc. (bb)	Philippines	Services - restaurant and food	Philippine peso	100.0	100.0
iConnect Convergence, Inc.	Philippines	Service - call center	Philippine peso	100.0	100.0
ABS-CBN Studios, Inc.	Philippines	Production facility	Philippine peso	100.0	100.0
Medianow Strategies, Inc. (Medianow) <sup>(x)</sup>	Philippines	Marketing, sales and advertising	Philippine peso	79.7	79.7
Sapientis Holdings Corporation (Sapientis)	Philippines	Holding company	Philippine peso	100.0	100.0
Columbus Technologies, Inc. (CTI) <sup>(q)</sup>	Philippines	Holding company	Philippine peso	70.0	70.0
ABS-CBN Convergence, Inc. (ABS-C) <sup>(q)</sup>	Philippines	Telecommunication	Philippine peso	69.3	69.3
ABS-CBN Theme Parks and Resorts Holdings, Inc. (ABS-CBN Theme Parks)	Philippines	Holding company	Philippine peso	100.0	100.0
ABS-CBN Themed Experiences, Inc. (ABS-CBN Themed Experiences) <sup>(u)(bb)</sup>	Philippines	Management of locations	Philippine peso	100.0	100.0
Play Innovations, Inc. (PII) <sup>(g) (bb)</sup>	Philippines	Theme park	Philippine peso	73.0	73.0
Play Innovations Hungary Kft. (Play Innovations) <sup>(j) (g)</sup>	Budapest, Hungary	Theme park	USD	73.0	73.0

Company	Place of Incorporation	Principal Activities	Functional Currency	Effective Interest	
				2020	2019
<b>Cable and Broadband</b>					
Sky Vision Corporation (Sky Vision) <sup>(w)</sup> (see Note 4)	Philippines	Holding Company	Philippine peso	75.0	75.0
Sky Cable Corporation (Sky Cable) <sup>(w)</sup> (see Note 4)	Philippines	Cable television services	Philippine peso	59.4	59.4
Bisaya Cable Television Network, Inc. <sup>(h) (i) (w)</sup>	Philippines	Cable television services	Philippine peso	59.4	59.4
Bright Moon Cable Networks, Inc. <sup>(h) (w)</sup>	Philippines	Cable television services	Philippine peso	59.4	59.4
Cavite Cable Corporation <sup>(h) (w)</sup>	Philippines	Cable television services	Philippine peso	59.4	59.4
Cepsil Consultancy and Management Corporation <sup>(h) (w)</sup>	Philippines	Cable television services	Philippine peso	59.4	59.4
Davao Cableworld Network, Inc. <sup>(h) (o) (w)</sup>	Philippines	Cable television services	Philippine peso	59.4	59.4
HM Cable Networks, Inc. <sup>(h) (w)</sup>	Philippines	Cable television services	Philippine peso	59.4	59.4
HM CATV, Inc. <sup>(h) (w)</sup>	Philippines	Cable television services	Philippine peso	59.4	59.4
Hotel Interactive Systems, Inc. <sup>(h) (w)</sup>	Philippines	Cable television services	Philippine peso	59.4	59.4
Isla Cable TV, Inc. <sup>(h) (w)</sup>	Philippines	Cable television services	Philippine peso	59.4	59.4
Moonsat Cable Television, Inc. <sup>(h) (o) (w)</sup>	Philippines	Cable television services	Philippine peso	59.4	59.4
Pilipino Cable Corporation (PCC) <sup>(h) (w)</sup>	Philippines	Cable television services	Philippine peso	59.4	59.4
Satellite Cable TV, Inc. <sup>(h) (w)</sup>	Philippines	Cable television services	Philippine peso	59.4	59.4
Sun Cable Holdings, Incorporated (SCHI) <sup>(h) (w)</sup>	Philippines	Holding company	Philippine peso	59.4	59.4
Sun Cable Systems Davao, Inc. <sup>(h) (i) (w)</sup>	Philippines	Cable television services	Philippine peso	59.4	59.4
Sunvision Cable, Inc. <sup>(h) (w)</sup>	Philippines	Cable television services	Philippine peso	59.4	59.4
Tarlac Cable Television Network, Inc. <sup>(h) (w)</sup>	Philippines	Cable television services	Philippine peso	59.4	59.4
Telemondial Holdings, Inc. <sup>(h) (i) (w)</sup>	Philippines	Holding company	Philippine peso	59.4	59.4
JMY Advantage Corporation <sup>(h) (w)</sup>	Philippines	Cable television services	Philippine peso	56.4	56.4
Cebu Cable Television, Inc. <sup>(h) (o) (p) (w)</sup>	Philippines	Cable television services	Philippine peso	57.4	57.4
Suburban Cable Network, Inc. <sup>(h) (w)</sup>	Philippines	Cable television services	Philippine peso	54.9	54.9
Pacific CATV, Inc. (Pacific) <sup>(h) (o) (w)</sup>	Philippines	Cable television services	Philippine peso	58.0	58.0
First Ilocandia CATV, Inc. <sup>(h) (o) (w)</sup>	Philippines	Cable television services	Philippine peso	54.9	54.9
Mactan CATV Network, Inc. <sup>(h) (o) (p) (w)</sup>	Philippines	Cable television services	Philippine peso	56.6	56.6
Discovery Mactan Cable, Inc. <sup>(h) (s) (w)</sup>	Philippines	Cable television services	Philippine peso	41.6	41.6
Home-Lipa Cable, Inc. <sup>(h) (s) (w)</sup>	Philippines	Cable television services	Philippine peso	35.6	35.6

<sup>(a)</sup> With branches in the Philippines and Taiwan

<sup>(b)</sup> Through ABS-CBN Global

<sup>(c)</sup> With branches in Italy and Spain

<sup>(d)</sup> Subsidiary of ABS-CBN Europe

<sup>(e)</sup> Nonstock ownership interest

<sup>(f)</sup> On June 5, 2017, the SEC approved the incorporation of Cinescreen. Cinescreen was established primarily to own, acquire, establish, lease, maintain, operate, manage, control, promote, advertise, undertake and carry on the business of theatres, movie houses and places of public amusement and entertainment.

<sup>(g)</sup> Through ABS-CBN Theme Parks

<sup>(h)</sup> Through Sky Cable

<sup>(i)</sup> Subsidiary of SCHI

<sup>(j)</sup> Considered as foreign subsidiary

<sup>(k)</sup> Subsidiary of ABS-CBN International

<sup>(l)</sup> With a branch in Luxembourg

<sup>(m)</sup> With a regional operating headquarters in the Philippines

<sup>(n)</sup> Through ABS-CBN Hungary

<sup>(o)</sup> Subsidiary of PCC

<sup>(p)</sup> Through Pacific

<sup>(q)</sup> Through Sapiientis. The legislative franchise of ABS-CBN Convergence, Inc. to construct, establish, install, operate and maintain for commercial purposes and in the public interest radio paging and records messaging stations lapsed on March 17, 2020

<sup>(r)</sup> With branch in Korea

<sup>(s)</sup> A subsidiary of Sky Cable where Sky Cable effectively owns more than 50% interest

<sup>(t)</sup> In liquidation

<sup>(u)</sup> On July 7, 2017, the SEC approved the incorporation of ABS-CBN Themed Experiences. ABS-CBN Themed Experiences was established primarily to design, build, develop, manage, operate and maintain theme and amusement parks, hotels, restaurants, coffee shops, refreshment parlors and other attractions and facilities.

<sup>(v)</sup> On September 18, 2018, the SEC approved the merger of CPI and ABS-CBN Publishing with the former being the surviving entity.

<sup>(w)</sup> In 2012, ABS-CBN acquired additional interest in Sky Vision increasing its economic interest to 24.8%. On the same year, Lopez, Inc. also executed a proxy in favor of ABS-CBN assigning its voting rights in Sky Vision. As a result, ABS-CBN has a voting interest of 75% in Sky Vision since 2012. Sky Vision is the holding company of Sky Cable, where ABS-CBN has an economic interest of 57.4% in 2014. In 2015,

ABS-CBN purchased additional shares in Sky Vision increasing its economic interest on Sky Vision and Sky Cable to 75% and 59.4%, respectively.

- (x) In 2014, CPI and Sky Cable entered into an agreement to form a joint venture company. Medianow, which was incorporated on August 22, 2014, is 78.7% effectively owned by the Company in 2014. As a result of the acquisition of additional interest in Sky Vision, economic interest on Medianow increased to 79.7% in 2015.
- (y) On June 30, 2018, ABS-CBN Europe Remittance Inc., ABS-CBN Global Remittance Inc. and ABS-CBN Canada Remittance Inc. ceased operations.
- (z) On March 12, 2019, the SEC approved the incorporation of Chosen Bun. Chose Bun was established primarily to raise, process, manufacture and package all kinds of food products; to establish, operate, manage and maintain restaurants, coffee shops, and refreshments parlors; to serve and cater foods, drinks, refreshments and other food or commodities.
- (aa) On June 18, 2019, the SEC approved the incorporation of Probabilistic Insights, Inc. Probabilistic Insights, Inc. was established primarily to provide software products and data science services including but not limited to management consulting, marketing services such as direct marketing, database marketing, workshop facilitation and marketing training.
- (bb) The Company decided to wind-down its food and beverage and experience operations in July 2020.

#### 1.4. Significant Philippine Associates and Affiliates

Company	Principal Activity	Date of Incorporation	Relationship
Lopez, Inc.	Holding Company	11 August 1967	Parent of ABS-CBN
Lopez Holdings Corporation*	Holding Company	08 June 1993	Under common control of Lopez Inc.
ABS-CBN Holdings Corporation		30 March 1999	Under common control of Lopez Inc.
A C J O Shopping Corporation**	Home shopping	13 August 2013	50% owned by ABS-CBN
ALA Sports Promotions International, Inc.	Boxing promotions	4 December 2013	44% owned by ABS-CBN
Daum Kakao Corporation	Services	16 February 2015	50% owned by ABS-CBN
The Flagship, Inc.	Services	20 October 2015	40% owned by ABS-CBN

\*Formerly Benpres Holdings Corporation

\*\* On June 25, 2020, the stockholders and BOD of the A C J O Shopping Corporation approved a plan of liquidation and cessation of operations effective December 31, 2020. In November 2020, the Company discontinued its operations to prevent further losses.

\*\*\* On January 31, 2019, the Philippine SEC has approved Daum Kakao's decrease in its capital stock from P900 million to P86 million. As of June 3, 2021, Daum Kakao has returned capital of P364 million to the joint venturers. Refer to Note 14 of the Company's 2021 audited consolidated financial statements

#### 1.5. Competition

##### MEDIA AND STUDIO ENTERTAINMENT

##### Content Production and Distribution

ABS-CBN continues to be a major supplier of Filipino entertainment and news and current affairs programs for free TV, cable and satellite channels and on-line streaming platforms both in the Philippines and, increasingly, throughout the world. In-house produced content has been and is still currently aired in numerous countries around the world, particularly in Southeast Asia, Africa, and Latin America.

The Company faces competition for distribution of its programming from other producers of Filipino programming. ABS-CBN also competes with other programming providers for channel space and compensation for carriage from cable television operators and other multi-channel distributors. For such program services, distributors select programming based on various considerations, including the prices charged for the programming and the quality, quantity and variety of programming.

ABS-CBN's content library of in-house produced drama series, movies, reality shows, variety shows, documentaries, and the like, runs in the hundreds of thousands of hours combined. Moreover, the Company also has exclusive exhibition licenses for numerous popular local and foreign-acquired programs and movies.



Competition in acquiring foreign-produced programming and films has also been greater than in the previous years. The Company competes with other Philippine broadcast entities and pan-regional cable programming producers in acquiring broadcast rights to popular foreign TV shows and films.

### **Global**

Global distributes TFC and other media content in the US, Canada, Middle East, and Asia Pacific on owned and operated platforms and through various multichannel video programming distributors (MVPDs), as well as over-the-top streaming media services.

TFC competes for audience attention not only with Filipino content providers in the regions where it is distributed, but also with mainstream media content on satellite television and cable systems, national broadcast networks, regional and local broadcast stations, as well as on-demand, streaming media services.

### **Films and Music**

*Film Production and Distribution:* AFPI competes for the services of a limited pool of recognized and bankable creative talents, both artists and production staff, and for film rights and scripts, which are essential to the success of a feature film. The Company likewise competes with other feature film producers, including established Filipino studios, an increasing number of smaller independent producers, and major foreign studios such as Disney, Dreamworks, and Warner Brothers.

The number of films released by the Company's competitors in any given period may create an oversupply of product in the market, which may reduce the Company's share of gross box office admissions. Star Cinema also competes with other forms of entertainment and leisure time activities such as streaming, travel, and dining. Piracy also takes a considerable chunk of the Company's earnings potential.

*Music Production and Promotion:* The Music Group's main business is the production and promotion of recordings and the development of singers and songwriters. Revenues are in the form of advertising and subscription revenues from online platforms such as YouTube and Spotify. Complementary to this business is the management of artists and the creation and mounting of events.

*Music Servicing and Distribution:* The Company also produces commissioned recordings for television shows and commercial advertisements and distributes recordings for various music and movie producers.

*Music Publishing and Licensing:* The Company controls a valuable music publishing and sound recording catalogue of iconic Filipino hit songs which covers half a century. These are licensed to third parties for various usages, including theme songs in TV shows and films,

## **CABLE, SATELLITE AND BROADBAND**

SKY Cable is one of the major providers of cable and broadband services in the Philippines. SKY Cable competes with both Cable and DTH operators in certain cities it operates in, but no other wired cable operator has the same scale and coverage as SKY Cable.

SKY Cable directly competes for viewer attention and subscriptions with other providers of entertainment, news and information, including other cable television systems, broadcast television stations and OTT service providers.

Important competitive factors include coverage and subscriber base, quality and variety of the program offerings, fees charged for basic and premium services, and the effectiveness of marketing efforts.

The broadband business where Sky Cable operates in, has several direct competitors. These competitors range from large telecommunications companies to smaller and dedicated cable broadband service providers

catering to individuals and businesses alike. Key competitive factors aside from price include fiber facilities, speed and reliability of service.

## **DIGITAL**

Digital Media: In February 2021, ABS-CBN Entertainment YouTube channel became the most subscribed and most viewed YouTube channel in all of Southeast Asia, after racking up **38.2 million subscribers** and **over 89.2 billion lifetime views**, as ABS-CBN strengthens its digital presence to make its content more accessible to audiences in as many platforms. Other ABS-CBN YouTube channels that rank among the most subscribed and most viewed in the Philippines are ABS-CBN News (13.6 million subscribers and 9.1 billion views), Star Music (7.5 million subscribers and 3.2 billion views), “Pinoy Big Brother” (5 million subscribers and 2.8 billion views), Star Cinema (5.8 million subscribers and 1.8 billion views), “The Voice Kids Philippines” (2.9 million subscribers and 1.6 billion views), and Jeepney TV (1.6 million subscribers and 530 million views) as of December 2021.

*OTT Platform:* ABS-CBN’s Over-The-Top platform – iWantTFC, compete with international OTT providers. Over the past year, a number of OTT players have entered the country. Key factors in this segment include new technologies that support the platform, easy access to online content, and quality and quantity of content offered to address changing viewership habits of the market.

### **1.6. Patents, Trademarks, Licenses, Franchises, Concessions and Royalty**

ABS-CBN produces programs, recordings, music and provides programming services, over which ABS-CBN, directly or indirectly, owns and holds intellectual property rights. ABS-CBN owns various trademarks and copyright over most programs it produces. It has also acquired the rights over content of a number of third-party production entities and rights over content which it has co-produced.

#### **Third Party-owned Foreign and Local Film and Programs aired through the Networks**

ABS-CBN and its subsidiaries have licenses from foreign and local program and feature film owners to distribute the same through its channels and other programming services. The licenses to distribute the foreign programs and foreign and local feature films grant ABS-CBN and its subsidiaries the right to distribute said programs and films on free TV, cable, and satellite in the Philippines and in territories wherein TFC is distributed. These licenses for TV rights have an average term of 2 to 3 years.

AFPI has a license to distribute local and foreign feature films in the Philippines for theatrical, TV, and video distribution, with limited ancillary rights. The licenses for foreign films have an average term of 10 to 15 years.

In some instances where ABS-CBN is granted sub-license or assignment rights, programs, films or events produced by third parties are aired under block time, license, distribution and other industry standard arrangements with third party platform owners and/or operators.

#### **Music Licenses**

ABS-CBN and its subsidiaries secure synchronization licenses for music used in films and TV programs for both musical compositions and sound recordings. Fees for public performance rights of TFC are paid to the relevant collecting societies in the territories where the channels are being operated.

### **Government Regulations on Principal Products or Services**

The 1987 Philippine Constitution provides that “ownership and management of mass media shall be limited to

citizens of the Philippines, or to corporations, cooperatives or associations wholly-owned and managed by such citizens” (Section 11, Article XVI). As a result, the Company is subject to a nationality restriction, which it has continuously and fully complied with.

The NTC primarily regulates the broadcasting industry. Its mandate extends to the regulation and supervision of radio and television broadcast stations, cable television (CATV) and pay television (Executive Order No. 546 and Executive Order No. 205). Its functions include the granting of certificates of public convenience and necessity/provisional authority to install, operate and maintain telecommunications, broadcast and CATV services; granting licenses to install, operate and maintain radio stations; allocate/sub-allocate and assign the use of radio frequencies; type-approving/type-accepting all radio communications, broadcast and customer premises equipment; conduct radio communications examination and issue radio operations certificate; prepare, plan and conduct studies for policy and regulatory purposes; monitor the operation of all telecommunications and broadcast activities; enforce applicable domestic and international laws, rules and regulations, prosecute violation thereof, and impose appropriate penalties/sanctions; issue licenses to operate land, maritime, aeronautical and safety devices; and perform such other telecommunications/broadcast-related activities as may be necessary in the interest of public service.

The DICT is the primary policy, planning, coordinating, implementing and administrative entity of the Executive Branch of the government that will plan, promote and develop the national ICT agenda. Although the NTC is attached to the DICT for policy and program coordination, the DICT does not have the power to review the acts and resolutions of the NTC.

The MTRCB is responsible for rating television and film for the Philippines. It classifies television programs based on their content. It is also the regulatory body that initiates plans and fosters cooperation in the industry to improve, upgrade and make viable the industry as one source of fueling the national economy.

The OMB was created, pursuant to the policy of the state to institute means to regulate the manufacture, mastering, replication, importation and exportation of optical media. To this end, the OMB has been empowered to formulate policies and programs necessary to accomplish the purposes of the Optical Media Act of 2003. It has also been granted the power to supervise, regulate, grant or renew licenses. Its power also encompasses inspections, obtaining search warrants, and acting as complainant in criminal prosecutions for violators of the Act. It can hear and resolve administrative cases against violators of the Act and impose sanctions, confiscate optical media, suspend, cancel or deny renewal of licenses.

In addition to the restrictions imposed by the government agencies, a broadcaster must also follow rules and industry standards promulgated by the *Kapisanan ng mga Brodkaster sa Pilipinas* (KBP), of which the Company is a member. The KBP is a self-regulating trade organization consisting of television and radio operators. It formulates policies and guidelines for the operations of its members and enforces programming and advertising rules.

### **Costs and Effect of Compliance with Environmental Laws**

Development projects that are classified by law as environmentally critical or projects within statutorily defined environmentally critical areas are required to obtain an Environmental Compliance Certificate (ECC) prior to commencement. Through its regional offices or through the Environmental Management Bureau (EMB), the Department of Environment and Natural Resources (DENR) determines whether a project is environmentally critical or located in an environmentally critical area.

The ECC is a government certification that (i) the proposed project or undertaking will not cause a significant negative environmental impact; (ii) that the proponent has complied with all the requirements of the Environmental Impact System (EIS) system and; (iii) that the proponent is committed to implement its approved environmental management plan in the EIS or, if an IEE was required, that it will comply with the mitigation measures suggested therein. The ECC contains specific measures and conditions that the project proponent must undertake before and during the operation of a project, and in some cases, during the abandonment phase of the project to mitigate identified environmental impact.

ABS-CBN is not engaged in any project or activity that may require compliance with these requirements. For the past three years, there were no costs related to the effect of compliance with environmental laws.

However, if and when applicable, the Company shall apply for and secures proper permits, clearances or exemptions from the DENR, Department of Health, Civil Aviation Authority of the Philippines, and other regulatory agencies, for the installation and operation of proposed broadcast stations nationwide.

### **Employees and agreements of labor contracts, including duration**

ABS-CBN and Subsidiaries had 3,899 regular employees, 207 project employees, 656 program-based employees, and 1,108 independent contractors as of December 31, 2021. The Philippine Labor Code and other statutory enactments provide the minimum benefits that employers must grant to their employees, which include certain social security benefits, such as benefits mandated by the Social Security Act of 1997 (R.A. No. 8282), the National Health Insurance Act of 1995 (R.A. No. 7875), as amended, and the Home Development Fund Law of 2009 (R.A. No. 9679).

Under the Social Security Act of 1997, social security coverage is compulsory for all employees under 60 years of age. An employer is obligated to deduct and withhold from each employee's monthly salary, wage, compensation or earnings, the employee's contribution, and the employer, for its part, makes a counterpart contribution for the employee, and remits both amounts to the Social Security System (SSS). This enables the employees to claim their pension, death benefits, permanent disability benefits, funeral benefits, sickness benefits and maternity-leave benefits. The Social Security Act of 1997 imposes penal sanctions if an employer fails to remit the contributions to the SSS. For corporate employers, the penalty is imposed on its president and members of the board of directors.

The National Health Insurance Act, created the National Health Insurance Program (NHIP) to provide health insurance coverage and ensure affordable and accessible health care services to all Filipino citizens. Under the law, all members of the SSS are automatically members of the NHIP. The Philippine Health Insurance Corporation (PhilHealth) administers the NHIP, and an employer is required to deduct and withhold the contributions from the employee's salary, wage or earnings, make a counterpart contribution for the employee, and remit both amounts to PhilHealth. The NHIP will then subsidize personal health services required by the employee subject to certain terms and conditions under the law. The National Health Insurance Act likewise imposes penal sanctions if an employer does not remit the contributions to PhilHealth. For corporate employers, the penalty is imposed on its president and members of the board of directors.

The Home Development Fund Law (R.A. No. 9679) or the Pag-IBIG Fund Law, created the Home Development Mutual Fund (HDMF), a national savings program as well as a fund to provide for affordable shelter financing to Filipino workers. Coverage under the HDMF is compulsory for all SSS members and their employers. Under the law, an employer must deduct and withhold 2% of the employee's monthly compensation, up to a maximum of ₱5,000 and likewise make a counterpart contribution of 2% of the employee's monthly compensation, and remit the contributions to the HDMF. The Pag-IBIG Fund Law also imposes penal sanctions if the employer does not remit the contributions to the HDMF.

The Philippine Labor Code provides that, in the absence of a retirement plan provided by their employers, private-sector employees who have reached 60 years of age or more, but not beyond 65 years of age, the compulsory retirement age for private-sector employees without a retirement plan, and who have rendered at least 5 years of service in an establishment, may retire and receive a minimum retirement pay equivalent to one-half month's salary for every year of service, with a fraction of at least 6 months being considered as one whole year. For the purpose of computing the retirement pay, "one-half month's salary" shall include all of the following: 15 days salary based on the latest salary rate; in addition, one-twelfth of the 13<sup>th</sup> month pay and the cash equivalent of 5 days of service incentive leave pay. Other benefits may be included in the computation of the retirement pay upon agreement of the employer and the employee or if provided in a collective bargaining agreement (CBA).

ABS-CBN has complied with all these labor regulations and laws.

ABS-CBN's management recognizes two labor unions, one for the supervisory employees and another for the rank and file employees. The Supervisory Union represents approximately 4% of the total regular employees of ABS-

CBN, while 10% of belong to the Rank & File Union.

For the last three (3) years, there were neither labor strikes nor any disputes with the labor unions. CBA negotiations with the Rank and File and Supervisory unions were concluded without any major issues and were ratified by the majority of the union members.

## 1.7. Corporate Social Responsibility (CSR)

### **ABS-CBN Lingkod Kapamilya Foundation, Inc. (formerly ABS-CBN Foundation, Inc.)**

ABS-CBN **Lingkod Kapamilya** Foundation, Inc. (ALKFI), a non-stock, non-profit organization, was incorporated in 1989 to address the plight of the disadvantaged and to ensure that solicited help are properly allotted and utilized.

In 2021, the Foundation continued to hurdle significant challenges brought on by two main factors: the persistence of the pandemic, brought on by the surge of cases from different COVID-19 variants; and the non-renewal of its parent company ABS-CBN Corporation's broadcasting franchise.

The prolonged pandemic situation has understandably weakened the economic position of many partners and donors, including the Foundation's largest donor, ABS-CBN. ABS-CBN's substantial contribution served as seed fund for each program to implement plans of action quickly. During disasters, ABS-CBN is always first to pour donations and conduct public service activities alongside the Foundation. Likewise, without the support of free TV, it was difficult for the Foundation to reach a wider audience, to disseminate important information, especially during calamities that affect a considerable population and communities.

Through these challenges, the Foundation remained true to its core of being in the service of the Filipino. The Foundation continued to provide timely and relevant aid to Filipinos most in need, wherever they may be in the country. The Foundation's four pillar programs—on child welfare, environmental stewardship, disaster relief and rehabilitation, and education pivoted to deliver its services online, wherever applicable, spreading its message of hope through social media and other digital platforms

**Bantay Bata 163.** Founded in 1997, Bantay Bata 163 began as a rescue hotline for children at risk. Through the years, its services have evolved to including helping indigent children through medical assistance and scholarships. It has broadened its scope to include the community to help advance its advocacies, empowering the family through education and information campaigns. The Children's Village serves as a halfway home to abused and at-risk children. With the advent of the COVID-19 pandemic, Bantay Bata has urgently included basic mental health service in Hotline 163. It has also expanded to include digital platforms to provide services especially in counselling and in the prevention of online sexual abuse and exploitation. In 2021, Bantay Bata 163 operated:

- **Hotline 163** – The Bantay Bata Hotline 163 took calls concerning child abuse, challenges and problems. Individuals inquiring on how to send help and also for families in need of help also used the same hotline. Hotline partner Globe Telecom, continued to give aid and support by providing Globe Toll Free #163 for all Globe subscribers. During the prolonged pandemic situation, the Hotline 163 became a support in mental health issues.
- **Children's Village** – The Village is a safe haven and a temporary home protecting children from the variants of coronavirus. Staffed by trained social workers and house parents, most of the children in the Village were re-integrated back to their families with the help of LGUs in 2021
- **Bantay Edukasyon** – In 2021 "Beduk" provided educational assistance to a total of 296 children: 47 in elementary, 101 in Junior High, 50 in Senior High, 96 College and 2 Post Graduate students. Most of them came from being rescued from the hotline, while some were accepted into the scholarship because of their economic status.

Although the COVID-19 pandemic prevented holding community-based outreach programs, Bantay Bata operations team were able to help kids cope in their online classes. They seeded training for mental resiliency, and help guide junior and senior high in their career path by closely monitoring them via Zoom meetings and providing online seminars. Parents were also given special seminars in order to empower them to have a small business during this pandemic.

**Bantay Kalikasan.** Launched in 1998, Bantay Kalikasan (BK), the Foundation's environment advocacy arm, has propelled massive changes towards the protection and sustainability of the environment and the country's natural resources.

All of Bantay Kalikasan's projects revolve around the following pillars:

- Environmental Advocacy and Stewardship - This pillar awakens the “steward” in every Filipino – to encourage them to take steps, even small, for the environment.
- Food Security and Sustainable Livelihood - This pillar provides the necessary inventory/ equipment/infrastructure, and even operating capital needed to start up the social enterprise.
- Empowered Communities and Building Networks and Ecosystems - This pillar trains the community on managing their own social enterprise in the areas of financial literacy, marketing, operations, and other sustainable business practices. It also includes values transformation of individuals enabling them to make sound decisions based on integrity, truth, and the common good. This pillar also assists the communities to form a recognized organization capable of governing themselves and implementing policies to achieve their common goals. It also equips the communities to become independent organizations capable of tapping government agencies, the academe, and trade associations to launch, manage and sustain their projects.

For two decades, it has initiated different projects such as watershed rehabilitation and management, recovery and recycling of Used Lead Acid Batteries (ULABs) and used oil, advocacy building through Information and Education Campaigns (IEC) and community empowerment. BK’s projects include:

- La Mesa Watershed and Ecopark Management is involved in the protection and enrichment of the La Mesa Watershed and the operation of La Mesa Ecopark. La Mesa is the only remaining forest of its size in Metro Manila.
- Bantay Baterya and Langis involves the collection and proper recycling of Used Lead Acid Batteries, used oil and other recyclable wastes of partner companies. The proceeds from the recycling are used to fund BK projects and activities.
- SEA Verde Island Passage (SEA VIP) Project – Science, Education and Advocacy of the Verde Island Passage. The Verde Island Passage, is the "center of the center of marine shore fish biodiversity in the world." Apart from regular education activities pertaining to the conservation and enrichment of the VIP, SEA is also heavily involved in developing citizen scientists among the community to help in reef monitoring.

**Sagip Kapamilya (SK)** provides relief assistance to victims of calamities and natural disasters. It is likewise engaged in the rehabilitation of typhoon-damaged infrastructure and several disaster risk reduction projects all over the country. Sagip Kapamilya conducts on-ground operations for major campaigns such as “Tulong -Tulong sa Pag-ahon” for Typhoon Odette. SK leads in delivery of relief in evacuation centers in partnership with the local government units, social workers and volunteer groups. Even as a greater number of the population were being vaccinated, the pandemic continued to disrupt normal activities. During the Christmas season, the Foundation’s “Pasko Para sa Pilipino” 17 campaign sought to get food and hot meals to families greatly affected by the pandemic. Sagip Kapamilya also distributed Noche Buena packages to frontliners and families in extreme poverty to bring them light and joy to celebrate Christmas 2021.

**Programa Genio (PG)** was launched in 2012 to focus on helping every Filipino child discover and develop the inherent “genio” or genius in them. Named in honor of ABS-CBN Founder and Chairman Eugenio Lopez Jr., Programa Genio’s goal is to help empower the marginalized and disadvantaged children and youth through quality educational soft programs for them to become skilled and productive citizens of the country. In 2021, Programa Genio focused on assisting marginalized schools cope with the transition to distance learning by providing equipment to schools and learning kits to students. PG also used the digital space to continue to provide training support for teachers and career counselling for senior high school students, most especially those students affected by Typhoon Odette.

Integrated Area Development (IAD) branched out from Bantay Kalikasan to focus on handling 68 People’s Organizations, Coops, with at least 5,000 family beneficiaries. In 2021, IAD is present in 11 Regions, 19 Provinces, 35 Municipalities/Cities, and 52 barangays.

- Climate-smart Agriculture, Urban Farming, and Building Environmental Advocacy. Under its BUY-anihan project, IAD also helped farmers from its partner communities move more than 120 tons of rice and vegetables during the community quarantine, allowing the farmers to have revenues of about PhP 5.3 M.
- Panganiban Mangrove Gubat Eco-tourism Project : Sorsogon, a province in the Bicol Region needed assistance in building the Mangrove in Gubat, a town located in the east-coast which consists of 42 barangays, 13 of which are coastal barangay and 29 are found in the lowlands and mountainous area. We were able to help them by partnering with companies that can provide their urgent need most especially during this pandemic.

**On our Sustainability Report, please refer to the following links for the full report:**

<https://www.abs-cbn.com/sustainability>

<https://www.abs-cbn.com/sustainability/sustainability-report-2021/id-15e0b088-f01f-4113-a855-8bb398894580>

## **1.8. Principal Competitive Strengths of the Company**

### **Diversified businesses**

ABS-CBN is considered one of the country's leading media and entertainment company, with service offerings across the different platforms, geographies, customers and audience segments. As a result of this, the company delivers a diversified mix of revenues that include advertising, subscriptions, box-office and transactional revenues as well as syndication, licensing and distribution revenues.

The Company delivers television programming outside of the Philippines to over 3 million viewers in North America, the Middle East, Europe, Japan, Australia, Canada, and other countries in Asia, through the internet and the Company's global distribution platform, TFC, using DTH satellite service, cable television channels, IPTV, mobile applications and video streaming services.

The Company's product offering is further complemented by subsidiaries focused on other services such as film production, music, linear channels, online assets, live events and artist management.

### **Extensive experience of management team**

ABS-CBN's management is composed of highly experienced professionals with significant track records in the media and entertainment sector. Key senior officers have been working within the industry for at least 10 years.

### **Growth strategy**

The Company continues to focus its efforts on expanding the reach available for its content both domestically and overseas through partnerships, collaborations and ventures. With an emphasis on generating maximum value for its content and products, the Company continues to monitor shifts in technology, audience behavior and industry demand as it expands its digital and international businesses while continuing to invest in content and story generation capabilities.

## **1.9. Key Strategies and Objectives**

As an organization, ABS-CBN affirms its mission of being in the service of the Filipino and all of its stakeholders worldwide. The Company is driven to pioneer, innovate and adapt as it continues to provide information, news and entertainment that connects Filipinos with one another and with their community - wherever they may be. ABS-CBN is firmly committed to pursuing excellence. The key elements to its business strategy are:

***Building on our core strength in content creation.*** While the technology, the production process, and the medium used to access content evolve, ABS-CBN's core ability to create quality content that touches, inspires and empowers its viewers must remain constant. The Company will continue building on its core strength in content creation and



talent development

***Anytime, anywhere, in any device or medium.*** As ABS-CBN's audience expands throughout the world and demand greater control over how and when they will consume content, the Company will provide access to its content across the widest array of platforms possible. Audiences will be able to access ABS-CBN anytime at any place in any medium.

***Maintain a strong fiscal position and bring value to our stakeholders.*** The Company will optimize synergies across its businesses. In addition, the Company will consciously operate more efficiently and cost-effectively, as it delivers greater value to its customers, clients, partners, and shareholders.

### **1.10. Transactions with Related Parties**

For a detailed discussion of ABS-CBN's related party transactions, refer to Note 23 of the Company's 2021 audited consolidated financial statements.

Except for related party transactions discussed in the accompanying notes to the Company's 2021 audited consolidated financial statements, there had been no material transactions during the past two (2) years, nor is any material transaction presently proposed, to which the Company was or is to be a party in which any director, executive officer of the Company, or security holder of more than 10% of the Company's voting securities, any relative or spouse of any such director or executive officer or owner of more than 10% of the Company's voting securities had or is to have direct or indirect material interest.

Furthermore, there had been no material transactions during the past two (2) years, nor is any material transaction presently proposed, between the Company and parties that fall outside the definition of "related parties" under PAS 24 *Related Party Disclosure – Key Management Personnel*, but with whom the registrants or its related parties have a relationship (e.g., former senior management of the Company or other parties who have some other former or current relationship with the Company) that enables the parties to negotiate terms of material transactions that may not be availed from other, more clearly independent parties on an arm's length basis.

### **1.11. Risks Relating to the Company**

The Company's results of operations may be negatively affected by the continued effects of COVID-19 domestically and internationally, and the adverse economic conditions in the Philippines and abroad since its operations depend on its ability to sell airtime for advertising, to sell various goods and services to consumers, 19 and to collect subscription fees from its subscribers. Historically, the advertising industry, relative to other industries, has been particularly sensitive to the general condition of the economy. Also, the ability of consumers to pay for the Company's services or goods depends on their disposable income at any given time as well as access to retail outlets. Consequently, the Company's business may be affected by the economic condition of the country and of the territories where it conducts its business.

ABS-CBN's Board of Directors and management are mindful of the potential impact of various risks to the Company's ability to operate a viable business. Strategy formulation and decision-making always take into account these potential risks and the Company ensures that it takes all the steps necessary to minimize, if not eliminate, such risks. ABS-CBN ensures that it has the proper control systems in place, and to the extent possible, adopted global best practices, to identify, assess, analyze and mitigate market, operating, financial, regulatory, community, reputational, and other risks.

The Risk Management Committee formed in March 2010 assumes the responsibility of oversight for Enterprise Risk Management (ERM), taking over from the Audit Committee.

## **2. Properties**

The properties of the Company consist of production, distribution, playout and office facilities, majority of which are owned by the Company. Playout and studio operations are principally conducted in the 44,000 square meters ABS-CBN Center located at Sgt. Esguerra Avenue corner Mother Ignacia St. Quezon City.

The center is comprised of several buildings, one of which is a modern fifteen (15)-story building known as the Eugenio Lopez Jr. Communications Center (ELJCC). The ELJCC houses the corporate offices of the Company and its subsidiaries engaged in related businesses. Aside from the corporate offices, the main building also has television soundstages, sound recording studios and other television production facilities. The building has a gross floor area of approximately 108,000 square meters and total office space of approximately 58,000 square meters. The ground floor is leased to various businesses including banks and clinics. The center also houses the Company's other buildings and properties. The main building, which currently houses the Company's TV Production, and News and Current Affairs. The Company's Technical Operations Center and several studios and soundstages are also located in the main building, which was completed in 1968.

In 2020, the Company entered into an agreement with its existing lenders to provide for the creation of a mortgage and security interest over real properties and equipment located in Mega Manila.

ABS-CBN also owns real estate properties in various parts of the country.

### **3. Legal Proceedings**

For the past (five) 5 years, the Company has not been a party in any legal proceedings which involved a claim for damages in an amount, exclusive of interest and cost, exceeding 10% of the current assets of ABS-CBN.

#### **A. Non-Material Legal Proceedings**

While not deemed material, legal proceedings based on the amount of the claims involved, the following legal proceedings involving ABS-CBN were the subject of news reports, and therefore generated public interest, but management is nevertheless of the opinion that should there be any adverse judgment based on these claims, these will not materially affect ABS-CBN's financial position and results of operations:

#### **"GMA Network, Inc. vs. ABS-CBN Broadcasting Corporation, et al"**

The Company has a pending civil case for libel against it filed by GMA Network, Inc. in connection with the same events covered by the case against AGB Nielsen. The case was filed on 03 January 2008 and docketed as Q-08-61735, is pending before the Regional Trial Court of Quezon City, Branch 76. GMA's total claim against the Company is Fifteen Million Pesos (P15,000,000). On 6 February 2020, the trial court rendered a Decision dismissing the complaint filed by GMA and the Company's counterclaims. The Company filed a motion for partial reconsideration on the dismissal of its compulsory counterclaims which was denied by the trial court. Thus, the Company filed a Notice of Appeal with the Court of Appeals. GMA also filed a Notice of Appeal with the Court of Appeals. In an Order dated 9 November 2020, the trial court directed the forwarding of the entire record of the case to the Court of Appeals. In an Order dated 23 February 2021, the Court of Appeals directed the trial court to transmit records of the case.

#### **"Wilfredo Revillame vs. ABS-CBN Broadcasting Corporation"**

This is a civil action for rescission of contract and damages filed by Wilfredo Revillame against the Company in connection with the former's talent contract with the Company. The Company filed a counterclaim for breach of contract, injunction, and damages. The case was docketed as Civil Case No. Q-10-67770 and was originally raffled to Regional Trial Court, Branch 84. Upon the inhibition of the presiding judge of Branch 84, the case was re-raffled to and is now pending with Branch 217. Revillame's total claim against the Company is Eleven Million Five Hundred Thousand Pesos (P11,500,000.00). Revillame filed a Motion to Dismiss on the ground that the Company is guilty of forum-shopping which was granted by the trial court. The Company filed a Motion for Reconsideration which was also denied. The Company filed an appeal which was granted. Thus, ABS-CBN's counterclaims were reinstated. Revillame filed a Motion for Reconsideration which was denied. Revillame filed a petition for review on certiorari with Supreme Court. On 25 March

2019, the Company filed its *Comment/Opposition [Re Petition for Review on Certiorari dated 19 January 2018]* of even date. In a *Resolution* dated 12 February 2020, the Supreme Court noted ABS-CBN's *Comment*.

In a *Resolution* dated 19 February 2020, the Supreme Court consolidated the instant case with G.R. No. 221781 entitled "*ABS-CBN Corporation vs. Willie Revillame*", which was filed in relation to the examination of Revillame's AIPC Bond. In a *Resolution* dated 22 June 2020, the Supreme Court also consolidated G.R. No. 225095 (Petition assailing the ruling, which deferred the examination by ABS-CBN of the AIPC Bond until finality of *Amended Order* dated 22 August 2011) with G.R. No. 236167 and G.R. No. 221781.

**"ABS-CBN Corporation vs. Wilfredo Revillame aka Willie Revillame, Wilproductions, Inc., ABC Development Corporation and Ray Espinosa in his capacity as President of ABC"**

This is a complaint for copyright infringement filed by the Company against Revillame, Wilproductions, ABC Development Corporation and Ray Espinosa, for the production and airing of "Willing Willie", in violation of the Company's copyright over the show "Wowowee", which it created, produced and broadcast. The case was docketed as Civil Case No. 10-1155 and is pending with the Regional Trial Court, Makati, Branch 66. The Company is asking for One Hundred Two Million Four Hundred Thousand Pesos (P102,400,000) as actual and compensatory damages and other consequential damages.

When the Court denied defendants' Motion to Defer Proceedings, they filed a petition for Certiorari before the Court of Appeals, entitled "*ABC Development Corporation and Ray Espinosa vs. Villarosa and ABS-CBN Corporation*," docketed as CA-GR Sp. No. 117063. The Court of Appeals granted the petition and dismissed the copyright infringement case on the ground of forum-shopping. The Company filed a Motion for Reconsideration which was denied. The Company filed a petition for review with the Supreme Court. In a *Resolution* dated 16 October 2019, the Supreme Court dismissed the Company's petition for review and ruled that the Company committed forum-shopping and ordered it to pay the costs of suit. The Company filed a motion for reconsideration on 5 December 2019 and said motion for reconsideration remains pending.

**ABS-CBN Corporation vs. Willie Revillame, Atty. Romeo Monfort, Reynaldo Fong and other John and/or Jane Does**

This is a suit for use of a falsified document in a judicial proceeding and falsification of AIPC Bond No. G (16)-09314/NSMKT2 which Revillame submitted in the trial court. This case was filed with the Office of the City Prosecutor of Quezon City and was docketed as XV-03-INV-11I-07-532. The suit was dismissed. The Company's appeal with the Department of Justice was denied. The Company filed a motion for reconsideration. Respondents Fong and Revillame have filed their respective comment/opposition. The Company's motion for reconsideration remains pending.

## **PART II - OPERATIONAL AND FINANCIAL INFORMATION**

### **1. Market Information for Issuer's Common Equity and Related Stockholder Matters**

The Company's common shares have been listed on the PSE since 1992. The Philippine Depositary Receipts (PDRs) were listed in 1999. Common shares may be exchanged for PDRs. The common shares (PSE: ABS) closed at ₱10.30 while the PDRs (PSE: ABSP) closed at ₱10.32 on May 31, 2022.

#### **Dividends**

The declaration and payment of dividends are subject to certain conditions under the Company's existing long term loan agreements with various banks.

### **2. Stock Dividend (Per Share)**

No stock dividend declared since July 2, 1996.

**Cash Dividend (Per Share)**

Amount	Share	Declaration Date	Record Date	Payment Date
₱0.60	Common	March 28, 2001	April 25, 2001	May 25, 2001
₱0.64	Common	July 21, 2004	July 24, 2004	August 10, 2004
₱0.45	Common	March 28, 2007	April 20, 2007	May 15, 2007
₱0.83	Common	March 26, 2008	April 30, 2008	May 27, 2008
₱0.90	Common	March 25, 2009	May 5, 2009	May 29, 2009
₱1.11	Common	March 11, 2010	March 31, 2010	April 29, 2010
₱2.10	Common	March 4, 2011	March 25, 2011	April 19, 2011
₱0.80	Common	March 30, 2012	April 25, 2012	May 22, 2012
₱0.40	Common	April 23, 2013	May 10, 2013	June 6, 2013
₱0.004	Preferred	January 30, 2014	February 14, 2014	February 28, 2014
₱0.60	Common	March 27, 2014	April 16, 2014	May 7, 2014
₱0.60	Common	March 5, 2015	March 20, 2015	April 30, 2015
₱0.004	Preferred	April 24, 2015	May 11, 2015	May 18, 2015
₱0.75	Common	March 18, 2016	April 11, 2016	April 29, 2016
₱0.004	Preferred	May 05, 2016	May 20, 2016	June 7, 2016
₱1.04	Common	February 22, 2017	March 8, 2017	March 22, 2017
₱0.004	Preferred	February 22, 2017	March 8, 2017	March 22, 2017
₱0.92	Common	February 22, 2018	March 8, 2018	March 22, 2018
₱0.004	Preferred	February 22, 2018	March 8, 2018	March 22, 2018
₱0.55	Common	February 28, 2019	March 14, 2019	March 26, 2019
₱0.004	Preferred	February 28, 2019	March 14, 2019	March 26, 2019

There were no cash dividends declared in 2020 and 2021.

**High and Low Share Prices**

		ABS		ABSP	
		High	Low	High	Low
<b>2022</b>	First Quarter	13.92	11.06	13.74	10.90
<b>2021</b>	First Quarter	15.00	10.80	14.50	10.00
	Second Quarter	13.40	10.70	13.08	10.10
	Third Quarter	14.60	10.82	13.96	10.36
	Fourth Quarter	16.48	12.40	15.50	11.70
<b>2020</b>	First Quarter	24.85	14.8	20.2	13.30
	Second Quarter	18.38	13.9	17.9	13.02
	Third Quarter	16.14	6.66	15.4	6.37
	Fourth Quarter	16.86	6.98	14.58	6.8
<b>2019</b>	First Quarter	25.30	20.00	22.00	18.24
	Second Quarter	20.85	16.80	19.56	16.34
	Third Quarter	22.00	17.06	20.00	16.72
	Fourth Quarter	19.56	14.80	18.78	13.52
<b>2018</b>	First Quarter	29.40	28.70	27.85	27.50

	ABS		ABSP	
	High	Low	High	Low
Second Quarter	25.50	24.90	25.00	24.20
Third Quarter	21.30	20.90	19.50	19.20
Fourth Quarter	20.15	19.92	18.80	18.70

The number of shareholders of record as of May 31, 2022 was 7,073. Common shares issued as of May 31, 2022 were 902,940,348. Preferred Shares outstanding as of May 31, 2022 were 1,000,000,000.

As of May 31, 2022, the foreign equity ownership of ABS-CBN is at 0%.

### Top 20 Common Shares Stockholders

As of May 31, 2022, the Top 20 stockholders of ABS-CBN own an aggregate of 874,868,836 or 96.89% of issued and outstanding common shares.

RANK	NAME	CITIZEN SHIP	RECORD/ BENEFICIAL	NO. OF SHARES	%
1	LOPEZ, INC.	PH	Record	480,933,747	53.26%
2	PCD NOMINEE CORP	PH	Record	374,299,060	41.45%
3	MA. SOCORRO VALENZUELA VIDANES	PH	Record	2,723,814	0.30%
4	LAURENTI MILLEZA DYOGI	PH	Record	2,078,083	0.23%
5	CARLO LOPEZ KATIGBAK	PH	Record	1,515,015	0.17%
6	ALDRIN MENDOZA CERRADO	PH	Record	1,393,019	0.15%
7	JOSE MARI L. CHAN	PH	Record	1,257,130	0.14%
8	NEPOMUCENO, MARIO CARLO	PH	Record	1,207,332	0.13%
9	MARTIN LAGDAMEO LOPEZ	PH	Record	1,126,950	0.12%
10	CHING TIONG KENG	PH	Record	1,111,500	0.12%
11	RAYMUND MARTIN TEOTICO MIRANDA	PH	Record	1,036,378	0.11%
12	OLIVIA M. LAMASAN	PH	Record	985,345	0.11%
13	MARIA ROSARIO SALVADOR BARTOLOME	PH	Record	938,133	0.10%
14	ABS-CBN FOUNDATION, INC.	PH	Record	780,995	0.09%
15	RICARDO BANTUG TAN JR.	PH	Record	746,771	0.08%
16	ROBERTO GOLPEO LABAYEN	PH	Record	568,166	0.06%
17	ROLDEO THEODORE ENDRINAL	PH	Record	564,660	0.06%
18	JOSE AGUSTIN BENITEZ	PH	Record	554,754	0.06%
19	PHILIP LAMBERTO BERBA	PH	Record	550,212	0.06%
20	RONDEL JESUS LINDAYAG	PH	Record	497,772	0.06%
	Subtotal of Top 20 Stockholders			874,868,836	96.89
	OTHERS			28,071,512	3.11%
	<b>TOTAL NO. OF ISSUED &amp; OUTSTANDING SHARES</b>			<b>902,940,348</b>	<b>100.00</b> %

### Top 20 Preferred Shares Stockholders

As of May 31, 2022, the Top 20 stockholders of ABS-CBN's preferred stock are as follows:

Rank	Name	Citizenship	Record / Beneficial	No. of Shares	%
1	Lopez, Inc.	Filipino	Record	987,130,246	98.71%
2	Tower Securities Incorporated	Filipino	Record	4,431,583	0.44%
3	Citibank NA FAO Maybank ATR King Eng Capital Partners Inc. Trust Dept	Filipino	Record	2,244,787	0.22%
4	Manuel M. Lopez and/or Ma. Teresa Lopez	Filipino	Record	1,643,032	0.16%
5	Abacus Securities Corporation	Filipino	Record	727,085	0.07%
6	Abacus Securities Corporation	Filipino	Record	699,091	0.07%
7	Value Quest Securities Corporation	Filipino	Record	662,020	0.07%
8	Globalinks Securities & Stocks, Inc.	Filipino	Record	297,081	0.03%
9	Manuel M. Lopez	Filipino	Record	187,518	0.02%
10	Maybank ATR Kim Eng Securities	Filipino	Record	182,083	0.02%
11	Belson Securities, Inc.	Filipino	Record	128,905	0.01%
12	Asiasec Equities, Inc.	Filipino	Record	120,000	0.01%
13	PCCI Securities Brokers Corporation	Filipino	Record	112,022	0.01%
14	Ricky See Eng Huy	Filipino	Record	103,901	0.01%
15	Noli de Castro	Filipino	Record	93,372	0.01%
16	Meridian Securities, Inc.	Filipino	Record	93,133	0.01%
17	Edmond T. Aguilar	Filipino	Record	71,961	0.01%
18	Leonardo P. Katigbak	Filipino	Record	66,702	0.01%
19	Kris Aquino	Filipino	Record	64,136	0.01%
20	Imperial, De Guzman, Abalos & Co., Inc.	Filipino	Record	56,641	0.01%
	Subtotal of Top 20 Stockholders			999,115,299	99.91%
	Others			884,701	0.09%
	<b>Total No. of Shares</b>			<b>1,000,000,000</b>	<b>100.00%</b>

#### Recent Sales of Unregistered or Exempt Securities, Including Recent Issuance of Securities Constituting an Exempt Transaction

On February 28, 2013, the Company issued One Billion Preferred Shares at an issue price of ₱0.20 per share through a rights offering solely to its stockholders. No underwriters were involved in the offer and no commission or was paid in connection with the offer. The offer and issuance of the Preferred Shares is an exempt transaction under Section 10.1 (e) of the Securities Regulation Code since the said securities were offered and sold to the Company's stockholders exclusively and no commission or remuneration was paid in connection with the offer and sale of the securities.

On June 5, 2013, the Company issued 57,836,900 Common Shares to ABS-CBN Holdings Corporation at an issue price of ₱43.125 per share. The offer and issued of the said Common Shares is an exempt transaction under Section 10.1 (k) of the Securities Regulation Code since the securities was sold to fewer than twenty (20) persons in the Philippines during any twelve-month period. On June 25, 2013, Lopez, Inc. subscribed to 34,702,140 Common Shares at a subscription price of ₱43.225 per share. The offer and issued of the said Common Shares is an exempt transaction under Section 10.1 (k) of the Securities Regulation Code since the securities was sold to fewer than twenty (20) persons in the Philippines during any twelve-month period.

The Registration Statement for the issuance of the additional Common Shares has been approved by the SEC.

On February 22, 2017, the Board of Directors approved an Employee Stock Purchase Plan and an Executive Stock Purchase Plan. The ABS-CBN Employee Stock Purchase Plan was offered to rank and file employees, technical

specialists and Internal Job Market members with at least one (1) year tenure, in January 2018. The maximum number of ABS-CBN common shares that was subscribed by a participant under this plan is 2,000 shares. The subscription price was at PHP29.50, which was a 15% discount on the closing price as of the offer date. The subscription price will be paid in five (5) years. The Executive Stock Purchase Plan was offered to managers and artists and members of the Board of Directors with at least one (1) year tenure. Managers and artists can subscribe up to a maximum of shares equivalent to 2.5 months of their monthly salary or income. Members of the Board of Directors can subscribe up to 100,000 shares. The subscription price for the first 2,000 shares was at PHP29.50, which was a 15% discount on the closing price as of the offer date. There was no discount on the subscription price for the shares subscribed in excess of 2,000 shares. The subscription price will be paid in 5 years. The stockholders unanimously approved the Employee Stock Purchase Plan and Executive Stock Purchase Plan on April 6, 2017, and the Securities and Exchange Commission (SEC) resolved that the issuance of said shares is exempt from the registration requirement, pursuant to Section 10.2 of the Securities and Regulation Code, on September 28, 2017. From January 22, 2018 to February 9, 2018, the Parent Company offered shares to qualified employees and executives under the ESPP and the Executive Stock Purchase Plan and as of February 22, 2018, the Company accepted a total subscription from participants of 11,391,500 common shares.

On December 18, 2020, the Board of Directors approved the ABS-CBN Stock Purchase Plans and Stock Grant Plans. The ABS-CBN Stock Purchase Plan 1 will apply to all employees who agreed to a pay reduction from September 2020 until February 2021. The ABS-CBN Stock Purchase Plan 2 will apply to all employees who agreed to a pay reduction from March to December 2021. The subscription price is based on the 45-day preceding volume weighted average price as of May 31, 2021. The ABS-CBN Stock Grant Plans will be given to employees who were promoted anytime between September 2020 to December 2021, and who did not receive any salary adjustment for the said period. There will be a holding period of six (6) months from award date. The shares may only be sold encumbered or disposed after the holding period. The stockholders unanimously approved the Employee Stock Purchase Plan and Executive Stock Purchase Plan on February 2, 2021, and the Securities and Exchange Commission (SEC) resolved that the issuance of said shares is exempt from the registration requirement, pursuant to Section 10.2 of the Securities and Regulation Code, on December 9, 2021. The shares under these Plans are subject for listing with the Philippines Stock Exchange.

### **Information on Independent Accountant and other Related Matters**

The principal accountants and external auditors of the Company is the accounting firm of SyCip, Gorres, Velayo & Company (SGV & Co.). The accounting firm of SGV & Co. has been the Company's Independent Public Accountants for the last five (5) years. There was no event in the past five (5) years where SGV & Co. and the Company had any disagreement with regard to any matter relating to accounting principles or practices, financial statement disclosure or auditing scope or procedure.

The Company has engaged SGV & Co., with Djole S. Garcia as the engagement partner, for the audit of the Company's books in 2021. The Company has complied with the revised SRC Rule 68, paragraph 3(b) (iv) re: rotation requirements for the external auditor.

SGV & Co. was re-elected at the scheduled Annual Stockholders' Meeting last July 29, 2021.

Representatives of SGV & Co. for the current year and for the most recently completed fiscal year are expected to be present at the Annual Stockholders' Meeting. They will have the opportunity to make a statement if they desire to do so and are expected to be available to respond to appropriate questions.

The aggregate fees billed to ABS-CBN and its subsidiaries for each of the last two (2) fiscal years for professional services rendered by the external auditor are as follows:

	2021	2020
Audit Fees	Php13,304,420	Php13,589,420
Non-Audit Fees	Php12,853,422	Php25,962,697

The Audit Committee's Approval Policies and Procedures for the above services from SGV & Co., the external auditors are discussed in Section IV of the Company's Manual of Corporate Governance filed with the Commission on May 26, 2017. The Audit Committee pre-approves all audit and non-audit services as these are proposed or endorsed before these services are performed by our independent auditor.

#### 4. Management's Discussion and Analysis of Financial Condition and Results of Operations

The Management's Discussion and Analysis of Financial Condition and the Results of Operation for the past three fiscal years are attached hereto as **Annex A**.

##### Key Performance Indicators

Ratios	2021	2020	2019	Formula
Current Ratio	0.94	0.66	2.61	Current Assets/Current Liabilities
Net Debt-to-Equity Ratio	1.46	0.88	0.45	Interest-bearing loans and borrowings less Cash and Cash equivalent/ Total Stockholders' Equity
Asset-to-equity ratio	4.35	3.43	2.55	Total Assets/ Total Stockholders' Equity
Interest rate coverage ratio	(3.54)	(10.57)	0.44	EBIT/ Interest Expense
Return on Equity	(46.9%)	(78.7%)	(8.5%)	Net Income/ Total Stockholders' Equity
Return on Assets	(10.08%)	(23.0%)	(3.3%)	Net Income/Total Asset
Profitability Ratios:				
Gross Profit Margin	15.4%	7.9%	38.6%	Gross Profit/ Net Revenue
Net Income Margin	(31.8%)	(63.2%)	(6.2%)	Net Profit/ Net Revenue

#### 5. Financial Statements

The Company's Statement of Management's Responsibility and Audited Financial Statements as of December 31, 2021 is in **Annex B**. Financial Statements are prepared in accordance with SRC Rule 68, as amended and Rule 68.1.

The Schedule for Determination of Retained Earnings available for Dividend Declaration prepared in accordance with SEC Memorandum Circular No. 11 is also included in **Annex B**.

#### 6. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

There are no changes in and disagreements with accountants on accounting and financial disclosure during the two (2) most recent fiscal years or subsequent interim period.



## PART III - COMPENSATION INFORMATION

### 7. Executive Compensation

Information as to the aggregate compensation paid or accrued during the last two (2) fiscal years and to be paid in the ensuing fiscal year to the Company's chief executive and four (4) other most highly compensated executive officers as follows:

<b>SUMMARY COMPENSATION TABLE</b>				
<b>Annual Compensation – 2019, 2020, 2021 Actual and 2022 Estimated</b>				
<b>Chief Executive and most highly compensated executive officers</b>				
<b>Name</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022E</b>
Salaries (Guaranteed)	252,351,834 <sup>1</sup>	175,791,602 <sup>2</sup>	147,471,967 <sup>3</sup>	190,514,158 <sup>4</sup>
Bonuses				
Others: Employee Stock Plan (compensation for voluntary paycuts over last 16 months)				85,166,457
	<b>252,351,834</b>	<b>175,791,602</b>	<b>147,471,967</b>	<b>275,680,615</b>
	Dyogi, Laurenti M Endrinal, Roldeo Katigbak, Carlo L Lamasan, Olivia M Valdueva, Rolando P Vidanes, Ma. Socorro	Cerrado, Aldrin Dyogi, Laurenti Endrinal, Roldeo Katigbak, Carlo L Vidanes, Ma. Socorro	Katigbak, Carlo L Lopez, Martin Miranda, Raymund Ventosa, Antonio Vidanes, Ma. Socorro	

<b>Managers and Up*</b>				
	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022E</b>
Salaries (Guaranteed)	2,348,446,660 <sup>1</sup>	2,348,446,660 <sup>2</sup>	1,172,747,186 <sup>3</sup>	1,166,231,664 <sup>4</sup>
Bonuses	-	-	-	-
Others:(Employee Stock Plan - compensation for voluntary paycuts over last 16 months, Commissions, other cash ben)		27,672,919	28,383,454 <sup>5</sup>	148,433,857
	<b>148,433,857</b>	<b>1,206,849,17</b>	<b>1,201,130,640</b>	<b>1,314,665,521</b>

Notes to the tables:

\*Manager's and up – including all other Officers and Directors

<sup>1</sup>2019 - Salaries (Guaranteed) includes 13th and 14th month pay amounting to P59,082,175 2

<sup>2</sup>2020 - Salaries (Guaranteed) (a) reflects voluntary paycuts (b) includes 13th and 14th month pay amounting to P28,214,396 and taxable allowance of P9,200,752 3

<sup>3</sup>2021 - Salaries (Guaranteed) reflects voluntary paycuts

<sup>4</sup>2022E - Salaries (Guaranteed), paycuts are no longer implemented; There has been no salary increase across the company since 2019. The figures for 2022E include the Employee Stock Plan that allowed employees to own shares of the company as compensation for voluntary pay cuts that they took to help the company.

<sup>5</sup>Includes per diem of Directors

### Compensation of Directors

Each Board Director receives a set per diem amount of P40,000 per board meeting and P20,000 per committee meeting attended. In terms of profit sharing and bonuses, the total yearly compensation of directors shall not exceed 10% of the net income before income tax of the Company during the preceding year. For 2021, the Board of Directors' fees and other compensation are included in the Summary Compensation table of Part IV Item 2.

### 8. Security Ownership of Certain Beneficial Owners and Management

#### Security Ownership of Certain Records and Beneficial Owners as of May 31, 2022

Title Of class	Name and Address of Record Owner	Name of Beneficial Owner and Relationship with Record Owner	Citizenship	No. of Shares Held	% of Class	% of Outstanding
Common	Lopez, Inc.* 16/F North Tower, Rockwell Business Center, Sheridan cor. United St., Mandaluyong City	Lopez, Inc.	Filipino	480,933,747	53.26	25.27
Common	PCD Nominee Corporation* G/F Makati Stock Exchange Bldg., Ayala Ave., Makati City	Lopez, Inc.	Filipino	21,322,561	2.36	1.12
Common	PCD Nominee Corporation* G/F Makati Stock Exchange Bldg., Ayala Ave., Makati City	ABS-CBN Holdings Corporation	Filipino	268,211,430	29.70	14.09
Preferred	Lopez, Inc. 16/F North Tower, Rockwell Business Center, Sheridan cor. United St., Mandaluyong	Lopez, Inc.	Filipino	987,130,246	98.71	51.87

\*PCD Nominee Corporation is not a related to the Company

The preferred shares are voting and every holder of preferred shares shall be entitled to one vote for each share of preferred stock held as of the established record date.

Lopez, Inc. is the holding company of the Lopez family. It is owned by the respective holding companies of the families of the late Eugenio Lopez, Jr., Oscar M. Lopez, the late Presentacion L. Psinakis and Manuel M. Lopez. It has issued Philippine Deposit Receipts covering the shares in the Company registered and beneficially owned by it in favor of Lopez Holdings Corporation (formerly: Benpres Holdings Corporation).

In connection with the 2021 Annual Stockholders' Meeting, Martin L. Lopez, was named and appointed to exercise the voting power of Lopez Inc.'s shares in ABS-CBN Corporation

The common shares under the name of PCD Nominees Corporation are held for ABS-CBN Holdings Corporation (ABS-CBN Holdings) and represent the underlying shares covered by Philippine Deposit Receipts (PDRs) issued by ABS-CBN Holdings. ABS-CBN Holdings is owned 59.75% by Lopez, Inc. and 40.25% by Oscar M. Lopez, Manuel M. Lopez, Salvador G. Tirona, Emmanuel S. De Dios, Benjamin R. Lopez, Jose C. Vitug and Eugenio Lopez III. The shares in the Company registered and beneficially owned by it are covered by Philippine Depositary Receipts (PDRs) which gives the holder thereof the right to delivery or sale of the underlying share. The PDRs are listed with the PSE.

In connection with the 2021 Annual Stockholders' Meeting, Martin L. Lopez was named and appointed to exercise the voting power of ABS-CBN Holdings' shares in ABS-CBN Corporation

Other than the stockholders identified above, as of March 31, 2022, there are no other stockholders other than participants under PCD account who own more than 5% of the voting securities.

There are no foreign shareholders.

### **Changes in Control**

There have not been any arrangements that have resulted in a change in control of the Company during the period covered by this report. The Company is not aware of the existence of any voting trust arrangement among the shareholders.

## **9. Certain Relationships and Related Transactions**

### **Relationships and Related Transactions / Agreements with Affiliates**

For a detailed discussion of ABS-CBN's related party transactions, see Note 23 of the Company's audited consolidated financial statements, which also refers to Transactions with Related Parties of the said report.

Except for transactions discussed in the accompanying notes to the Company's audited consolidated financial statements, there had been no material transactions during the past two (2) years, nor is any material transaction presently proposed, to which the Company was or is to be a party in which any director, executive officer of the Company, or security holder of more than 10% of the Company's voting securities, any relative or spouse of any such director or executive officer or owner of more than 10% of the Company's voting securities had or is to have direct or indirect material interest.

Furthermore, there had been no material transactions during the past two (2) years, nor is any material transaction presently proposed, between the Company and parties that fall outside the definition of "related parties" under Philippine Accounting Standards (PAS) No. 24, but with whom the registrants or its related parties have a relationship (e.g., former senior management of the Company or other parties who have some other former or current relationship with the Company) that enables the parties to negotiate terms of material transactions that may not be availed from other, more clearly independent parties on an arm's length basis.

### **Parent Company**

Lopez, Inc. is the registered owner of 78.27% of the voting stock of the Company as of May 31, 2022. Lopez, Inc. is the holding company of the Lopez family. It is owned by the respective holding companies of the families of the late Eugenio L. Lopez, Jr., Oscar M. Lopez, the late Presentacion L. Psinakis and Manuel M. Lopez. It has issued convertible notes covering the shares in the Company registered and beneficially owned by it in favor of Lopez Holdings Corporation.

### **Resignation of Directors Because of Disagreement with Policies**

No director has resigned or declined to stand for re-election to the Board of Directors since the date of the last annual meeting of stockholders of the Company because of a disagreement with the Company on matters relating to the Company's operations, policies and practices.

#### **PART IV - Corporate Governance**

ABS-CBN recognizes the importance of corporate governance in enhancing the stakeholders' interests in the Company. Its Board of Directors commits itself to the principles of good corporate governance.

The Company's principles of corporate governance are contained in its Articles of Incorporation, By-Laws, Manual of Corporate Governance, and Annual Corporate Governance Report.

As an organization, ABS-CBN reaffirms its mission of being in the service of the Filipino people, and espouses that there is no dichotomy between doing good business and practicing the right values.

Through values cascading throughout the organization, the Company has identified the core values necessary to guide its leaders and employees in formulating and making business decisions, which in the end must always remain consistent with this mission and goal of service.

In May 2017, the Company revised its Manual on Corporate Governance, to comply with SEC Memorandum Circular No. 19, Series of 2016, the Code of Corporate Governance for Publicly-Listed Companies. This Manual was further revised in September 2018 to comply with Integrated Annual Corporate Governance recommendations.

Pursuant to SEC Memorandum Circular No. 10, Series of 2019, the Company, through its Board of Directors, adopted its Related Party Transactions Policy in October 2019.

In 2018 and 2019, the Institute of Corporate Directors (ICD) recognized ABS-CBN among the top Philippine Publicly-Listed Companies in terms of corporate governance efforts in the ASEAN Corporate Governance Scorecard (ACGS) Golden Arrow Awards. The award is an assessment tool used to measure if a company is managed well and is compliant with government regulations in 6 participating Association of Southeast Asian Nations (ASEAN) countries, namely the Philippines, Indonesia, Malaysia, Singapore, Thailand and Vietnam.

#### **THE BOARD OF DIRECTORS**

The ABS-CBN Board of Directors (the "Board") represents the stakeholders' interest in pursuing a successful business, including the optimization of financial returns. The Board's mission is to determine that the Company is managed in such a way as to ensure this result while adhering to the laws and rules of the jurisdictions in which it operates, observing the highest standards of corporate governance, and observing high ethical norms. The Board establishes the overall goals, strategies, and policies of the Company. It strives to regularly monitor the effectiveness of management's decisions and the execution of strategies. In addition to fulfilling its obligations for increased stockholder value, the Board has responsibility to the Company's customers, employees, suppliers, and the community.

In accordance with the Company's Articles of Incorporation, By-Laws, and Corporate Governance Manual, the Board is comprised of eleven (11) members elected by the shareholders during the Annual Stockholders' Meeting. The Company has eleven (11) directors, three (3) of whom are independent.

All nominations for the election of Directors by the stockholders are required to be submitted in writing to the Board of Directors at least thirty (30) business days before the scheduled date of the annual stockholders' meeting. The Nomination and Election Committee reviews and evaluates the qualifications of all persons nominated to the Board and other appointments that require Board approval, and assesses the effectiveness of the Board's processes and procedures in the election or replacement of directors.

There is a mix of executive, non-executive, and independent directors on the Board. Senior management executives other than the Chief Executive Officer attend Board meetings on a regular basis even if they are not members of the Board. On matters of corporate governance, while the Board assumes that decisions will be made by the impartial (previous word used is "independent") directors, inputs to any policy formulation and discussions from

directors who are employees of the Company are welcome and expected, unless the issue involves an actual conflict of interest with such directors.

For the year 2021, these directors are Martin L. Lopez, Chairman, Augusto Almeda-Lopez, Carlo L. Katigbak, Oscar M. Lopez, Federico R. Lopez, Federico M. Garcia, Salvador G. Tirona, Honorio G. Poblador IV, Mario L. Bautista, Randolph S. David, and Emmanuel S. De Dios.

On November 25, 2021, the Board adopted the Board's Code of Conduct and Ethics to set forth the professional and personal ethical standards to be observed by the members of the Board the Directors in the interests of the Company and its stakeholders.

### **Independent Directors**

Three (3) independent directors – Mr. Poblador, Mr. David and Mr. de Dios — are presently elected. These directors are independent of management, and are free of any relationship that may interfere with their judgment. In addition, Mr. Poblador, Mr. David and Mr. de Dios do not possess any of the disqualifications enumerated under SEC Memorandum Circular No. 19, Series of 2016. The Board designated Mr. Emmanuel S. De Dios as the Lead Independent Director.

### **Criteria for Independence for Independent Directors**

The Board assesses the independence of each director and individual nominated for election to the Board as an independent director. As part of this analysis, the Board must review and conclude whether each nominee for independent director satisfies the requirements of the rules of the SEC, the By-laws, and the Manual of Corporate Governance.

Under the Manual of Corporate Governance, independent directors (i) are not, or have not been officers or employees or substantial stockholders of the Company or its related companies, or any of its substantial shareholders (other than as independent directors of any of the foregoing); (ii) are not relatives of any director, officer or substantial shareholder of the Company, or any of its related companies, or any of its substantial shareholders; (iii) are not acting as nominees or representatives of a substantial shareholder of the Company, or any of its related companies or any of its substantial shareholders; (iv) have not been employed in any executive capacity by the Company, or any of its related companies or by any of its substantial shareholders within the last two years; (v) are not retained as professional advisers by the Company, any of its related companies, either personally or through their firms; (vi) have not engaged and do not engage in any transaction with the Company, or with any of its related companies, or with any of its substantial shareholders, whether by themselves or with other persons, or through a firm of which they are partners, or companies of which they are directors or substantial shareholders, other than transactions which are conducted at arms-length and are immaterial; (vii) do not own more than 2% of the shares of the Company and/or its related companies, or any of its substantial shareholders; (viii) are not affiliated with any non-profit organization that receives significant funding from the Company or any of its related companies or substantial shareholders; and (ix) are not employed as executive officers of another company where any of the Company's executives serve as directors.

The Company also adopted a policy that independent directors of the Company may serve for a maximum cumulative term of 9 years, after which, the independent director will be perpetually barred from re-election as such, but may qualify for election as non-independent director. In the instance that the Board wants to retain an Independent Director who has served 9 years, the Board will provide a meritorious justification and seek approval from the shareholders during the Annual Stockholders Meeting. As of December 31, 2021, the Company's independent directors have served in such capacity for less than nine (9) years.

### **Selection of Directors**

The Board itself is responsible for screening its own members and recommending them for election by the stockholders. The Chairman and Chief Executive Officer have direct input into the screening process. The final approval of nominees to the director position is determined by the full Board. In case of vacancies in the Board

between annual stockholder meetings, the Board may elect directors to serve until the next annual meeting.

### **Board of Advisors**

The Board of Advisors was created to provide guidance to the Board of Directors. The Board of Advisors sits in all the Board Meetings and its members are also members of the Board Committees., Maria Rosario Santos-Concio, Cynthia del Castillo, Rafael L. Lopez, Antonio Jose U. Periquet and Cesar V. Purisima are the members of the Board of Advisors.

### **Separate Roles of the Chairman and President & Chief Executive Officer (CEO)**

The respective roles of the Company’s Chairman, Mr. Martin L. Lopez, and President & CEO, Mr. Carlo L. Katigbak, are clearly defined to achieve appropriate balance of power, increase accountability, and improve the Board’s capacity for decision making independent of the management.

Mr. Martin L. Lopez is responsible for the management, development and the effective performance of the Board, and maintains proper governance of the Company. As Chairman of the Board, Mr. Lopez plans and organizes all the activities of the Board, including the preparation for, and the conduct of, Board meetings. He ensures the quality, quantity and timeliness of the information that goes to the Board. He also oversees the formation of the Board committees and the integration of their activity with that of the Board.

The President & CEO has general charge and supervision of the business and affairs of the Company, subject to the Board. As the President & CEO, Mr. Katigbak leads Management in developing and implementing business strategies, plans, and budgets subject to Board approval. He then provides the Board and stockholders a report on the financial performance of the Company and its results of operations on a regular basis.

### **The Corporate Secretary**

Mr. Enrique I. Quiason is the Company’s Corporate Secretary. Under the Company’s Corporate Governance Manual, the Corporate Secretary must be a Filipino Citizen. The Corporate Secretary issues notices for all board and shareholders meetings. It is required that the Corporate Secretary attends and records the minutes of all board meetings. He is also responsible for assisting the Board in the preparation of the meeting agenda and the Management in the preparation and gathering of materials/documents to be presented to the Board or shareholders. In addition, as the Corporate Secretary, Mr. Quiason takes charge of the corporate seal and records, and signs, together with the President & CEO, all stock certificates and such other instruments as may require such signature.

### **Board Performance**

The Board has regular monthly meetings, as much as possible, to review the performance of the Company and its subsidiaries, approve any pertinent plans, budgets, and financial statements, set guidelines for management, and discuss any various matters requiring Board attention and approval. Any member of the Board may ask management to give special reports on and analysis of certain issues.

From January 1, 2021 to December 31, 2021, the Board had eleven (11) meetings.

#### **Board Attendance to Meetings in 2021**

<b>Directors’ Name</b>	<b>Total No. of Board Meetings</b>	<b>No. of Board Meetings Attended</b>	<b>Percentage of Attendance (%)</b>	<b>Attended Annual Stockholders’ Meeting? (Y/N)</b>
<b>Martin L. Lopez</b>	11	11	100%	Y
<b>Augusto Almeda Lopez</b>	11	10	91%	Y
<b>Mario L Bautista</b>	11	11	100%	Y
<b>Randolf S. David<sup>2</sup></b>	5	5	100%	Y

<b>Emmanuel S. De Dios</b>	11	10	91%	Y
<b>Federico M. Garcia</b>	11	11	100%	Y
<b>Carlo L. Katigbak</b>	11	11	100%	Y
<b>Federico R. Lopez</b>	11	11	100%	Y
<b>Manuel M. Lopez<sup>1</sup></b>	6	6	100%	N
<b>Oscar M. Lopez</b>	11	1	9%	N
<b>Antonio Jose U. Periquet<sup>1</sup></b>	6	6	100%	Y
<b>Honorio G. Poblador<sup>2</sup></b>	5	5	100%	Y
<b>Salvador G. Tirona</b>	11	11	100%	Y

1 Director until July 29, 2021

2 Elected on July 29, 2021

### Continuing Education Programs and Trainings for Directors

The Board has attended the following trainings and seminars during the year 2021:

<b>Director's Name</b>	<b>Trainings / Continuing Education FY2021</b>
<b>Martin L. Lopez</b>	Lopez Group Advanced Corporate Governance Training Program (October 2021)
<b>Augusto Almeda Lopez</b>	Lopez Group Advanced Corporate Governance Training Program (October 2021)
<b>Mario L. Bautista</b>	Lopez Group Advanced Corporate Governance Training Program (October 2021)
<b>Emmanuel S. De Dios</b>	Lopez Group Advanced Corporate Governance Training Program (October 2021)
<b>Carlo L. Katigbak</b>	Lopez Group Advanced Corporate Governance Training Program (October 2021)
<b>Federico R. Lopez</b>	Lopez Group Advanced Corporate Governance Training Program (October 2021)
<b>Salvador Tirona</b>	Lopez Group Advanced Corporate Governance Training Program (October 2021)

On December 6, 2016, the SEC has granted Mr. Oscar M. Lopez a permanent exemption from the Corporate Governance training requirement under SEC Memorandum Circular No. 20, series of 2013.

### Board Committees

The Board has established the following six (6) board committees to address any issues requiring the directors' attention:

#### 1. The Programming Committee

<b>Composition</b>	Chairman, two (2) members, one (1) advisor
<b>Members</b>	Federico M. Garcia - Chairman, Augusto Almeda Lopez, and Randolph David
<b>Advisor</b>	Ma. Rosario Santos-Concio
<b>Responsibilities</b>	The Programming Committee deliberates on the programming issues and strategies of the network, and is primarily a business strategy committee.

#### 2. The Compensation Committee

<b>Composition</b>	Chairman, two (2) members, and one (1) advisor
<b>Members</b>	Augusto Almeda Lopez - Chairman, Mario L. Bautista and Federico M. Garcia
<b>Advisor</b>	Antonio U. Periquet
<b>Responsibilities</b>	The Compensation Committee reviews any recommendations on bonus and incentive schemes and other compensation benefits.

### 3. The Audit Committee

<b>Composition</b>	Chairman, two (2) members, and one (1) advisor
<b>Members</b>	Emmanuel S. De Dios – Chairman, Honorio Poblador IV, and Salvador G. Tirona
<b>Advisor</b>	Cesar V. Purisima
<b>Responsibilities</b>	The Audit Committee reviews the financial reports and risks, examines internal control systems, and oversees the audit process. The Audit and Compliance Committee also selects and appoints the Company’s External Auditor.

### 4. The Risk Management Committee

<b>Composition</b>	Chairman, three (3) members, and one (1) advisor
<b>Members</b>	Honorio Poblador IV – Chairman, Federico R. Lopez, Randolph S. David, Emmanuel S. De Dios and Mario L. Bautista
<b>Advisor</b>	Cesar V. Purisima
<b>Responsibilities</b>	The Risk Management Committee oversees the formulation and establishment of an enterprise wide risk management system, including the review, analysis, and recommendation of policies, frameworks, strategies, and systems to be used by the Company to manage risks, threats, and liabilities. The Risk Management Committee also reviews material related party transactions. The said Committee also oversees the Company’s Sustainability initiatives and practices.

### 5. The Nominations and Elections Committee

<b>Composition</b>	Chairman, two (2) members, and one (1) advisor
<b>Members</b>	Randolf S. David – Chairman, Federico R Lopez and Emmanuel S. De Dios
<b>Advisor</b>	Rafael L. Lopez
<b>Responsibilities</b>	The Nomination and Election Committee reviews and evaluates the qualifications of all persons nominated to the Board and other appointments that require Board approval, and assesses the effectiveness of the Board’s processes and procedures in the election or replacement of directors.

### 6. The Corporate Governance Committee

<b>Composition</b>	Chairman, two (3) members and one (1) advisor
<b>Members</b>	Randolf S. David – Chairman, Honorio Poblador IV, Emmanuel S. De Dios and Salvador G. Tirona
<b>Advisor</b>	Atty. Cynthia del Castillo
<b>Responsibilities</b>	The Corporate Governance Committee ensures compliance with and proper observance of corporate governance principles and practices.

The Board should ensure that, through a managed and effective system, board appointments are made that provide a mix of proficient directors, each of whom is able to add value and to bring prudent judgment to bear on the decision-making process.

Under the Company’s Manual of Corporate Governance, the Nomination and Election Committee shall consider the following qualifications and disqualification of a nominee to the Board in its recommendation of such nominee for election or re-election.



### *Qualifications of Director*

A director shall have the following qualifications at the time he is duly elected and qualified and throughout his term of office:

- Holder of at least one (1) share of stock of the Company;
- Personal integrity, capacity to read and understand financial statements, absence of conflicts of interest with the Company (subject to the discretion of the Board), time availability and motivation.

### *Qualifications of an Independent Director*

- An independent director shall mean a person other than an officer or employee of the Company, its parent or subsidiaries, or any other individual having a relationship with the Company, which would interfere with the exercise of independent judgment in carrying out the responsibilities of a Director.
- If the independent director becomes an officer or employee of the same corporation, he shall be automatically disqualified from being an independent director.

### *Disqualification and Grounds for Dismissal of Directors*

Any of the following shall be a ground for the temporary disqualification or dismissal for a cause of a Director:

- Refusal to fully disclose the extent of his business interest as required under the Securities Regulation Code and its Implementing Rules and Regulations. This disqualification shall be in effect as long as his refusal persists;
- Absence or non-participation for unjustifiable reason/s for more than 50% of all meetings, both regular and special, of the Board during his incumbency, or any twelve (12)-month period during said incumbency. This disqualification applies for purposes of the succeeding election;
- Dismissal or termination from directorship in another listed corporation for cause. This disqualification shall be in effect until he has cleared himself of any involvement in the alleged irregularity;
- Conviction that has not yet become final referred to in the grounds for the disqualification of Directors.

### **Directorship in Other Listed Companies**

The following members of the Board are also directors of the publicly listed companies identified below.

<b>Director's Name</b>	<b>Name of Listed Company</b>	<b>Directorship for FY2021</b>
<b>Martin L. Lopez</b>	Lopez Holdings Corporation	Vice Chairman
<b>Oscar M. Lopez</b>	First Gen Corporation	Chairman Emeritus
	First Philippine Holdings Corporation	Chairman Emeritus, Executive Director
	Rockwell Land Corporation	Chairman Emeritus
<b>Federico R. Lopez</b>	First Gen Corporation	Chairman, Executive Director
	Lopez Holdings Corporation	Chairman, Executive Director
	First Philippine Holdings Corporation	Chairman, Executive Director
	Rockwell Land Corporation	Vice Chairman
<b>Salvador G. Tirona</b>	Lopez Holdings Corporation	Executive Director
	ABS-CBN Holdings Corporation	Executive Director
<b>Carlo L. Katigbak</b>	SSI Group Inc.	Independent Director
<b>Emmanuel S. De Dios</b>	ABS-CBN Holdings Corporation	Executive Director

## **COMPANY POLICIES**

### **Code of Conduct and Conflict of Interest Policy**

The Company's Code of Conduct (CoC) defines the behaviors that are acceptable or not acceptable within the organization. It details the offenses versus the Company's or the person's property, the schedule of penalties for each offense according to its gravity, and the grievance process, and defines the roles of the different people involved in disciplinary action. The CoC covers all directors, employees, consultants, product and service providers, and anyone who acts in the name of ABS-CBN.

The CoC includes the Company's Conflict of Interest Policy. Directors are disallowed from engaging in any business, which competes with or is antagonistic to that of the Company or any of its subsidiaries and affiliates. On the other hand, employees are expected not to have any direct or indirect financial or pecuniary interest in any business, contract, or transaction in connection with which they intervene or take part in their official capacity. In addition, employees are expected not to render services to another employer without the knowledge of higher management. They are also expected to disclose other businesses or jobs undertaken which may be in conflict with any existing or future undertaking of the Company.

Assisting in the dissemination and implementation of this Code of Conduct is the Ethics Committee, which focuses on conflict-of-interest situations. The Committee helps make decisions and clarify stands in cases of personal or professional conflict, or in which the employee or the company stands to gain unfairly from an arrangement, relationship, or procedure. Essential to the idea of good and ethical conduct is the upholding of common corporate and individual values, which are disseminated through a process of values cascading.

### **Related Party Transactions Policy**

The Company, through its Board of Directors, has adopted its Related Party Transactions Policy pursuant to SEC Memorandum Circular No. 10, Series of 2019.

It is the policy of the Company to transact sales to and purchases from related parties at normal market prices. Outstanding balances as of year-end are unsecured, interest-free and settlement occurs in cash, and are collectible or payable on demand. Assessment of provision for doubtful accounts relating to amounts owed by related parties is undertaken each financial year by examining the financial position of the related party and the market in which the related party operates.

Related party transactions or reorganizations that would affect related-party transactions are reported to and reviewed by the Audit Committee. All related party transactions are reported in the Company's Annual Audited Financial Statement and Annual Company Report.

### **Dividend Policy**

The declaration and payment of dividends are subject to certain conditions under the Company's existing long-term loan agreements with various banks.

### **Disclosures and Financial Reporting**

ABS-CBN's financial statements comply with Philippine Accounting Standards and Philippine Financial Reporting Standards that in turn conform with International Accounting Standards.

The annual consolidated financial statements provide information on the financial condition and results of operations of the businesses of ABS-CBN and its subsidiaries. These financial statements include detailed information on the total assets, total liabilities and shareholders' equity, revenues, costs and expenses, operating

income and income before tax, net income attributable to shareholders of ABS-CBN and minority interest, earnings per share, and EBITDA.

Business segment information is likewise provided for major business categories and includes information such as revenues, operating and net income, assets and liabilities, capital expenditures and depreciation and amortization expenses.

### **Dealings in Company Shares**

ABS-CBN requires all members of the Board of Directors and principal officers to report any purchase, sale or change in their shareholdings of the Company's common shares or Philippine Depositary Receipts within three (3) trading days, in compliance with the PSE's requirement for such disclosure.

## **RISK MANAGEMENT**

ABS-CBN's Board of Directors and management are mindful of the potential impact of various risks to the Company's ability to deliver quality content across multiple platforms and consequently, as a result of its operations, value to shareholders. In 2009, the Audit Committee of the Board of Directors provided oversight on Enterprise Risk Management.

In 2010, the newly created Risk Management Committee assumed this responsibility. At the same time, the Board of Directors of the Company approved the appointment of a Chief Risk Management Officer, reporting directly to the Board of Directors. The Chief Risk Management Officer will provide the overall leadership, vision and direction for enterprise risk management by continuing to establish and implement an integrated risk management framework that covers all aspects of risk across the Company's organization, and improve the Company's risk management readiness.

The Company's corporate strategy formulation and business decision-making processes always take into account potential risks and the steps and costs necessary to minimize, if not eliminate, such risks. As part of its stewardship responsibility and commitment to deliver optimum value to its stakeholders, ABS-CBN ensures that it has the proper control systems in place, and to the extent possible, adopted global best practices, to identify and assess, analyze and mitigate market, operating, financial, regulatory, community, reputational, and other risks. The formal identification of the control systems has been completed. The Company contracted SGV (a member firm of Ernst and Young) in 2015 to assist in the development of an ERM Framework and Program.

## **AUDIT**

### **Internal Audit**

The Internal Audit Division (IA Division) is responsible for providing independent and objective assurance and consulting services to the Company's Board of Directors through its Audit Committee. Its main function is to evaluate the adequacy, effectiveness, and efficiency of the Company's internal control system and to recommend necessary control measures for its improvement. It likewise establishes an effective follow-up system to monitor the implementation of recommended controls.

The IA Division is composed of people with varied specializations, majority of which are certified public accountants. It also has certified internal auditors, certified information systems auditors, certified fraud examiner, certified forensic accountant, and accredited quality assurance validators. The IA Division has a Network, Infrastructure, and Security Team, which is composed of engineers and IT professionals with various certifications on data privacy and cloud and information security. It also has an Audit Analytics Team, whose members have completed courses as certified data analysts.

The IA Division conducts regular audits of the Company and its Subsidiaries based on an annual audit plan that is approved by the Audit Committee. Special audit projects are also undertaken as the need arises.

In 2021, the IA Division presented to the Audit Committee its audit plan, updates on the status of audit projects, highlights of significant findings, implementation status of audit recommendations, and other significant audit activities.

Beginning 2012, the IA Division also worked closely with the Company's Risk Management Officer.

### **Report of the Audit Committee for the Year Ended December 31, 2021**

The Audit Committee represents and assists the Board of Directors in fulfilling its oversight responsibilities by reviewing the:

- Reasonableness of the Company's financial statements, efficiency of the financial reporting process, and soundness of the internal control environment;
- Objectivity, independence, and effectiveness of internal audit functions and processes;
- Qualifications, independence, and fees of the Company's external auditors with regard to the annual review of the Company's financial statements; and
- Company's compliance with legal and regulatory requirements.

The roles and responsibilities of the Audit Committee are embodied in an Audit Committee Charter. In compliance with the Charter, the Audit Committee confirms that:

- The majority of the Audit Committee members are independent directors, including the Chairman;
- Quarterly meetings were held and attended by the Chairman and members of the Committee;
- The Committee reviewed and approved the internal audit scope, manpower resources, and competencies necessary to carry out the audit plan;
- The Committee reviewed the reports of the internal auditors and discussed the necessary corrective actions with concerned management;
- The Committee reviewed the Company's internal control environment, through the External Auditor's Management Letter and Internal Audit's reports on completed audit projects, and found it adequate;
- The Committee reviewed the audited annual financial statements of the Company and its Subsidiaries and discussed it with management, internal auditors, and external auditors taking into consideration that:
  - Management is responsible for the Company's financial statements and the related statements of financial condition and results of operations, and;
  - SGV & Co., the external auditor, is responsible for expressing an opinion on the conformity of the Company's audited financial statements with the Philippine Financial Reporting Standards and International Financial Reporting Standards, as appropriate.

## **ROLE OF STAKEHOLDERS**

### **Customers' Welfare**

The Company is committed to the delivery of world-class products and services and to the responsible and creative utilization of resources, most especially its human resource. It fosters and promotes an environment of professionalism based on competence, self-discipline and responsible behavior. In establishing such an environment, a set of defined standards of acceptable behavior in performing one's job and in dealing with co-employees and the public that is consistent with corporate policies and core values is necessary.

### **Supplier/Contractor Selection and Criteria**

In dealings with suppliers and contractors the Company abides by its Code of Conduct, wherein it is stated that favoring or conniving with suppliers, customers or any other person in consideration of kickbacks, personal rebates or any valuable consideration is considered an offense. Company personnel who do not adhere to this policy are dealt with accordingly.

The Company, likewise, has a general policy on the conduct of its bidding process to ensure fair and honest competition. The general policy for supplier/contractor selection is available in the Company's website.

### **Environmentally Friendly Value Chain**

The Company complies with several government environmental laws through the following initiatives: re-use or recycling of effluent water (PD984 or Clean Water Act); proper disposal of busted lamps used oil and used/spent batteries (RA6969 or Toxic Substance and Hazardous and Nuclear Waste Control Act) and annual stack emission testing of generator sets (RA8749 or Clean Air Act). The Company saves energy its office headquarters by installing variable frequency drives for chilled water pump operations in the centralized air conditioning system. It also has materials recovery facilities for solid waste management, which results in an average reduction of twenty-five (25) tons per year of solid waste for disposal.

The vermicomposting facilities reduce solid waste from tree and plant trimmings and the resulting organic fertilizer is used for plants propagation. The Company uses mostly "green sealed" or "designed for the environment" chemicals for housekeeping, which reduces the health risk among cleaners. The Company also has properly labeled trashcans (reusable, biodegradable, non-biodegradable) which makes it easy to segregate waste. It also uses biodegradable trash bags.

### **Whistle Blowing Policy**

In November 2013, the Company implemented the Whistle Blowing Policy. This policy provides for and encourages employees and others to report, in good faith, any covered wrongful conduct committed by employees of which they have personal knowledge. The policy assures the employees of protection against harassment, threats, and any other form of retaliation from the persons reported. Any employee, who attempts, performs, causes or encourages any retaliatory actions against a whistleblower and/or the whistleblower relatives up to the fourth degree of consanguinity or affinity, will be subjected to disciplinary action and may be either suspended or dismissed, without prejudice to other legal actions that the Company may take, upon showing that the motive of the said employee was due to the disclosure made whistleblower.

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

### **Creditors' Rights**

The Company complies with the debt servicing requirements of the creditors. The Company also ensures that the documentary requirements of the creditors are complete, accurate and submitted on time.

Creditors are regularly provided with financial and operational information about the Company through quarterly and annual investors' briefings. The Company's Treasury Head updates the creditors of the Company's performance on a regular basis and when there is an immediate need. New contracts or agreements for investments, loan availments, asset disposals, mergers and acquisitions, etc. are reviewed by the Company's Legal Department in order to determine if certain provisions may violate existing loan covenants. In cases when certain covenants will be breached, the Treasury seeks the consent of creditors to undertake the new initiative or when appropriate, negotiate with counter parties to remove/modify provisions that may have a consequence of breaching any loan covenants.

### **Interaction with Community**

The ABS-CBN Lingkod Kapamilya Foundation, Inc. was established to become a holistic community builder. "Bantay Bata," a child protection and welfare organization cited by the United Nations Convention on the Rights of

the Child, responds to thousands of hotline calls and handles hundreds of rescue causes. The program also provides scholarships and conducts feeding programs. As the term implies, “BantayKalikasan” is engaged in environmental protection through policy formulation assistance, reforestation, river system rehabilitation and ecotourism promotion. “Operation Sagip” is involved in relief operations and rehabilitation after a natural or man-made disaster. It also trains schools and communities in disaster risk reduction.

Programa Genio is involved in curriculum enhancement, teacher training and learning resource development in public schools BayanJuan manages a 107- hectare resettlement community in Calauan, Laguna for families affected by the rehabilitation of the Pasig River and typhoon Ondoy.

Kapit Bisig Para sa Ilog Pasig (KBPIP), in partnership with the Pasig River Rehabilitation Commission (PRRC) is heavily involved in the rehabilitation of the Pasig River. Together, they have collected over 70 tons of garbage in 10 GI and KBPIP areas, engaged 6,398 volunteers, and completed 1,270 linear meters of estero rehabilitation.

The Company sends representatives to meetings, hearings and public consultations on various issues conducted by the barangay. The Company also requests for barangay clearance/permit for tapings, production shootings, and use of sidewalks as parking area during stockholders’ meetings, trade events, program launchings, awarding ceremonies, etc. Every year, the Company requests as well for issuance of community tax certificates to employees.

The Company submits incident reports to the barangay in relation to accidents, robbery, illegal parking, illegal vendors, violation of tricycle drivers and establishment. In addition, the Company supports the barangay on its information drive by covering barangay related activities.

## SUSTAINABILITY

### **Sustainability at ABS-CBN: A Commitment to Service for a Sustainable Future**

For the Company, sustainability is its mandate to grow and operate the business in a way that leaves the world a better place than when it started operating. As a media and entertainment organization, the Company’s mission is to serve the Filipino people by helping build a sustainable society. This is why, ABS-CBN continually adapt, innovate and develop ways to mitigate our risks and maximize its opportunities socially, environmentally, and economically. ABS-CBN’s actions are measured and performance is monitored through that lens.

For an enterprise as large and complex as ABS-CBN, a wide range of factors could materially affect its operations. Thus, failure to responsibly manage its multi-tiered operations and supply chain can negatively affect its people, its customers, the communities it serves, and its continued economic growth.

Since the 1990s, the Company has strived to operate sustainably –in all aspects of the organization, and in every critical point in its operations and supply chain. With this as a top priority, policies, standards, and guidelines for sustainable operations, supply chain management were created and strictly enforced in the management of talents and employees, the acquisition, procurement and management of needed goods and services, disposal of materials, and in the creation and dissemination of our products and services. ABS-CBN is in compliance with local and international laws and standards and adhere to management best practices.

Sustainability is embedded at the very core of the Company’s business operations and is observed in every critical path of its supply chain, both upstream and downstream. This is how ABS-CBN operates and manages its supply chain - closing the loop to create circular economy in the service of the Filipino.

The Company’s 2021 Sustainability Report can be found here:

<https://www.abs-cbn.com/sustainability>

<https://www.abs-cbn.com/sustainability/sustainability-report-2021/id-15e0b088-f01f-4113-a855-8bb398894580>

## SHAREHOLDERS' RIGHTS

The Company respects the rights of the stockholders as provided in the Corporation Code; namely:

1. Right to vote on all matters that require their consent or approval;
2. Pre-emptive rights;
3. Power of inspection;
4. Right to dividends; and
5. Appraisal rights.

The shareholders, as a whole, have the right to receive timely and transparent information about the Company as may be required by laws or rules of the SEC and PSE.

### **Right to Nominate Candidates for Board of Directors**

The By-Laws of the Company allows all stockholders, including minority shareholders, the right to nominate candidates for the Board of Directors.

### **Conduct of Stockholders' Meeting**

Shareholders, including institutional shareholders, are encouraged to attend stockholders' meetings either personally or via remote communication. A written or printed notice of the annual meeting is delivered to each shareholder not less than twenty-one (21) days before the date of the meeting. Any stockholder entitled to vote may be represented at any regular or special meeting of stockholders by a duly executed proxy or cast his/her vote via electronic voting in absentia. Proxies should be in writing, properly signed and witnessed by one party. The written proxy and the intention to vote via electronic voting in absentia shall be filed with the Office of the Corporate Secretary of the Company not later than ten (10) calendar days prior to the scheduled stockholders meeting.

Shareholders have the right to propose matters in the agenda of the annual meeting, provided that the proposed matters are for legitimate business purposes.

Shareholders likewise have the explicit right to probe and/or ask questions during the annual meeting. In the 2021 Annual Stockholders' Meeting, several questions were asked by the shareholders which were answered by the Company. The minutes containing these questions and answers thereto may be accessed at: <https://www.abs-cbn.com/investors/asm-2021/results-of-2021-asm/minutes-of-the-2021-annual-stockholders-meeting/id-516>

Details of attendance of shareholders, results of voting, and the results of annual/special stockholders meetings' resolutions are disclosed in the Integrated-Annual Corporate Governance Report.

### **INVESTOR RELATIONS**

ABS-CBN fully respects shareholder rights and complies with regulatory and legal requirements that enforce and ensure that such rights are respected. These requirements include due and proper notification for general meetings and provision of adequate, transparent and timely information due shareholders.

As a publicly listed corporation, ABS-CBN is subject to reporting requirements prescribed by regulatory authorities, including the SEC and the PSE, among others. ABS-CBN is compliant in submitting timely structured and non-structured reports and disclosure filing required by the SEC and the PSE.

ABS-CBN's Chief Finance Officer, Head of Treasury, and its Head of Investor Relations, meet with representatives of institutional investors and investment funds upon request and at various investor conferences throughout the year for discussions about the Company's businesses, operating and financial results, business prospects and long-term plans. Inquiries from institutional and individual investors received by regular or electronic mail are also duly acknowledged and addressed in a timely and transparent manner.

ABS-CBN maintains an investor relations website that contains information on the history and businesses of the Company, its Board of Directors and senior management executives, financial information and reports and

disclosures filed with the SEC and the PSE, share price performance and dividend history, and investor relations contact information.

The contact details (e.g. telephone and email) of the office responsible for investor relations are provided the ABS-CBN Investor Relations website – <https://www.abs-cbn.com/investors>.

### **Evaluation System**

ABS-CBN continues to evaluate its compliance with its Manual of Corporate Governance. The Board of Directors regularly conducts its self-assessment as well as an assessment of ABS-CBN's compliance with the Manual of Corporate Governance. ABS-CBN participates in the corporate governance survey conducted by the PSE.

The Board of Directors likewise conduct an evaluation of the performance of the Board, Chairman of the Board, Chief Executive Officer, Chief Risk Officer, Chief Audit Executive and Chief Compliance Officer.

### **Measures to Comply with Leading Practices**

ABS-CBN continues to implement enhancements to comply with leading practices on good corporate governance such as the revision of its Corporate Governance Manual to comply with recent SEC requirements and the submission of the Annual Corporate Governance Report to the SEC. In 2017, the Board of Directors approved a whistle blowing policy and a policy on insider trading. In 2018, the Board submitted to the SEC its Integrated-Annual Corporate Governance Report and implemented measures to fully comply with the same, such as, approving board committee charters, nomination and election policy and conducting self-assessment surveys. In 2019, the Company adopted its Related Party Transactions Policy pursuant to SEC directives. The members of the Board of Directors and the key officers attended a training seminar on corporate governance in 2020.

In 2019 and 2020, the Company received an Arrow Recognition from the Institute of Corporate Directors (ICD), recognizing ABS-CBN Corporation as a top-performing publicly-listed company in the Philippines under the ASEAN Corporate Governance Scorecard. The Company was the only publicly-listed media company to have received the recognition.

### **Deviations from Manual of Corporate Governance**

There were no reported deviations from the Company's Manual of Corporate Governance.

### **Improvement of Corporate Governance**

ABS-CBN continues to review its Manual of Corporate Governance for improvements. In May 2017, the Company released its revised Manual on Corporate Governance to comply with the requirements under SEC Memorandum Circular No. 19, Series of 2016. ABS-CBN also reviews the charters of the different committees as well as evaluates existing policies on corporate governance. In July 2017, the Company approved its policy on insider trading that will be applicable to the directors, officers, and employees.

In 2018, ABS-CBN continued to improve its compliance with corporate governance regulations. It amended its Manual on Corporate Governance to include recommendations under the new Integrated Annual Corporate Governance Report, as well as, have the board committees approve its respective charters. In 2020, ABS-CBN continued to comply more recommendations stated in the Integrated Annual Corporate Governance Report.

The Board likewise conducted a board self-assessment last March 2022 to review and evaluate the performance of the Board, its Committees, its individual members and key corporate officers to measure the effectiveness of the company's governance practices.



