

June 19, 2020

NOTICE OF ANNUAL STOCKHOLDERS' MEETING

To: All Stockholders of GMA Network, Inc.

Please be notified that the **Annual Meeting of the Stockholders of GMA Network, Inc.** (the "Company") will be held on **July 17, 2020** (Friday) at **10:00 a.m. via Zoom application** to consider, discuss or vote on the following:

1. Call to Order
2. Certification of Notice and Quorum
3. Approval of the Minutes of the Annual Stockholders' Meeting Held on May 15, 2019
4. Annual Report of the Chairman and Chief Executive Officer
5. Financial Report
6. Ratification of the Acts of the Board of Directors/Corporate Officers
7. Election of Directors (including the Independent Directors)
8. Election of the External Auditor
9. Consideration of such other business as may properly come before the meeting
10. Adjournment

Only stockholders of record at the close of business on June 26, 2020 are entitled to notice and to vote at this meeting.

Due to the COVID-19 global pandemic, the Company will be conducting the annual stockholders' meeting via remote communication. The conduct of the annual stockholders' meeting including the attendance and participation thereto will be through Zoom application.

Stockholders who intend to attend and participate via remote communication shall notify the Company by email to **2020asmgma@gmanetwork.com** beginning June 26, 2020 until July 8, 2020 and shall register in accordance with the procedure set forth in the attached *Procedure for Registration, Participation and Attendance in the Meeting by Remote Communication and Procedure for Voting in Absentia* (Annex "A") and in the Information Statement. Upon successful registration, the meeting link and password therefor will be sent to the participant/stockholder.

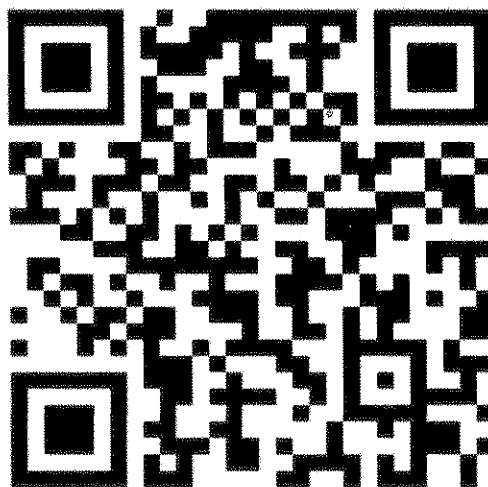
On June 10, 2020, the Nomination Committee approved the list of nominees to the Board of Directors for election at the Annual Stockholders' Meeting.

Voting for matters to be submitted for approval, including the election of directors, shall be made in absentia. Once duly registered, the stockholder may vote in absentia on or before July 14, 2020 in accordance with the procedure set forth in Annex "A" and in the Information Statement. **In order to allow time to validate the votes, the deadline to cast votes shall be on or before July 14, 2020.** Votes submitted after July 14, 2020 will no longer be included in the tabulation of the total votes cast for the items in the Agenda.

Any stockholder may vote by proxy provided that such authorization remains unrevoked and on file with, or is submitted to, the undersigned at 15/F Sagittarius Building, H.V. De la Costa Street, Salcedo Village, Makati not later than July 8, 2020.

For purposes of the meeting, only stockholders of record as of **June 26, 2020** are entitled to attend and vote in the said meeting.

A copy of the Definitive Information Statement, Management Report, and Audited Financial Statements may be viewed and downloaded from the company's website <https://www.gmanetwork.com/corporate/disclosures> or through the QR Code provided hereunder.



Hard copies of the Definitive 20-IS will be available upon request of the stockholder by sending an email to **2020asmgma@gmanetwork.com**. A video and audio recording of the Annual Stockholders' Meeting will be available on-line ten (10) days after the meeting and the recording shall be available for access by the stockholder within thirty (30) days from posting date, subject to the stockholder's compliance with the requirements set forth in Annex "A".

The Organizational Meeting of the Board of Directors shall be held immediately after the Annual Stockholders' Meeting also via remote communication through the Zoom application link that shall be sent separately to the newly-elected Directors.

Thank you.

For the Board of Directors



ROBERTO RAFAEL V. LUCILA
Corporate Secretary

**2020 Annual Stockholders' Meeting
GMA Network, Inc.**

Procedure for: (1) Registration, Participation and Attendance in the GMA Annual Stockholders' Meeting 2020 by Remote Communication and (2) Voting in Absentia

In light of the COVID-19 Pandemic, there will be no physical meeting. The Company's 2020 Annual Stockholders' Meeting will be conducted via remote communication through the Zoom application.

Privacy Notice

Herein information of individual stockholders (or corporate stockholder's authorized representative) will be collected, stored, and used exclusively for the purposes of the Corporation's 2020 Stockholders' meeting. In submitting the requested information, the participants are thereby giving their data privacy consent to the Corporation. The Corporation processes such information in accordance with the Data Privacy Act of 2012 and its Implementing Rules and Regulations, and adopts reasonable physical and technical security measures to safeguard the same. The Corporation's Privacy Policy may be accessed in the website (<http://www.gmanetwork.com/privacypolicy>).

I. Registration to participate/attend at the meeting or vote in absentia

- 1.) Participants must have or must create a free personal Zoom account.

IMPORTANT REMINDER: Participants should take note of the email address he or she used in creating the Zoom account. This is the same e-mail address that he or she will provide and use for the steps mentioned below. The use of any other email address to register and/or log-in to the meeting link later on will be declined entry by the system for lack of proper validation. For purposes of this Procedure, The term "Participants" shall mean the stockholders, members of the Board of Directors, officers, duly authorized employees, external counsel, external auditor, and invited resource persons and guests including the stock transfer agent of the Company.

- 2.) Stockholders who wish to attend and participate at the meeting by remote communication or vote in absentia shall send an email to 2020asmgma@gmanetwork.com containing the following information/documents, **beginning June 26, 2020 until July 8, 2020:**

- a.) For individual stockholders:
- (1) Name;
 - (2) email address;
 - (3) Contact number;
 - (4) Clear scanned copy of any valid government-issued ID bearing the photo and the signature of the stockholder;

Additional requirement for stockholders with joint accounts: An authorization letter signed by the co-stockholder/s, stating who among them is authorized to vote the shares.

- b.) For corporate or partnership stockholders:
 - (1) Secretary's or Partners' Certificate or similar proof of the corporate or partnership stockholder's grant of authority to the representative to attend/participate on behalf of the corporate or partnership stockholder;
 - (2) Duly accomplished proxy form;
 - (3) Name of the Authorized representative;
 - (4) Email address of the authorized representative;
 - (5) Contact number of the authorized representative; and,
 - (5) Clear scanned copy of any valid government-issued ID bearing the photo and the signature of the authorized representative.
- 3.) Upon validation, the stockholder will receive an email that he or she may register for the meeting through a registration link provided in the email.
- 4.) The stockholder will register through the registration link by indicating the following mandatory information:
 - a.) His or her name as indicated in the government-issued ID previously submitted; and,
 - b.) His or her email address which should be the same email address used in creating the Zoom account which is also the same email address provided by the stockholder in item no. 2 (a) & (b) above.

Registration shall run until **July 8, 2020**.

- 5.) The stockholder will then receive an email notification of his or her successful or unsuccessful registration to the meeting. For denied registrations, the attendee should email 2020asmgma@gmanetwork.com for clarification/assistance.
- 6.) Stockholders may send questions any time before the meeting to the following email address 2020asmgma@gmanetwork.com.

II. Procedure for Voting in absentia

- 1.) Voting for matters to be submitted for approval including the election of directors shall be made in absentia. Stockholders may cast their votes in absentia through the link they will receive via email upon successful registration, subject to validation procedures three (3) days before the meeting, or on or before July 14, 2020. A stockholder who votes in absentia **on or before July 14, 2020** shall be deemed present for purposes of quorum and their votes shall be included in the tabulation of the total votes for the matters in the agenda. **In order to allow time to validate the votes, the deadline to cast votes shall be on or before July 14, 2020.** Votes submitted after July 14, 2020 will no longer be included in the tabulation of the total votes cast for the items in the Agenda.
- 2.) Motions, in general, require the affirmative vote of a majority of the shares of the Company's common stock present and/or represented and entitled to vote.

- 3.) Directors will be elected by plurality of votes and every stockholder will be entitled to cumulate his votes. As part of electronic voting, in addition to the check boxes beside the names of the nominees, a comment box is provided for any specific instruction from the stockholder on the manner by which he or she shall wish to cumulate his or her votes among his or her preferred nominee/s. In the absence of any such instruction, the votes of such stockholder shall be cast equally among the names of the nominees chosen/checked by him or her.
- 4.) The Corporate Secretary together with the Proxy Verification Committee will tabulate all votes received on every matter stated in the agenda and the stock transfer agent will validate the results.
- 5.) The Corporate Secretary shall report the results of voting during the meeting.

III. Procedure before the GMA Annual Stockholders' Meeting 2020

- 1.) The participant will log on to Zoom using the registered account. "Registered account" refers to the account created using the email address submitted through the registration link in Part I (4) above.
- 2.) The participant will click on the meeting link and enter the password which are both indicated in the email sent to the stockholder upon successful registration.
- 3.) The participant will choose/confirm the meeting title: "GMA Network, Inc. Annual Stockholders' Meeting 2020";
- 4.) The participant will wait for him/her to be admitted by the Host to the meeting;
- 5.) The participant will wait for the Host to start the meeting.

IV. Procedure during the GMA Annual Stockholders' Meeting 2020

- 1.) The members of the Company's Board of Directors and the Corporate Secretary will be the panelists for the meeting. For the purpose of order and audibility, only the Host and the panelists will be heard and be visible to everyone in the meeting, unless acknowledged by the Chairman.
- 2.) Each of the proposed resolutions and/or items in the Agenda will be shown on the screen while such resolution or item is passed during the meeting.
- 3.) During the meeting, the attendees of the meeting can participate by sending their written questions/comments in relation to the meeting through the Q & A function available in the meeting through the Zoom application.
- 4.) The Directors and/or Management will exert diligent effort to respond to the questions received from the shareholders during the meeting, as circumstances may allow. If there are questions that will not be answered during the meeting due to time constraints, the response/answer shall be sent to the stockholder via email within two (2) weeks from the meeting.

V. After the Meeting

- 1.) The recording of the meeting will be available online ten (10) days after the meeting, and the recording shall be available for access by GMA's stockholders within thirty (30) days from posting date. Any stockholder of GMA who wishes to access the recording of the 2020 Annual Stockholders' Meeting shall send his or her request therefor to 2020asmgma@gmanetwork.com. As proof of his or her identity, he or she shall submit

together with his request, the requirements in Part 1 (2) above. Upon receipt of the stockholder's request and upon proper validation, the website link for such recording will be sent via email to the stockholder.

- 2.) Stockholders shall have two weeks from posting of the recording of the meeting to inform GMA of any issues, clarifications and concerns on the matters arising from the meeting conducted.

RATIONALE FOR THE SALIENT MATTERS CONTAINED IN THE AGENDA

Call to Order

The Chairman will call the meeting to order at 10:00 a.m. on July 17, 2020.

Certification of Notice and Quorum

The Corporate Secretary will certify that a written notice for the meeting was duly sent to stockholders and that a quorum exists for the transaction of business. Kindly see Procedure for Registration, Participation, and Attendance in the GMA Annual Stockholders' Meeting 2020 by Remote Communication and Procedure for Voting *in Absentia*, under **Annex "A"** of the Notice above.

Approval of the Minutes of the Annual Stockholders' Meeting Held on May 15, 2019

The approval of the minutes of the previous year's Annual Stockholders' Meeting is made part of the agenda for transparency and in order to comply with the requirements of the Company's By-laws, the Revised Corporation Code of the Philippines (Republic Act No. 11232), as well as the rules and regulations of the Securities and Exchange Commission ("SEC").

Annual Report of the Chairman and Chief Executive Officer

The annual report of the Chairman and the Chief Executive Officer is made part of the Agenda in order to inform the stockholders of the Company's ratings and financial performance during the previous year and to adhere to the principles of transparency and good corporate governance.

Financial Report

The Company's financial performance during the year 2019 has been detailed in the Audited Financial Statements (AFS) of the Company which were reviewed in audit by the Company's independent external auditor. The AFS have been reviewed and approved by the Board of Directors, as recommended by the Audit and Risk Management Committee.

Ratification of the Acts of the Board of Directors/Corporate Officers

The Acts of the Board of Directors/Corporate Officers were duly deliberated upon prior to their approval and were conducted in the Company's ordinary course of business. The aforementioned acts of the Board of Directors are submitted for approval to the stockholders in compliance with the Company's By-laws, the Revised Corporation Code of the Philippines, as well as the rules and regulations of the SEC.

Election of Directors (including the Independent Directors)

The current Directors have been recommended by the Company's Nomination Committee for re-election. On the basis of the nominated directors' proven track record as shown by the results of the Company's performance and after review of their qualifications, the said Directors were recommended for re-election by the Nomination Committee. Their appointment is submitted for approval to the stockholders in compliance with the Company's By-laws, the Revised Corporation Code of the Philippines, as well as the rules and regulations of the SEC.

Election of the External Auditor

Upon the recommendation of the Audit and Risk Management Committee and after proper deliberation, the Board approved the re-appointment of SyCip Gorres & Velayo & Co. (SGV) as the Company's external auditor for 2020. The SGV's appointment is submitted for approval to the stockholders in compliance with the Company's By-laws, the Revised Corporation Code of the Philippines, as well as the rules and regulations of the SEC.

We are not soliciting your proxy. However, if you are unable to attend the meeting but would like to be represented thereat, you may accomplish the proxy form herein provided below and submit the same to the Office of the Corporate Secretary at 15/F Sagittarius Building, H.V. De la Costa Street, Salcedo Village, Makati on or before **July 8, 2020**. You may deliver this form or send it in advance through fax no. (+632) 8812-0008 or by email to **2020asmgma@gmanetwork.com**. Validation of proxies shall be held on July 10, 2020 at 10:00 a.m. at the GMA Network Center.

PROXY

I/We hereby name and appoint _____, or in his/her absence, the Chairman of the Meeting, as my/our proxy at the Annual Stockholders' Meeting of GMA Network, Inc. to be held by **remote communication using the Zoom Application** on **Friday, July 17, 2020 at 10:00 a.m.** and at any postponement or adjournment thereof.

Name

Signature

Date

No. of Shares Held

SECURITIES AND EXCHANGE COMMISSION

AMENDED SEC FORM 20-IS

INFORMATION STATEMENT PURSUANT TO SECTION 20
OF THE SECURITIES REGULATION CODE

OF

GMA NETWORK, INC.

1. Check the appropriate box:
☐ Preliminary Information Statement
☒ Definitive Information Statement
2. Name of Registrant as specified in its charter: **GMA Network, Inc.**
3. Province, country or other jurisdiction of incorporation or organization: **Philippines**
4. SEC Identification Number: **5213**
5. BIR Tax Identification Code **000-917-916-30**
6. Address of principal office Postal Code
GMA Network Center, EDSA corner Timog Avenue, Diliman
7. Registrant's telephone number, including area code: **(+632) 8 982-7777**
8. Date, time and place of the meeting of security holders: **July 17, 2020 (Friday), 10:00 a.m. through remote communication/virtual meeting using Zoom application**
9. Approximate date on which the Information Statement is first to be sent or given to security holders:
June 26, 2020
10. **In case of Proxy Solicitations:**
***Name of Person Filing the Statement/Solicitor:* Not Applicable**
***Address and Telephone No.:* Not Applicable**
11. Securities registered pursuant to Sections 8 and 12 of the Code or Sections 4 and 8 of the RSA (information on number of shares and amount of debt is applicable only to corporate registrants):

Title of Each Class	Number of Shares Outstanding or Amount of Debt Outstanding
Common Stock	3,361,047,000
Preferred Stock	7,499,507,184
12. Are any or all of registrant's securities listed in a Stock Exchange?

Yes ☐ No ☐ _____

If yes, disclose the name of such Stock Exchange and the class of securities listed therein:

Philippine Stock Exchange / Common Stock

**GMA NETWORK, INC.
INFORMATION STATEMENT**

This Information Statement dated June 19, 2020 is being furnished to the stockholders of record of GMA Network, Inc. as of June 26, 2020 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.

A. GENERAL INFORMATION

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

- (a) Date: July 17, 2020 (Friday)
Time: 10:00 a.m.
Place: Remote Communication using Zoom application
- (b) Approximate date when the Information Statement is first to be sent to security holders:

June 26, 2020

Item 2. Dissenters' Right of Appraisal

Title X of the Revised Corporation Code of the Philippines grants to a shareholder the right to dissent and demand payment of the fair value of his share in certain instances, to wit: (1) in case any amendment to the corporation's articles of incorporation has the effect of changing and restricting the rights of any shareholder or class of shares, or of authorizing preferences in any respect superior to those of outstanding shares of any class, or of extending or shortening the term of corporate existence; (2) in case of any sale, lease, exchange, transfer, mortgage, pledge or other disposition of all or substantially all of the corporate property or assets; (3) in case of merger or consolidation; and (4) in case of investment corporate funds for any purpose other than the primary purpose or in another corporation or business.

Under Section 41 of the Revised Corporation Code of the Philippines, a stockholder is likewise given an appraisal right in cases where a corporation decides to invest its funds in another corporation or business or any other purpose.

The appraisal right may be exercised in accordance with Sections 81 and 82 of the Revised Corporation Code of the Philippines, viz.:

"SEC. 81. How Right is Exercised. – The dissenting stockholder who votes against a proposed corporate action may exercise the right of appraisal by making a written demand on the corporation for the payment of the fair value of shares held within thirty (30) days from the date on which the vote was taken: *Provided*, That failure to make the demand within such period shall be deemed a waiver of the appraisal right. If the proposed corporate action is implemented, the corporation shall pay the stockholder, upon surrender of the certificate or certificates of stock representing the stockholder's shares, the fair value thereof as of the day before the vote was taken, excluding any appreciation or depreciation in anticipation of such corporate action.

If, within sixty (60) days from the approval of the corporate action by the stockholders,

the withdrawing stockholder and the corporation cannot agree on the fair value of the shares, it shall be determined and appraised by three (3) disinterested persons, one of whom shall be named by the stockholder, another by the corporation, and the third by the two (2) thus chosen. The findings of the majority of the appraisers shall be final, and their award shall be paid by the corporation within thirty (30) days after such award is made: *Provided*, That no payment shall be made to any dissenting stockholder unless the corporation has unrestricted retained earnings in its books to cover such payment: *Provided, further*, That upon payment by the corporation of the agreed or awarded price, the stockholder shall forthwith transfer the shares to the corporation.

SEC. 82. *Effect of Demand and Termination of Right.* – From the time of demand for payment of the fair value of a stockholder's shares until either the abandonment of the corporate action involved or the purchase of the said shares by the corporation, all rights accruing to such shares, including voting and dividend rights, shall be suspended in accordance with the provisions of this Code, except the right of such stockholder to receive payment of the fair value thereof: *Provided*, That if the dissenting stockholder is not paid the value of the said shares within thirty (30) days after the award, the voting and dividend rights shall immediately be restored."

None of the proposed corporate actions for the Company qualifies as an instance for a possible exercise by security holders of their appraisal rights under Title X of the Revised Corporation Code of the Philippines.

Item 3. Interest of Certain Persons in or Opposition to Matters to be Acted Upon

- (a) There is no matter to be acted upon in which any Director or Executive Officer is involved or had a direct, indirect, or substantial interest.
- (b) No Director has informed the Company of his opposition to any matter to be acted upon.

B. CONTROL AND COMPENSATION INFORMATION

Item 4. Voting Securities and Principal Holders Thereof

- (a) The Company has 3,361,047,000 common shares and 7,499,507,184 preferred shares subscribed and outstanding as of May 31, 2020. Every stockholder shall be entitled to one vote for each common or preferred share held as of the established record date.
- (b) All stockholders of record as of the closing of business on June 26, 2020 are entitled to notice of and to vote at the Company's Annual Stockholders' Meeting.
- (c) 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 cumulate 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.
- (d) The following are the information on security ownership of certain record and beneficial owners and management:
 - (1) The security ownership of certain record and beneficial owners of more than 5% as of May 31, 2020 are as follows:

Title Of class	Name and Address of Beneficial Owner	Citizenship	Record / Beneficial	No. of shares Held	Percent Owned
Common	Group Management & Development Inc. ¹ No. 5 Wilson St., San Juan, Metro Manila	Filipino	Record: Group Management and Development , Inc. ("GMDI") Gilberto R. Duavit, Jr. – relationship with record owner: 50.94% indirect equity ownership in GMDI through Dual Management Investments, Inc. and voting rights over GMDI's shares in GMA (to the extent of 50.94%)	789,813,389	23.47%
Common	GMA Holdings, Inc. ² Unit 5D Tower One, One McKinley Place, Bonifacio Global City	Filipino	Record: GMA Holdings, Inc. ("GHI") Gilberto R. Duavit, Jr. and/or Felipe Gozon – relationship with record holder: direct equity ownership of 33.3% each and voting rights over GHI shares in GMA Joel Marcelo G. Jimenez- relationship	721,865,200	21.45%

¹ The Board of Directors of Group Management c& Development, Inc. has authorized Gilberto R. Duavit, Jr. to vote on the common and preferred shares of the company in GMA Network, Inc.

² The Board of Directors of GMA Holdings, Inc. has the sole power to decide how the shares owned in the Company are to be voted and has authorized Felipe L. Gozon and/or Gilberto R. Duavit, Jr. to vote on the company's shares in GMA Network, Inc.

with record holder: direct equity ownership of 33.3%					
Common	FLG Management & Development Corporation ³ 16/F Sagittarius Condo 1, HV Dela Costa Street, Salcedo Village, Makati City	Filipino	Record: FLG Management & Development Corporation ("FLGMDC") Felipe L. Gozon – relationship to record holder: Chairman (control and direction) over FLGMDC.	672,449,717	19.99%
Common	M.A. Jimenez Enterprises, Inc. 2/F Sagittarius Condominium, H. V. De la Costa St., Salcedo Village, Makati City ⁴	Filipino	Record: M. A. Jimenez Enterprises, Inc. ("M.A. Jimenez") Joel Marcelo G. Jimenez – relationship with record holder: indirect equity ownership through Television International Corp., Majent Management and Development Corp. and Letras Y Figuras Holdings Inc. to the extent of 50% and voting rights over M.A. Jimenez shares in GMA.	453,882,095	13.49%

³ The Board of Directors of FLG Management & Development Corporation has authorized Felipe L. Gozon to vote on the common and preferred shares of the company in GMA Network, Inc.

⁴ The Board of Directors of M.A. Jimenez Enterprises, Inc. has authorized Joel Marcelo G. Jimenez and/or Laura J. Westfall to vote on the common and preferred shares of the company in GMA Network, Inc.

			Menardo G. Jimenez, Jr. relationship with record holder: indirect equity ownership through Television International Corp., Majent Management and Development Corp. and Mandarin Tree Holdings, Inc. to the extent of 50%		
Common	Television International Corporation ⁵ 2/F Sagittarius Condominium, H. V. De la Costa St., Salcedo Village, Makati City	Filipino	Record: Television International Corp. Joel Marcelo G. Jimenez: relationship with record owner: indirect equity ownership through Majent Management & Development Corp., Menarco Holdings, Corp. and Letras Y Figuras Holdings, Inc. to the extent of 50% and voting rights over Television International Corp.'s shares in GMA. Menardo G. Jimenez, Jr.: relationship with record owner: indirect	334,378,037	9.94%

⁵ The Board of Directors of Television International Corporation has authorized Joel Marcelo G. Jimenez and/or Laura J. Westfall to vote on the common and preferred shares of the company in GMA Network, Inc.

			equity ownership through Majent Management & Development Corp., Menarco Holdings, Corp. and Mandarin Tree Holdings Inc. to the extent of 50% of Television International's shares in GMA			
Total Common Shares 2,972,388,438 88.34%						
Preferred	Group Management & Development Inc. No. 5 Wilson St., San Juan, Metro Manila	Filipino	Record: Group Management and Development, Inc. ("GMDI")	2,625,805,30	35.01%	{
			Gilberto R. Duavit, Jr. — relationship with record owner: 50.94% indirect equity ownership in GMDI through Dual Management Investments, Inc. and voting rights over GMDI's shares in GMA (to the extent of 50.94%)			
Preferred	FLG Management & Development Corporation 16/F Sagittarius Condo 1, HV Dela Costa St., Salcedo Village, Makati City	Filipino	Record: FLG Management & Development Corporation ("FLGMDC")	2,181,898,64	29.09%	z
			Felipe L. Gozon — relationship to record holder:			

			Chairman (control and direction) over FLGMDC.		
Preferred	M.A. Jimenez Enterprises, Inc. 2/F Sagittarius Condominium, H. V. De la Costa St., Salcedo Village, Makati City	Filipino	Record: M. A. Jimenez Enterprises, Inc. ("M.A. Jimenez") Joel Marcelo G. Jimenez – relationship with record holder: indirect equity ownership through Television International Corp., Majent Management and Development Corp. and Letras Y Figuras Holdings Inc. to the extent of 50% and voting rights over M.A. Jimenez shares in GMA. Menardo G. Jimenez, Jr. relationship with record holder: indirect equity ownership through Television International Corp., Majent Management and Development Corp. and Mandarin Tree Holdings, Inc. to the extent of 50%	1,508,978,82	20.12%
Preferred	Television International Corporation 2/F Sagittarius Condominium, H. V. De la Costa St.,	Filipino	Record: Television International Corp. Joel Marcelo	1,111,661,61	14.82%

Salcedo Makati City	Village,	G. Jimenez: relationship with record owner: indirect equity ownership through Majent Management & Development Corp., Menarco Holdings, Corp. and Letras Y Figuras Holdings, Inc. to the extent of 50% and voting rights over Television International Corp.'s shares in GMA.
		Menardo G. Jimenez, Jr.: relationship with record owner: indirect equity ownership through Majent Management & Development Corp., Menarco Holdings, Corp. and Mandarin Tree Holdings Inc. to the extent of 50% of Television International' s shares in GMA
Total Preferred Shares 7,428,344,388 99.04%		

GMA Holdings, Inc. is 99% owned by Gilberto R. Duavit, Jr., Felipe L. Gozon and Joel Marcelo G. Jimenez. The shares of the Company owned by GMA Holdings, Inc. are the underlying shares of the financial instruments called Philippine Deposit Receipts ("PDRs") which give the holder of each PDR the right to the delivery or sale of the underlying share (except to foreign nationals as prohibited by law) in accordance with the Philippine Deposit Receipt Instrument issued by GMA Holdings, Inc. as forming part

of the Registration Statement filed with the Securities and Exchange Commission. The PDRs are listed with the Philippine Stock Exchange.

Group Management and Development, Inc., FLG Management and Development Corporation, M.A. Jimenez Enterprises, Inc. and Television International Corporation are significant shareholders of the Company.

(2) Security Ownership of Management as of May 31, 2020

As of May 31, 2020, the Company's directors and senior officers directly owned an aggregate of 7,001,354 common shares of the Company, equivalent to 0.21% of the Company's issued and outstanding common capital stock and 46,944 preferred shares equivalent to 0.00% of the Company's issued and outstanding preferred capital stock. The beneficial ownership/control (by virtue of direct, indirect/beneficial ownership/control or by having voting rights over the shares of the corporate stockholder in the Company) of the directors/senior officers represent 1,476,385,842 common shares of the Company, equivalent to 43.88% of the Company's issued and outstanding common capital stock and 4,829,744,162 preferred shares equivalent to 64.40% of the Company's issued and outstanding preferred stock.

Stockholder Name	Position	Citizenship	Record/Beneficial (Direct/Indirect)	No. of Common Shares Held	Percentage of Common Shares	No. of Preferred Shares	Percent of Preferred Shares
Anna Teresa Gozon-Valdes	Director/Assistant Corporate Secretary	Filipino	Direct	3	0.00%	6	0
Gilberto R. Duavit, Jr.	Director/President/COO	Filipino	Direct	4,007,005	0.11%	12	0
			Indirect beneficial (through GMDI/Dual Management Investments)	402,304,706 ⁶	11.95%	1,337,498,006 ⁷	17.83%
Felipe L. Gozon	Director/Chairman and CEO	Filipino	Direct	3,181	0%	26,880	0
			Indirect beneficial (control and direction over FLGMDC)	672,449,717	19.99%	2,181,898,644	29.09%
Joel Marcelo G. Jimenez	Director	Filipino	Direct	292,003	0.01%	6	0
			Indirect beneficial (through M.A. Jimenez Enterprises, Inc./Television International Corp., Majent Management and Development Corp. and Letras Y Figuras Holdings, Inc. and voting rights over M.A. Jimenez shares in GMA)	226,941,047 ⁸	6.745%	754,489,413	10.06%
			Indirect beneficial (through Television International Corp., Majent	167,189,018	4.97%	555,830,805	7.41%

⁶ .32 Fractional share has been disregarded for consistency.

⁷ .49 Fractional share has been disregarded for consistency.

⁸ .5 Fractional share has been disregarded for consistency.

				Management and Development Corp. and Letras Y Figuras Holdings, Inc. and voting rights over Television International Corporation shares in GMA)				
Judith Duavit Vazquez	R.	Director	Filipino	Direct	588,158	0.02%	378	0
Laura Westfall	J.	Director	Filipino	Direct	2	0%	6	0
Felipe Yalong	S.	Director/Executive Vice-President/Chief Financial Officer	Filipino	Direct	1,613,000	0.05%	6	0
Jaime C. Laya		Independent Director	Filipino	Direct	294,001	0.01%	0	0
				Indirect (through Dynawinds, Inc.)	500,000	0.01%		
Artemio Panganiban	V.	Independent Director	Filipino	Direct	1	0.00%	0	0
Roberto Rafael Lucila	V.	Corporate Secretary/Compliance Officer	Filipino	Direct	22,000	0.00%	0	0
Marissa Flores	L.	Senior Vice President – News and Public Affairs	Filipino	N/A				
Ronaldo Mastrili	P.	Senior Vice President – Finance and IC	Filipino	Direct	182,000	0.01%	0	0
Lilybeth. Rasonable	G.	Senior Vice President – Entertainment TV	Filipino	N/A				
Elvis Ancheta	B.	Senior Vice President and Head, Engineering Group; Head,	Filipino	N/A				

		Transmissi on and Regional Engineerin g Department						
Lizelle Maralag	G.	Chief Marketing Officer	Filipino	N/A				

(3) Voting Trust Holders of 5% or more

The Company has no notice of any person holding more than 5% of shares under a voting trust or similar agreement.

(4) Changes in Control

There are no existing provisions in the Articles of Incorporation or the By-Laws of the Company which will delay, defer or in any manner prevent a change in control of the Company. There have been no arrangements which have resulted in a change in control of the Company during the period covered by this report.

- (5) The Philippine Constitution prohibits foreign ownership in mass media companies such as GMA Network, Inc. Hence, any such transfer of the shares (common or preferred) of the capital stock of the corporation shall be deemed null and void and will neither be recognized or registered in the books of the Company. Thus, no part of the Company's equity (common or preferred) is owned by foreigners.

Item 5. Directors and Executive Officers

Nominees for Election as Members of the Board of Directors

The following are nominated as members of the Board of Directors for the ensuing year (2020-2021):

Gilberto R. Duavit, Jr.
Judith R. Duavit-Vazquez
Felipe L. Gozon
Anna Teresa Gozon-Valdes
Joel Marcelo G. Jimenez
Laura J. Westfall
Felipe S. Yalong
Jaime C. Laya (*Independent Director*)
Artemio V. Panganiban (*Independent Director*)

All of the above nominees are incumbent directors. The nominees were formally nominated by Gilberto R. Duavit, Jr.

The nominees for Independent Directors as evaluated by the Nomination Committee are qualified based on the qualifications set forth under Rule 38 of the Securities Regulation Code. The Independent Directors were both nominated by Gilberto R. Duavit, Jr. Gilberto R. Duavit, Jr. is not related to the nominees for independent directors, Jaime C. Laya and Artemio V. Panganiban. The Company is aware of, and will abide by the requirements set forth under SEC Memorandum Circular No. 4, Series of 2017 on the term limits for Independent Directors. However, these independent directors were nominated on

the justification that their wealth of experience will contribute immensely to the corporate objectives of the Company with due observance of good corporate governance.

In 2007, the Company amended its By-Laws providing the procedure for nominating the directors of the Company. The By-Laws provide that all nominations to the Board of Directors shall be submitted in writing to the Nomination Committee at least thirty (30) working days before the date of the regular annual meeting of stockholders. On June 10, 2020, the Nomination Committee reviewed the qualifications of the nominees and approved the final list of candidates.

The members of the Nomination Committee are as follows:

Felipe L. Gozon (*Chairman*)
 Gilberto R. Duavit, Jr.
 Artemio V. Panganiban
 Joel Marcelo G. Jimenez

Board of Directors, Officers, and Senior Management

Under the Articles of Incorporation of the Company, the Board of Directors of the Company comprises nine (9) directors, two of whom are independent. The Board is responsible for the overall management and direction of the Company and meets regularly every quarter and other times as necessary, to be provided with updates on the business of the Company and consulted on the Company's material decisions. The Directors have a term of one (1) year and are elected annually at the Company's stockholders meeting. A director who was elected to fill a vacancy holds the office only for the unexpired term of his predecessor. As of May 31, 2020, the Company's Board of Directors and Senior Management are composed of the following:

Board of Directors				Senior Management		
Directors and Senior Management	Nationality	Position	Year Position was Assumed	Position	Year Position was Assumed	Age
Felipe L. Gozon	Filipino	Chairman/ Director	1975	Chief Executive Officer	2000	80
Judith R. Duavit-Vazquez	Filipino	Director	2018	N/A	N/A	57
Gilberto R. Duavit, Jr.	Filipino	Director	1999	President/Chief Operating Officer	2010	56
Anna Teresa Gozon-Valdes	Filipino	Director/Assistant Corporate Secretary	2000	N/A	N/A	48
Joel Marcelo G. Jimenez	Filipino	Director	2002	N/A	N/A	56
Laura J. Westfall	Filipino	Director	2002	N/A	N/A	52
Felipe S. Yalong	Filipino	Director/ Corporate Treasurer	2002	Executive Vice President/Chief Financial Officer	2011	63
Roberto Rafael V. Lucila	Filipino	Corporate Secretary	2017	Concurrently Compliance Officer	N/A	64
Marissa L. Flores	Filipino	N/A	N/A	Senior Vice President, News and Public Affairs	2004	56
Ronnie P. Mastrilli	Filipino	N/A	N/A	Senior Vice President for Finance and ICT	2013	54
Lilybeth G. Rasonable	Filipino	N/A	N/A	Senior Vice President for Entertainment Group	2013	56
Artemio V. Panganiban	Filipino	Independent Director	2007	N/A	2007	83

Jaime C. Laya	Filipino	Independent Director	2007	N/A	2007	81
Elvis B. Ancheta	Filipino	N/A	N/A	Senior Vice President and Head, Engineering Group; Head, Transmission and Regional Engineering Department	2014	53
Lizelle G. Maralag	Filipino	N/A	2016	Chief Marketing Officer	2016	54

Election of Directors (including the Independent Directors)

The current Directors have been recommended by the Company's Nomination Committee for re-election. On the basis of the nominated directors' proven track record as shown by the results of the Company's performance and after review of their qualifications, the said Directors including the Independent Directors were recommended for re-election by the Nomination Committee. Their election is submitted for approval to the stockholders in compliance with the Company's By-laws, the Revised Corporation Code of the Philippines, as well as the rules and regulations of the SEC.

The Corporation's independent directors are Former Chief Justice Artemio V. Panganiban and Dr. Jaime C. Laya. The independent directors are elected in accordance with **SRC Rule 38** on Independent Directors and pursuant to applicable rules and regulations issued by this Honorable Commission. The profile of each the said nominees for independent director are as follows:

Chief Justice Artemio V. Panganiban, Filipino, 83 years old, has been an Independent Director of the Company since 2007. In 1995, he was named a Justice of the Supreme Court and in 2005, he was appointed Chief Justice of the Philippines—a position he held until December 2006. At present, he is also an Independent Director of these listed firms: First Philippine Holdings Corp., Metro Pacific Investments Corp., Manila Electric Company, Robinsons Land Corp., GMA Holdings, Inc., Philippine Long Distance Telephone Co., Petron Corporation, Asian Terminals, and a regular Director of Jollibee Foods Corporation. He is also an Adviser of Metropolitan Bank and Bank of the Philippine Islands (BPI), Chairman, Board of Advisers of Metrobank Foundation, Adviser of Double Dragon Properties, Chairman of the Board of the Foundation for Liberty and Prosperity, President of the Manila Cathedral Basilica Foundation, Chairman Emeritus of Philippine Dispute Resolution Center, Inc., and Member, Advisory Board of the World Bank (Philippines) and of the Asian Institute of Management Corporate Governance Council. Recently, he was named a Member of the Permanent Court of Arbitration based in The Hague, Netherlands. He also is a column writer of *The Philippine Daily Inquirer*.

Upon his retirement, he was unanimously conferred a Plaque of Acclamation by the Associate Justices of the Supreme Court as the "Renaissance Jurist of the 21st Century;" and an Award of Honor by the Philippine Bar Association. In recognition of his role as a jurist, lawyer, civic leader, Catholic lay worker, business entrepreneur and youth leader, he had been the recipient of over 250 other awards from various governments, civic clubs, consumer associations, bar groups, religious movements and other non-government organizations, both local and international.

He obtained his Associate in Arts, "With Highest Honors" and later his Bachelor of Laws, as *cum laude* and "Most Outstanding Student" from the Far Eastern University. He placed sixth among more than 4,200 candidates who took the 1960 Bar examinations. He is likewise the recipient of several honorary doctoral degrees from various universities.

Jaime C. Laya, Filipino, 81 years old, has been an independent Director of GMA Network, Inc. since 2007. He is the Chairman and President of Philippine Trust Company (Philtrust Bank), Director of Ayala Land, Inc., Manila Water Company, Inc., Philippine AXA Life Insurance Company, Inc., and Charter Ping An Insurance Corporation. He also serves as Chairman of Don Norberto Ty Foundation, Inc. and Escuela Taller de Filipinas Foundation, Inc.; Trustee of St. Paul University - Quezon City, Cultural Center of the Philippines, Metropolitan Museum of Manila, Yuchengco Museum, Fundación Santiago, Inc., Ayala Foundation, Inc., and other organizations. He writes a weekly column for the *Manila Bulletin*.

He was Minister of Budget, 1975-1981; Minister of Education, Culture and Sports, 1984-86; Chairman of the Monetary Board and Governor, Central Bank of the Philippines, 1981-1984; Chairman, National Commission for Culture and the Arts, 1996-2001. He was faculty member of the University of the Philippines, 1957-1978 and Dean of the College of Business Administration, 1969-1974. In 1986, he founded J.C. Laya & Co., Ltd. (Certified Public Accountants and Management Consultants) later the Philippine member firm of KPMG International; he served as the firm's Chairman until his retirement in 2004.

Laya earned his Bachelor of Science in Business Administration, *magna cum laude*, University of the Philippines, 1957; Master of Science in Industrial Management, Georgia Institute of Technology, 1960; Doctor of Philosophy in Financial Management, Stanford University, 1966. He is a Certified Public Accountant.

The members of the Board of Directors of the Corporation (including the Independent Directors) are elected at the annual stockholders' meeting to serve as such for the ensuing year and until the election and qualification of their successors. Once elected, the Independent Directors' term of office shall be deemed to be in compliance with Section 22, Title III of the Revised Corporation Code of the Philippines, in relation to SEC Memorandum Circular No. 4, Series of 2017 on the term limits for Independent Directors.

The Corporation's officers are appointed/elected by the Board of Directors to serve as such for the ensuing year and until a successor shall have been elected, appointed, or shall have qualified.

The following are descriptions of the business experiences of the Company's directors, officers and senior management:

Felipe L. Gozon, Filipino, 80 years old, is the Chairman of the Board of Directors and Chief Executive Officer of GMA Network, Inc.

Atty. Gozon is a Senior Partner at the Law Firm of Belo Gozon Elma Parel Asuncion & Lucila. He is also the Chairman of the Board/President/CEO of various companies including GMA Holdings, Inc., Citynet Network Marketing & Productions, Inc., RGMA Network, Inc., Alta Productions Group, Inc., GMA New Media, Inc., Media Merge Corporation, Digify, Inc., RGMA Marketing & Productions, Inc., Philippine Entertainment Portal, Inc., Script2010, Inc., FLG Management and Development Corporation, Gozon Development Corporation, Vista Montana Realty Development, Inc., Mont-Aire Realty and Development Corporation, BGE Holdings, Inc., Kenobe, Inc., Jeata Holdings and Management, Inc., Vitezon, Inc., Palawan Power Generation, Inc., Catanduanes Power Generation, Inc., Sycamore International Shipping Corp., Lex Realty, Inc., Justitia Realty & Management Corp., Gozon Foundation, Inc., GMA Kapuso Foundation, Kapwa Ko Mahal Ko Foundation, Inc., and The Potter and Clay Christian School Foundation, Inc.

He is also a Director of GMA Worldwide, Inc., GMA Network Films, Inc., Antipolo Agri-Business & Land Development Corp., and Chamber of Commerce of the Philippine Islands. He is a Trustee of the Philippine Center for Entrepreneurship Foundation, Inc., the Environmental Heroes Foundation, Inc., and the Akademyang Filipino Association, Inc.

Atty. Gozon is a recipient of many awards for his achievements in law, media, public service, and business, including the prestigious Chief Justice Special Award given by the Chief Justice of the Philippines (1991), Presidential Award of Merit given by the Philippine Bar Association (1990 & 1993), CEO of the Year given by Uno Magazine (2004), Master Entrepreneur–Philippines (2004) by Ernst and Young, Outstanding Citizen of Malabon Award for Legal and Business Management by the Kalipunan ng Samahan sa Malabon (KASAMA) (2005), People of the Year by People Asia Magazine (2005), Business Excellence Award given by BizNews Asia (2009), Outstanding Manilan Award in the field of Social Responsibility and Broadcasting given by the City Government of Manila (2011), Quezon City Gawad Parangal Most Outstanding Citizen given by the City Government of Quezon (2011), Tycoon of the Decade Award given by BizNews Asia (2011), Lifetime Achievement Award given by the UP Alumni Association (2012), Certificate of Recognition given by the Civil Aeronautics Board (2012), Platinum Business Icon Award given by BizNews Asia (2012), Personality of the Year for Broadcast Media given by SKAL International Makati (2013), Outstanding Member-Achiever given by Phi Kappa Phi UP Chapter (International Honor Society) (2013), Visionary Management CEO Award given by BizNews Asia (2013), Lifetime Achievement Award given by UP Preparatory High School Alumni (2014), Entrepreneurship Excellence Award and Best Broadcast CEO Award given by BizNews Asia (2014), The Rotary Golden Wheel Award for Corporate Media Management given by Rotary International District 3780 and Quezon City Government (2014), Global Leadership Award for Excellence in Media Sector (first Filipino to win the award) given by The Leaders International together with the American Leadership Development Association in Kuala Lumpur, Malaysia (2015), Visionary Management Excellence Award given by BizNews Asia (2015, 2016), Management Excellence Award given by BizNews Asia (2017, 2019), and Asia's Best Broadcast CEO given by BizNews Asia (2018). He is also listed among BizNews Asia's Power 100 (2003 to 2010).

Atty. Gozon earned his Bachelor of Laws degree from the University of the Philippines (among the first 10 of his class) and his Master of Laws degree from Yale University Law School. He was admitted to the Bar in 1962, placing 13th in the Bar examinations.

Gilberto R. Duavit, Jr., Filipino, 56 years old, is the President and Chief Operating Officer of the Network. He has been a Director of the Company since 1999 and is currently the Chairman of the Network's Executive Committee. Aside from GMA Network, Inc., he is the Chairman of the Board of GMA Network Films, Inc. and GMA Worldwide, Inc. He also serves as President and CEO of GMA Holdings, Inc., RGMA Marketing and Productions, Inc., Film Experts, Inc., and Dual Management and Investments, Inc. He is the President of Group Management and Development, Inc.; President/CEO and Director of MediaMerge Corp., Citynet Network Marketing and Productions, Inc.; Director of RGMA Network, Inc., GMA New Media, Inc., Alta Productions Group, Inc., Optima Digital, Inc., and Mont-Aire Realty and Development Corp. He also serves as the President and a Trustee of GMA Kapuso Foundation, Inc. and a Trustee of the Guronasyon Foundation, Inc. and the HERO Foundation.

Duavit holds a Bachelor of Arts degree in Philosophy from the University of the Philippines.

Joel Marcelo G. Jimenez, Filipino, 56 years old, has been a Director of the Company since 2002. He is currently the Vice Chairman of the Executive Committee of GMA Network, Inc., President & CEO of Menarco Holdings, and the Chief Executive Officer of Alta Productions Group, Inc., Inc. He is a Director of RGMA Network, Inc., Executive Committee Chairman and Director of GMA New Media, Inc., Scenarios, Inc., GMA Worldwide, Inc., Citynet Network Marketing and Productions, Inc., Malayan Savings and Mortgage Bank, Unicapital Securities, Inc., and Nuvoland Philippines. He is also a Trustee of GMA Kapuso Foundation, Inc.

He was educated in Los Angeles, California where he obtained a Masters in Science degree in Business Administration from Loyola Marymount University. He also obtained a Master of Science degree in Management from the Asian Institute of Management.

Felipe S. Yalong, Filipino, 63 years old, is the Executive Vice President and Chief Financial Officer of GMA Network, Inc. He is also the Head of the Corporate Services Group of the Network. He has been a Director of the Company since 2002. Aside from GMA Network, Inc., he also serves as Director and Corporate Treasurer of GMA Holdings, Inc., Scenarios, Inc., and GMA Network Films, Inc.; Director of Unicapital, Inc., and Majalco Finance and Investments, Inc.; Corporate Treasurer of RGMA Network, Inc., MediaMerge Corp.; Executive Vice President of RGMA Marketing and Productions, Inc.; and Corporate Treasurer and a Trustee of GMA Kapuso Foundation, Inc.

Yalong was named CFO of the Year by ING FINEX in 2013.

He obtained a Bachelor of Science degree in Business Administration Major in Accounting from the Philippine School of Business Administration and completed the Management Development Program at the Asian Institute of Management. He is a Certified Public Accountant.

Anna Teresa Gozon-Valdes, Filipino, 48 years old, has been a Director of the Company since 2000. She graduated valedictorian from grade school and high school at Colegio San Agustin. She graduated *cum laude*, with a Bachelor of Science degree in Management Engineering from Ateneo de Manila University. She obtained her Bachelor of Laws degree from the University of the Philippines where she graduated valedictorian and *cum laude*. She later obtained her Master of Laws from Harvard University.

She is a junior partner in Belo Gozon Elma Parel Asuncion & Lucila and is an Associate Professor in the University of the Philippines, College of Law where she taught Taxation and Legal History.

She is currently Programming Consultant to the Chairman/CEO of GMA Network, Inc., the President of GMA Films, Inc. former GMA Worldwide, Inc. President, and Treasurer of Citynet Network Marketing & Productions, Inc.. She is also a Trustee of GMA Kapuso Foundation.

Judith R. Duavit-Vazquez, Filipino, 57 years old, has been a Director of the Company since 1988. She is a member of the following special committees: Audit & Risk Committee and Compensation & Remuneration Committee. Moreover, she sits on the boards of the following GMA7 subsidiaries: RGMA, Inc., GMA New Media, Inc., GMA Worldwide, Inc., and GMA Films, Inc. She is a member of the Board of Trustees of the GMA Kapuso Foundation, Inc.

Vazquez is an acknowledged visionary and industry mover in Philippine Information and Communication Technology space. In 1995, she laid the nation's first fiber in the Central Business District of Makati and developed the country's first ICT ready 24x7 intelligent skyscraper - 45-story 'The Peak Tower' and location of many 'Internet Firsts'.

She is the founder and chairman of PHCOLO, Inc. - the neutral interconnection site of telecommunications and Internet Service Provider companies on four platforms: fixed-line fiber, cable, wireless and satellite; founder and chairman of Vigil Investments Inc. and 107 Leviste Inc.

Her successful and visionary efforts in the field of Information and Communications Technology, have earned her the moniker "Godmother of the Philippine Internet," a position in Computerworld's list of "Philippines' Most Powerful in ICT" and "IT Executive of the Year" by the Philippine Cyber Press.

Her philanthropic endeavors include Asian Institute of Management's first Professorial Chair for Entrepreneurship and a lecture room at the University of the Philippines' School of Economics, among others. When her schedule permits, she is Senior Lecturer for Entrepreneurship at the College of Business Administration, University of the Philippines. She serves Harvard University as a volunteer alumni-interviewer of incoming freshman applicants.

Her international organization memberships include the APNIC (Asia Pacific's IP Addressing Body), Pacific Telecommunications Council, IEEE, Young Presidents'/World Presidents' Organization (YPO),

AFCEA, INSA, USGIF and Harvard HBS Alumni Association Washington DC. She has served on the boards of the Management Association of the Philippines (MAP), Financial Executives Association of the Philippines (FINEX) and YPO Gold Washington DC - Baltimore.

Vazquez is a respected personality in Global Internet Governance circles. She was the first female Asian elected to an independent board seat at the Internet Corporation for Assigned Names and Numbers (ICANN) and remains the only Asian female who has held this honor to this day.

She holds a Bachelor of Science degree in Business Economics from the University of the Philippines. She is an alumna of Harvard Business School, University of Michigan (Ann Arbor) and the Asian Institute of Management. She is a constant student and continuously grows her skills-base from TCP/IP networking, firewall/security architecture, to nascent and enterprise productivity technologies.

Laura J. Westfall, Filipino, 52 years old, has been a Director of the Company since 2000. She held the following positions in the Company Senior Vice President of Corporate and Strategic Planning and Senior Vice President for Finance. In addition, she has served as Chairperson and President of GMA New Media. Prior to joining the Company, she worked for BDO Seidman-Los Angeles, an international audit and management consulting firm. She currently holds various positions in the Majent Menarco Group of Companies and serves as Board Member of Coffee Bean and Tea Leaf Philippines, and Museo Pambata. She is also President of the Yale Club of the Philippines.

Westfall holds a Master of Science degree in Public and Private Management from Yale University and a Bachelor of Science degree in Accounting from the University of Southern California. She is a Certified Public Accountant in the State of California.

Chief Justice Artemio V. Panganiban, Filipino, 83 years old, has been an Independent Director of the Company since 2007. In 1995, he was named a Justice of the Supreme Court and in 2005, he was appointed Chief Justice of the Philippines—a position he held until December 2006. At present, he is also an Independent Director of these listed firms: First Philippine Holdings Corp., Metro Pacific Investments Corp., Manila Electric Company, Robinsons Land Corp., GMA Holdings, Inc., Philippine Long Distance Telephone Co., Petron Corporation, Asian Terminals, and a regular Director of Jollibee Foods Corporation. He is also an Adviser of Metropolitan Bank and Bank of the Philippine Islands (BPI), Chairman, Board of Advisers of Metrobank Foundation, Adviser of Double Dragon Properties, Chairman of the Board of the Foundation for Liberty and Prosperity, President of the Manila Cathedral Basilica Foundation, Chairman Emeritus of Philippine Dispute Resolution Center, Inc., and Member, Advisory Board of the World Bank (Philippines) and of the Asian Institute of Management Corporate Governance Council. Recently, he was named a Member of the Permanent Court of Arbitration based in The Hague, Netherlands. He also is a column writer of *The Philippine Daily Inquirer*.

Upon his retirement, he was unanimously conferred a Plaque of Acclamation by the Associate Justices of the Supreme Court as the “Renaissance Jurist of the 21st Century,” and an Award of Honor by the Philippine Bar Association. In recognition of his role as a jurist, lawyer, civic leader, Catholic lay worker, business entrepreneur and youth leader, he had been the recipient of over 250 other awards from various governments, civic clubs, consumer associations, bar groups, religious movements and other non-government organizations, both local and international.

He obtained his Associate in Arts, “With Highest Honors” and later his Bachelor of Laws, as *cum laude* and “Most Outstanding Student” from the Far Eastern University. He placed sixth among more than 4,200 candidates who took the 1960 Bar examinations. He is likewise the recipient of several honorary doctoral degrees from various universities.

Jaime C. Laya, Filipino, 81 years old, has been an independent Director of GMA Network, Inc. since 2007. He is the Chairman and President of Philippine Trust Company (Philtrust Bank), Director of Ayala

Land, Inc., Manila Water Company, Inc., Philippine AXA Life Insurance Company, Inc., and Charter Ping An Insurance Corporation. He also serves as Chairman of Don Norberto Ty Foundation, Inc. and Escuela Taller de Filipinas Foundation, Inc.; Trustee of St. Paul University - Quezon City, Cultural Center of the Philippines, Metropolitan Museum of Manila, Yuchengco Museum, Fundación Santiago, Inc., Ayala Foundation, Inc., and other organizations. He writes a weekly column for the *Manila Bulletin*.

He was Minister of Budget, 1975-1981; Minister of Education, Culture and Sports, 1984-86; Chairman of the Monetary Board and Governor, Central Bank of the Philippines, 1981-1984; Chairman, National Commission for Culture and the Arts, 1996-2001. He was faculty member of the University of the Philippines, 1957-1978 and Dean of the College of Business Administration, 1969-1974. In 1986, he founded J.C. Laya & Co., Ltd. (Certified Public Accountants and Management Consultants) later the Philippine member firm of KPMG International; he served as the firm's Chairman until his retirement in 2004.

Laya earned his Bachelor of Science in Business Administration, *magna cum laude*, University of the Philippines, 1957; Master of Science in Industrial Management, Georgia Institute of Technology, 1960; Doctor of Philosophy in Financial Management, Stanford University, 1966. He is a Certified Public Accountant.

Roberto Rafael V. Lucila, Filipino, 64 years old, is the co-managing partner/senior partner of the Law Firm of Belo Gozon Elma Parel Asuncion & Lucila. He has been the Corporate Secretary of the GMA Network Inc. since March 27, 2017 and concurrently the Compliance Officer starting 2018. He currently sits as director in the affiliates of certain European and American companies in the Philippines namely: eMerchant Asia Inc., eMerchant Pay Asia Inc., Evonik (Philippines) Inc., Time-Life International (Phil.) Inc. and MeteoGroup Philippines Inc. He is the Chairman and President of Lucilex, Inc., Chairman of H&WB Asia Pacific (Pte. Ltd.) Corporation, and the President of Assetlex Development Corporation, Inc., and eMerchant Asia Inc. all local companies doing business in the Philippines. He is a Court of Appeals Mediator and serves as a Trainor for the Court of Appeals Mediation Training Program. He is presently a lecturer on Constitutional Law I and II at the University of the Philippines, College of Law and the University of Asia and the Pacific, Institute of Law. He was also a lecturer at the University of the Philippines College of Business Administration, San Sebastian College Institute of Law and Lyceum College of Law, as well as in local and international conferences such as the Integrated Bar of the Philippines (IBP) National Convention in 2010 (Subic), Avenue Capital Global Investor Conference in 2005 (New York City), The Law Association for Asia and the Pacific (LAWASIA) Conference in 1997 (Manila), and Global Best Practices for several years (Makati and Mandaluyong). He was OIC for the Legal Department of GMA Network, Inc. from 2001 to 2004 and for the Office of the President of Express Telecommunications, Inc. in 1998. He represented the Avenue Asia Capital Group and Avenue Capital Group as member of the Board of Directors of Citra Metro Manila Tollway Corporation (CMMTC) from 2004 thru 2012 and in East Asia Power Resources Corporation.

He served in the Office of the President of the Philippines as Assistant Executive Secretary for Legislation from 1990 to September 1992; Chairman of the Presidential Staff in 1991; Chairman of the Philippine Retirement Authority from 1991 to August 1992; Chairman of the South China Sea Fishery Disputes Committee from 1991 to July 1992; and Board Member of the Special Operations Team (now Bases Conversion Development Authority [BCDA]) in 1991. In the Department of Transportation and Communications, he was a Board Member of the Civil Aeronautics Board from 1990-1991 and of the Philippine National Railways from 1989-1991.

He holds Bachelor of Laws (1980) and Bachelor of Arts in Psychology (1976) degrees from the University of the Philippines. He was admitted to the Philippine Bar in 1981. He has completed the Strategic Business Economics Program (SBEP) from the University of Asia and the Pacific in 1999. He has contributed legal articles for the Supreme Court Reports Annotated (SCRA), The Lawyer's Review, IBP Law Journal and Magazine, World Bulletin, Clifford Chance's 2018 Asia Pacific Guide on Insolvency, and Getting the Deal Done, and was the author of the book entitled "Corporate Rehabilitation in the Philippines." Atty. Lucila has been recognized as one of the 2013 Asialaw Asia-Pacific Leading Lawyers

in Dispute Resolution, and as a law professional actively engaged in the areas of Technology Media Telecommunications (TMT) and Insolvency in the Philippines.

Marissa L. Flores, Filipino, 56 years old, is the Senior Vice President for News and Public Affairs since 2004. She joined the Company in 1987 as a researcher for public affairs documentaries and special reports and held the positions of Assistant Vice President for Public Affairs, Vice President for Production–News and Public Affairs before appointment to her current position. She is also a Trustee of GMA Kapuso Foundation.

The Rotary Club of Manila recognized her as Television News Producer of the Year in 1996. In 2004, she was awarded the prestigious TOYM (The Outstanding Young Men) for Broadcast Management. In 2012, she received the CEO Excel Award from the International Association of Business Communicators (IABC) Philippines. Ms. Flores was recognized for her work in the field of broadcast journalism by the University of the Philippines College of Mass Communication at the first Glory Awards in 2017.

The News and Public Affairs group under Flores continues to be the recipient of international awards, notably the New York Festivals, US International Film and Video Festival Awards, Asian TV Awards. GMA News and Public Affairs remains as the only Philippine broadcast network which has won the highly-coveted Peabody Award (four Peabody awards as of 2014) –widely considered as broadcasting and cable's equivalent of the Pulitzer prize.

Aside from overseeing news and public affairs programs in GMA Channel 7, Flores also led the creation of GMA News Online in 2007, and the launch of GMA News TV (GMA Network's news and public affairs channel on free TV) in 2011.

Flores earned her Bachelor of Arts degree in Journalism at the University of the Philippines.

Ronaldo P. Mastrili, Filipino, 54 years old, is the Senior Vice President of GMA's Finance and ICT Departments. He obtained his Bachelor of Science in Business and Economics, Major in Accounting from De La Salle University. He attended the Master in Business Administration Program from the same university and completed the Executive Development Program of the Asian Institute of Management.

Mr. Mastrili is a Certified Public Accountant with expertise in the fields of accounting, auditing, finance, taxation, and general management. He was formerly the Assistant Vice President of Controllershship of ABS-CBN and also served as its Group Internal Auditor before joining GMA Network in March 2001. He also worked with SGV and Co. for 8 years in the early part of his career. Mr. Mastrili concurrently holds key positions in GMA Subsidiaries namely: Comptroller/Chief Accounting Officer of GMA Holdings, Treasurer of Alta Productions, Director of Script2010, Scenarios and GMA Kapuso Foundation, and Comptroller of GMA Films, GMA Kapuso Foundation and GMA Worldwide. He is also a Trustee of GMA Kapuso Foundation, Inc.

Lilybeth G. Rasonable, Filipino, 56 years old, is the Senior Vice President of the Entertainment Group of GMA Network, Inc. She heads the production of the Network's entertainment programs.

After earning her Bachelor of Arts degree in Broadcast Communication from the University of the Philippines, Ms. Rasonable immediately worked in the broadcasting industry, starting out as a Production Assistant and later on, an Associate Producer of the Intercontinental Broadcasting Company. She likewise worked as Production Coordinator and Executive Producer of GMA Network, Inc.

Rasonable's work experience also included a post as Technical Consultant for Local Production with the Associated Broadcasting Company (ABC-5) and freelance Executive Producer for film and television. After a few years, she re-joined GMA as a Production Manager under its Sales and Marketing Group.

From Program Manager, she was promoted to Assistant Vice President for Drama in 2004. As AVP, she was a key figure in the growth of GMA's drama department and in creation of ground-breaking and phenomenal hits such as *Mulawin*, *Encantadia* and *Darna*, which made the primetime block of GMA invincible. This contributed to GMA's unprecedented success in its quest for leadership in the Philippine broadcasting industry. It was also during her time as AVP for Drama when GMA produced programs that created the Network's superstars and afternoon dramas dramatically rose and established strong presence in their time slots with breakthrough innovations.

In 2010, she was promoted to the position of Vice President, Drama Productions and tasked with the supervision of non-primetime and primetime drama programs of GMA. By February 2012, she was Officer-in-Charge of the Entertainment TV (ETV) Group. In December 2013, she received her promotion and appointment as ETV's Senior Vice President. In 2018, Rasonable was named as the Glory Awardee for Television Arts, a recognition given to alumni by the University of the Philippines College of Mass Communication. She is also a Trustee of GMA Kapuso Foundation.

Elvis B. Ancheta, Filipino, 53 years old, is GMA Network's Senior Vice President and Head of Engineering Group. He is concurrently the Head of Transmission and Regional Engineering Department of the Network.

He is a Professional Electronics Engineer and is a member of the Institute of Electronics and Communications Engineers of the Philippines. He was also GMA's principal representative to the Technical Working Group chaired by the National Telecommunications Commission for the drafting of the Digital Terrestrial Television Broadcasting-Implementing Rules and Regulations.

Engr. Ancheta earned his Bachelor of Science degree in Electronics and Communications Engineering from Saint Louis University in Baguio City.

Lizelle G. Maralag, Filipino, 54 years old, is GMA Network's Chief Marketing Officer. She is responsible for driving revenue growth and marketing innovation within all media platforms of the Network, to include GMA's broadcast stations, both Philippine-based and international channels, as well as the other non-broadcast platforms. Under her leadership, GMA became the only Philippine broadcast company with the most number of local and global marketing awards.

She joined GMA Network in 2010, after a laudable career as an advertising media professional spanning more than two decades, where she drove to leadership position the top-ranked media agency in the market, Starcom Mediavest Group Phils. Co. Inc. as Managing Director, while concurrently serving as the Chairperson of Publicis Groupe Media Philippines and overseeing Zenith Optimedia Phils. She continues to hold the record in the media advertising industry for winning the most number of Media Agency of Record pitches when she was Managing Director of Starcom Mediavest Group Philippines, from 2000-2009. She is 2019's Hildegard Individual for Advertising by St. Scholastica's College Manila, which aims to recognize women media practitioners who served and paved the way in improving the welfare of the youth.

Maralag holds a Bachelor of Science degree in Statistics from the University of the Philippines, Diliman, and took postgraduate studies at INSEAD in Singapore. She was Founding Co-Chairperson of the Media Specialists Association of the Philippines (2008-2009), Chairman of the Radio Research Council Adjudication & Review Board, Director of the TV Research Council, part-time instructor at the University of Asia and the Pacific, global juror in the Starcom MediaVest Group Fuel Awards (2004), and a frequent jury member in local and regional advertising and marketing industry awards, the most recent of which is the Asia-Pacific Advertising Effectiveness Awards(Effies).

Significant Employees

Although the Company and its key subsidiaries have relied on, and will continue to rely on, the individual and collective contributions of their executive officers and senior operational personnel, the Company and its key subsidiaries are not dependent on the services of any particular employee.

Family Relationships

Gilberto R. Duavit, Jr. is the brother of Judith M. Duavit-Vazquez. Joel Marcelo G. Jimenez and Laura J. Westfall are siblings. Anna Teresa Gozon-Valdes is the daughter of Felipe L. Gozon. Felipe L. Gozon's sister, Carolina L. Gozon-Jimenez, is the mother of Joel Marcelo G. Jimenez and Laura J. Westfall.

Involvement in Certain Legal Proceedings

To the best of the Company's knowledge, during the past five (5) years and up to date, there had been no occurrence of any of the following events which are material to an evaluation of the ability or integrity of any director, person nominated to become a director, executive officer, or control person of the Company:

- Any filing of an insolvency or bankruptcy petition by or against any business of which such person was a general partner or executive officer, either at the time of the insolvency or within two (2) years prior to that time;
- Any conviction by final judgment in a criminal proceeding, domestic or foreign, or any pending criminal proceeding, domestic or foreign, of any such person, excluding traffic violations and other minor offenses;
- Any final and executory order, judgment, or decree of any court of competent jurisdiction, domestic or foreign, against any such person, permanently or temporarily enjoining, barring, suspending, or otherwise limiting involvement in any type of business, securities, commodities, or banking activities; and,
- Any final and executory judgment of any such person by a domestic or foreign court of competent jurisdiction (in a civil action), the SEC, or comparable foreign body, or a domestic or foreign exchange or electronic marketplace or self-regulatory organization, for violation of a securities or commodities law.

Related Party Transactions with Subsidiaries and Affiliates

Please refer to the disclosures on certain relationships and related transactions are set forth on page 34.

Directors' Disclosures on Self-Dealing and Related Party Transactions

To the best of the Company's knowledge, there is no undisclosed transaction that was undertaken by the Company involving any director, executive officer, or any nominee for election as director with which such director, executive officer, or nominee for director was involved or had material interest.

Directors and members of the Management are required to disclose any business or family-related transactions with the Company to ensure that the Board of Directors and Management are apprised of any possible conflict of interest.

Appraisals and Performance Report of the Members of the Board of Directors

Director's Performance Evaluation Sheet

Under a prescribed form entitled *Director's Performance Evaluation Sheet*, the Company requires every member of the Board of Directors to provide a self-assessment of his/her performance based on enumerated standards, by indicating whether or not he or she is compliant with each of the standard. In case of non-compliance to a particular standard, the director is required to disclose the same and state the reason for the non-compliance. The duly accomplished *Director's Performance Evaluation Sheet* is submitted to the Company's Executive Committee through the Corporate Secretary.

During the year 2019, the members of the Company's Board of Directors indicated their compliance with the following standards set forth in the Director's Performance Evaluation Sheet:

DISCHARGE OF BOARD FUNCTIONS
1. Whether he or she possesses all the qualifications required of a director and do not possess any of the permanent and/or temporary disqualifications as set forth in the Corporation's Manual on Corporate Governance
2. Whether he or she attends the special/regular meetings of the Board of Directors and/or the Stockholders regularly.
3. Whether he or she provides and/or gives due consideration to independent views during Board Meetings.
4. Whether he or she recommends sound strategic advice on programs relating to the Corporation's business plans, operating budgets, and Management's overall performance.
5. Whether he or she participates on critical matters before the Board and the Board Committees of which he or she is a member.
6. Whether he or she maintains a harmonious working relationship with the other members of the Board of Directors.
7. Whether he or she has working knowledge on the Corporation's regulatory framework.
8. Whether he or she receives appropriate training (for his or her duties as Director and how to discharge the duties) by his or her regular attendance of a seminar on corporate governance.
9. Whether he or she observes confidentiality when required on matters relating to the business of the Corporation.
10. Whether he or she appoints qualified members of the Management and monitors their efficiency based on the results of the Corporation's annual financial and operational performance.
11. Whether he or she ensures that his or her personal interest does not bias his or her vote on matters submitted for the approval of the Board.
12. Whether he or she discloses all relevant information necessary to assess any potential conflict of interest that might affect his or her judgment on board matters.
13. Whether he or she recognizes and puts importance on the promotion of a mutually beneficial relationship that allows the Corporation to grow its business while contributing to the advancement of the society where it operates.

Resignation of Directors

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 the Company because of a disagreement with the Company on matters relating to the Company's operations, policies, and practices.

Certain Relationships and Related Transactions

Advances to Affiliates

The Company has, from time to time, made advances to certain of its affiliates. The advances are non-interest bearing.

The Company made advances to Mont-Aire in the amount of P121.4 million as of December 31, 2004. Of such advances, the Company converted the amount of P38.3 million into P38.3 million worth of common shares of Mont-Aire. Simultaneously, the other shareholders of Mont-Aire, namely, Group Management and Development, Inc., Television International Corporation and FLG Management and Development Corporation converted advances in the aggregate amount of P23.5 million made by them to Mont-Aire into P23.5 million worth of common shares of Mont-Aire. The SEC approved the conversion of the advances into equity on February 17, 2006. The Company owns 49% of Mont-Aire, with the remaining 51% being owned by the Duavit family, Gozon family and Jimenez family. Mont-Aire is a real estate holding company whose principal property is a 5.3 hectare property located in Tagaytay, Cavite. Such property is not used in the broadcasting business of the Company. As of December 31, 2019 and 2018, Mont-Aire has had advances owing to the Company in the amount of P97.1 million and P89 million, respectively. Please see Note 20 of the Company's financial statements.

Agreements with RGMA Network, Inc. ("RGMA")

The Company has an existing agreement with RGMA for the latter to provide general management, programming and research, events management, on-air monitoring of commercial placements, certificates of performance, billing and collection functions, and local sales service for the 25 radio stations of the Company. RGMA is paid management and marketing fees based on billed sales. Please see Note 20 of the Company's financial statements.

Agreements with GMA Marketing and Productions, Inc. ("GMA Marketing")

The Company entered into a marketing agreement with its wholly-owned subsidiary, GMA Marketing wherein GMA Marketing agreed to sell television advertising spots and airtime in exchange for which GMA Marketing will be entitled to a marketing fee and commission. Apart from this, the Company likewise engaged the services of GMA Marketing to handle and mount promotional events as well as to manage the encoding, scheduling of telecast/broadcast placements and subsequent monitoring of sales implementations for which GMA Marketing is paid a fixed monthly service fee. In 2016, GMA Marketing operations were integrated to the Company. Please see Note 20 of the Company's financial statements.

Belo Gozon Elma Parel Asuncion & Lucila Law Office

The Company and the law firm of Belo Gozon Elma Parel Asuncion & Lucila entered into a retainer agreement in 1993 under which Belo Gozon Elma Parel Asuncion & Lucila was engaged by the Company as its external counsel. As such external counsel, Belo Gozon Elma Parel Asuncion & Lucila handles all cases and legal matters referred to it by the Company. Other than Felipe L. Gozon, who is part of the Gozon Family, one of the principal shareholders of the Company, and Director of the Company since 1975, some of the lawyers of Belo Gozon Elma Parel Asuncion & Lucila eventually assumed certain positions and functions in the Company either in their individual capacities or as part of the functions of Belo Gozon Elma Parel Asuncion & Lucila as the Company's external counsel. Please see Note 20 of the Company's financial statements.

Item 6. Compensation of Directors and Executive Officers

(a) CEO and Top 5 Compensated Executive Officers:

The following are the Company's highest compensated executive officers:

Name and Position

Felipe L. Gozon	Chairman and CEO
Gilberto R. Duavit, Jr.	President and COO
Felipe S. Yalong	Executive Vice President and Concurrent Group Head, Corporate Services Group and Chief Financial Officer
Marissa L. Flores	Senior Vice President, News and Public Affairs
Lizelle G. Maralag	Chief Marketing Officer, Sales and Marketing Group
Rizalina D. Garduque	Vice President, Sales – News and Public Affairs and Regional TV

		Annual Salaries	13th Month and Bonuses	Total	
	Year	(in thousands)	(in thousands)		
CEO and Top 5 Highest Compensated Officers	2017	144,348.5	131,232.1	275,580.6	
	2018	200,422.7	173,643.5	374,066.2	
	2019	279,593.1	181,134.5	460,727.5	
	2020 (estimate)	293,572.7	190,191.2	483,763.9	at 5% increase
Aggregate compensation paid to all officers and directors as a group	2017	223,700.6	167,779.8	391,480.4	
	2018	303,840.3	207,742.4	511,582.7	
	2019	408,173.3	232,237.7	640,411.1	
	2020 (estimate)	424,500.3	241,257.2	666,027.5	at 5% increase

(a) Directors and other Executive Officers

Section 8 of Article IV of the Company's By-Laws provides that as compensation of the Directors, the Members of the Board shall receive and allocate yearly an amount of not more than two and a half percent (2.5%) of the net income after income tax of the corporation during the preceding year. Of the said 2.5%, one percent (1%) shall be allocated to the members of the Board of Directors to be distributed share and share alike. The remaining one and a half percent (1.5%) shall be allocated to the members of the Executive Committee to be distributed share and share alike.

Employee Stock Ownership Plan ("ESOP")

The Company has no outstanding options or warrants held by its CEO, the named executive officers, and all officers and directors as a group.

Item 7. Independent Public Accountants

- (a) SyCip Gorres Velayo & Co. has acted as the Company's external auditors since 1994. The same accounting firm is being recommended for re-election at the scheduled annual meeting.
- (b) 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 Company only became publicly listed with the Philippine Stock Exchange on July 30, 2007. Pursuant to Rule 68 paragraph 3 (b) under the Rules and Regulations Covering Form and Content of Financial Statements (SRC Rules 68 and 68.1, as amended), the Company has engaged Ms. Belinda T. Beng Hui, partner of SGV & Co., to sign the Company's 2019 audited financial statements.

- (c) Changes in and disagreements with accountants on accounting and financial disclosure

The Company has not had any disagreements on accounting and financial disclosures with its current external auditors during the two most recent fiscal years or any subsequent interim period.

Sycip Gorres Velayo & Co. has no shareholdings in the Company nor any right, whether legally enforceable or not, to nominate persons or to subscribe for the securities in the Company. The foregoing is in accordance with the Code of Ethics for Professional Accountants in the Philippines set by the Board of Accountancy and approved by the Professional Regulation Commission.

- (c) The aggregate fees billed for each of the last two years for the professional services rendered by SyCip Gorres Velayo & Co. amounted to P6.5 million in 2018 and P6.5 million in 2019 (these included the fees related to financial audit and services for general tax compliance).
- (d) The Company's Audit and Risk Management Committee was formed in 2007 and was formally organized during the latter portion of that year. The Audit and Risk Management Committee reviews the fee arrangements with the external auditor and recommends the same to the Board of Directors. The Audit and Risk Management Committee has recommended the re-appointment of Sycip Gorres Velayo and Co., as the external auditor of the Company at the scheduled annual meeting.

The members of the Audit Committee are as follows:

Dr. Jaime C. Laya (*Chairman*)
 Chief Justice Artemio V. Panganiban
 Anna Teresa Gozon-Valdes
 Laura J. Westfall
 Judith R. Duavit-Vazquez

Item 8. Authorization or Issuance of Securities Other than for Exchange

There are no matters or actions to be taken up in the meeting with respect to authorization or issuance of securities.

Item 9. Modification or Exchange of Securities

There are no matters or actions to be taken up in the meeting with respect to the modification of any class of the Company's securities or the issuance or authorization for issuance of one class of the Company's securities in exchange for outstanding securities of another class.

Item 10. Financial and Other Information

In connection with Item 9 hereof, the Company has incorporated by reference the following as contained in the Management Report prepared in accordance with Rule 68 under the Rules and Regulations Covering Form and Content of Financial Statements (SRC Rules 68 and 68.1, as amended) :

- 1) Audited Financial Statements for December 31, 2019 and 2018;
- 2) Management Discussion and Analysis or plan of operation; and
- 3) Information on business overview, properties, legal proceedings, market price of securities, and dividends paid out, corporate governance, corporate social responsibility.

Item 11. Mergers, Consolidations, Acquisitions and Similar Matters

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

Item 12. Acquisition or Disposition of Property

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

Item 13. 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 14. Action with Respect to Reports

- (a) Approval of the Annual Report of Management and the Audited Financial Statements for the year ending December 31, 2019.
- (b) Approval of the Minutes of the 2019 Annual Stockholders Meeting held on May 15, 2019, covering the following salient matters:
 - (i) Approval of the Minutes of the Annual Stockholders Meeting held on May 16, 2018
 - (ii) Annual Report of the Chairman and Chief Executive Officer
 - (iii) Financial Report
 - (iv) Ratification of all Acts of the Board of Directors/Corporate Officers
 - (v) Election of Directors (including the Independent Directors)
 - (vi) Election of the External Auditor

- (c) Ratification of the acts of the Board of Directors/Corporate Officers, summarized as follows:

All acts and resolutions of the Board of Directors and Management for the period covering May 16, 2018 to May 15, 2019 adopted in the ordinary course of business, summarized as follows:

- Approval of the Minutes of the Organizational Meeting of the Board of Directors on May 15, 2019;
- Approval of the Minutes of the regular meetings of the Board of Directors covering the following matters:
- Appointment of signatories;
- Approval of borrowings, opening of accounts and bank transactions;
- Appointment/Election of Officers;
- Approval of the record date and venue of the Annual Stockholders' Meeting;
- Approval and release of the financial statements for the year ended December 31, 2019.

Results of the Company's Previous Stockholders' Meeting

The Company's previous stockholders' meeting was held on May 15, 2019 at Studio 6, GMA Network Studios, EDSA corner GMA Network Drive, Diliman, Quezon City. The meeting was attended by the Corporation's shareholders, Directors, Management, External Auditor, External Counsel, and Stock Transfer Agent. The shareholders who voted by proxy or in person were allowed to vote on each item presented to them for approval. The attendance and voting by proxy and in person were certified upon by the Corporation's stock transfer agent, Stock and Transfer Services, Inc.. Moreover, stockholder participation was encouraged by the panelists who opened the floor for comments/ questions or comments during the meeting.

The results of the voting for each of the agenda item were as follows:

1. Certification of Notice and Quorum

Based on the Certification of the stock transfer agent, the Corporate Secretary certified that 3,119,149,863 common shares or 92.80% of the 3,361,047,000 total issued and outstanding common shares and 7,489,610,364 preferred shares or 99.87% of the 7,499,507,184 total issued and outstanding preferred shares were represented by the owners of record or their proxies.

2. Reading and Approval of the Minutes of the Annual Stockholders' Meeting on May 16, 2018

After some discussion and upon motion, the Minutes of the Annual Stockholders' Meeting were ratified and/or approved by 97.68% of the 10,860,554,184 total outstanding common and preferred shares (net of treasury shares). No stockholder indicated a vote against or of abstention to the reading and approval of the Minutes of the Annual Stockholders' Meeting on May 16, 2018.

3. Ratification of the Acts of the Board of Directors/Corporate Officers

The Corporate Secretary explained that the acts, proceedings, transactions, and resolutions of the Board of Directors, Executive Committee and Officers from May 16, 2018 up to May 15, 2019 being sought for ratification were all conducted in the ordinary course of business and were reflected in the minutes of all the Board of Directors and in accordance with good corporate practice, which are on file with the Corporate Secretary and available for inspection upon the request of any stockholder.

Upon motion duly made and seconded by the stockholders, the following resolution was approved, confirmed and ratified by 97.68% of the 10,860,554,184 total outstanding common and preferred shares (net of treasury shares). No stockholder indicated a vote against or of abstention to the ratification of the above-mentioned acts.

4. Election of Directors

The Company's President reported that the names of the nine (9) nominees for election and approved by the Nomination Committee for nomination in accordance with the By-laws of the Corporation. Thereafter, upon motion duly made and seconded by the stockholders, the following nominees were approved for election by 97.68% of the 10,860,554,184 total outstanding common and preferred shares (net of treasury shares), present or represented at the meeting.

Name of Nominee	No. of Votes
Felipe L. Gozon	97.68%
Joel Marcelo G. Jimenez	97.68%
Judith R. Duavit-Vazquez	97.68%
Felipe S. Yalong	97.68%
Anna Teresa M. Gozon	97.68%
Laura J. Westfall	97.68%
Artemio V. Panganiban (Independent Director)	97.68%
Jaime C. Laya (Independent Director)	97.68%

No stockholder indicated a vote against or of abstention to the election of the foregoing Directors.

5. Annual Report of the Chairman and Chief Executive Officer

After the Chairman and CEO's report, a stockholder moved for the approval of the Chairman/CEO's Annual Report together with the Financial Statements for the period ending December 31, 2018, and the motion was seconded by another stockholder. The resolution noting and approving the report of the Chairman/CEO was approved by 97.68% of the 10,860,554,184 total outstanding common and preferred shares (net of treasury shares). No stockholder indicated his or her vote against or of abstention to the Annual Report of the Chairman and CEO.

6. Election of the External Auditor

The Chairman of the Audit and Risk Management Committee informed the stockholders that the Committee has reviewed the performance and the proposed fees of the current external auditor and recommended Sycip Gorres and Velayo & Co., for election as External Auditor.

Upon motion duly made and seconded, 97.68% of the 10,860,554,184 total outstanding common and preferred shares (net of treasury shares) approved the election of Sycip, Gorres and Velayo as External Auditor. No stockholder indicated a vote against or of abstention to the election of Sycip, Gorres and Velayo as External Auditor.

For information on the directors, stockholders and officers who attended the meeting kindly access the minutes of the May 15, 2019 Stockholders' Meeting through the following link: https://aphrodite.gmanetwork.com/corporate/disclosures/gma_-_minutes_of_the_2019_asm_1558403685.pdf

Item 15. Matters Not Required to be Submitted

All actions or matters to be submitted in the meeting will require the vote of the security holders.

Item 16. Amendment of Charter, By-Laws or Other Documents

No action is to be taken with respect to any amendment of the Company's charter, by-laws or other documents.

Item 17. Other Proposed Action

- (a) Ratification of the Acts of the Board of Directors/Corporate Officers (as enumerated in Item 14 part c) including:
 - (i) Declaration on June 8, 2020 of cash dividends to stockholders of record as of June 24, 2020 and payment date on July 16, 2020
- (b) Election of the Members of the Board of Directors, including two independent directors for the ensuing calendar year
- (c) Election of the External Auditor

Item 18. Voting Procedures

- (a) For the purpose of the virtual meeting or meeting via remote communication, voting for matters to be submitted for approval including the election of directors shall be made *in absentia* through an on-line voting system provided by the Company. Voting *in absentia* is allowed under Section 23 and 57 of the Revised Corporation Code.
- (b) Any stockholder who wishes to attend and participate in the meeting by remote communication and/or to vote *in absentia* shall register therefor by sending proof of his or her identification and related documents, as listed in Annex "A" of the Notice on the Procedure for Registration,

Participation and Attendance in the GMA Annual Stockholders' Meeting 2020 via Remote Communication and for Voting *in Absentia* to **2020asmgma@gmanetwork.com**.

- (c) **Vote Required:** Motions, in general, require the affirmative vote of a majority of the shares of the Company's common stock present and/or represented and entitled to vote. However, under the Revised Corporation Code of the Philippines, certain proposed actions may require the vote of at least two thirds (2/3) of the outstanding capital stock of the Company. The manner of voting is non-cumulative, except as to the election of directors.
- (d) **Method:** *Straight and cumulative voting.* In the election of directors, the nine (9) nominees garnering the highest number of votes shall be elected directors. The stockholder may vote such number of shares for as many persons as there are directors to be elected, or he may cumulate 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, the total number of votes cast by him shall not exceed the number of shares owned by him multiplied by the number of directors to be elected. Absent a specific instruction in the space provided in the electronic voting system, in the manner by which the stockholder shall cumulate his or her votes among his or her preferred nominee/s, the votes of such stockholder shall be cast equally among the nominees he or she voted for.
- (e) The Corporate Secretary shall count the votes based on the number of shares entitled to vote owned by the stockholders. The votes shall be validated/certified upon by an independent stock transfer agent.

Other than the nominees' election as Directors, no director, executive officer, nominee, or associate of the nominees has any substantial interest, direct or indirect by security holdings or otherwise in any way of the matters to be taken upon during the meeting. The Company has not received any information that an officer, director or stockholder intends to oppose any action to be taken at the Annual Stockholders' Meeting.

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

**GMA NETWORK, INC.
9/F GMA NETWORK CENTER
EDSA corner Timog Avenue
Diliman Quezon City**

**Attention: RONALDO P. MASTRILI
SENIOR VICE PRESIDENT, FINANCE AND ICT**

Copies of the Unaudited Interim Financial Statements (period ended March 31, 2020) ("IFS") will be made available to each stockholder at least five (5) calendar days before the Annual Stockholders Meeting. Such report can be viewed at the Company's official website five (5) calendar days before the meeting and hard copies of the company's IFS and management discussion may be available upon request also five (5) calendar days before the said meeting.

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 the City of Makati on June 19, 2020

GMA NETWORK, INC.

By:



ROBERTO RAFAEL V. LUCILA
Corporate Secretary

MANAGEMENT REPORT

I. BUSINESS OVERVIEW

GMA Network, Inc. is a free-to-air broadcasting company principally engaged in television and radio broadcasting, the production of programs for domestic and international audiences, and other related businesses. The Company derives the majority of its revenues from advertising related to television broadcasting.

GMA Network has 47 VHF and 41 UHF TV stations throughout the Philippines with its signal reaching approximately 96% of the country's total TV households (Source: 2019 Nielsen Television Establishment Survey; Claimed reception among TV homes).

In 2019, GMA Network, Inc. continued to dominate the viewer-rich areas of Urban Luzon and Mega Manila. The Company posted increases in its gross revenues and net income for 2019 versus 2018.

GMA Network's international operations opened new revenue streams from the launch of its channels on various platforms and territories around the globe.

GMA SUBSIDIARIES, JOINT VENTURE AND AFFILIATES

The Company's subsidiaries and affiliates are involved in media-related services such as movie making, sets and props construction, film syndication, music and video recording, new media, online gaming post production services, and marketing, which complement the Company's core television and radio broadcasting business.

The following table shows the Company's holdings in its principal subsidiaries, joint ventures and affiliates as of December 31, 2019:

COMPANY	OWNERSHIP	PRINCIPAL ACTIVITIES
Subsidiaries		
GMA New Media, Inc. (NMI)	100%	Converging Technology
Citynet Network Marketing and Productions, Inc.	100%	Television entertainment production
GMA Network Films, Inc.	100%	Film production
GMA Worldwide (Philippines), Inc.	100%	International marketing and syndication of the Parent Company's programs
RGMA Marketing and Productions, Inc. (GMA Music)	100%	Music recording, publishing and video distribution
Scenarios, Inc.*	100%	Design, construction, maintenance and storage of sets for TV, stage plays and concerts; transportation services
Script2010, Inc.**	100%	Design, construction and maintenance of sets for TV, stage plays and concerts; transportation and manpower services
Alta Productions Group, Inc.	100%	Pre- and post-production services
GMA Marketing & Productions,	100%	Exclusive marketing and sales arm of GMA's airtime; events

Inc. (GMPi)*		management, sales implementation; traffic services and monitoring
Mediamerge Corporation***	100%	Business development and operations for the Company's online publishing/advertising initiatives
Digify, Inc. (Digify)***	100%	Crafting, planning and handling advertising and other forms of promotion including multi-media productions
Joint Ventures		
INQ7 Interactive, Inc.*	50%	Internet publishing
Philippine Entertainment Portal, Inc. (PEP)**	50%	Internet publishing
Affiliates		
Mont-Aire Realty and Development Corp.	49%	Real estate
RGMA Network, Inc.	49%	Radio broadcasting and management

Notes:

* Not operational

** Indirectly owned through Citynet Network Marketing and Productions, Inc.

*** Indirectly owned through GMA New Media, Inc.

COMPETITION

The Company currently competes for audiences and advertising revenues directly with other broadcast stations, radio stations, newspapers, magazines, cable televisions, and outdoor advertising within their respective markets.

The Following table presents major broadcasting networks in the country:

Network	Description		2019 Ratings & Audience Share		
			(Total day; 6AM-12MN)		
			Mega Manila	Urban Luzon	Urban National
GMA		Household Ratings	12.9	12.5	11.7
		Audience Share	35.0	34.0	31.9
ABS-CBN	Radio and TV broadcasting network and multimedia company. Founded in 1953, and is the first television station in the Philippines.	Household Ratings	10.5	11.3	12.8
		Audience Share	28.6	30.9	35.0
GMA NEWS TV	GMA News TV is GMA Network's sister channel. It is programmed by GMA.	Household Ratings	1.0	0.9	0.8
		Audience Share	2.6	2.4	2.1

	<p>On June 5, 2019, GNTV's analog signal on Channel 11 was transferred to Channel 27 upon the expiration of GMA's blocktime agreement with Zoe Broadcasting Network which owns Channel 11.</p> <p>GMA News TV (GNTV) was launched on February 28, 2011.</p>				
TV5	Third-oldest TV network in the country, with main broadcast facilities in Novaliches, Quezon City. On March 2, 2010, Mediaquest acquired 100 percent ownership of the Associated Broadcasting Company and Primedia Inc., the broadcasting firm's major block airtimer.	Household Ratings	0.8	0.8	1.0
		Audience Share	2.2	2.2	2.8
CNN PHILIPPINES	<p>CNN Philippines is owned and operated by Nine Media Corporation. It airs news-and-current affairs programs that are mostly in English [1]</p> <p>CNN Philippines airs in what used to be RPN 9. RPN or Radio Philippines Network (RPN 9) is a Philippine VHF television network of the Government</p>	Household Ratings	0.1	0.1	0.1
		Audience Share	0.2	0.2	0.2

	Communications Group. It was privatized in 2011 but the Philippine government retained 20-percent ownership of the channel. [2]				
ABS-CBN Sports + Action	ABS-CBN Sports + Action is a sister network to the main ABS-CBN Broadcasting Corporation which airs sports. [3] Prior to its launch on January 18, 2014, it used to be Studio 23 which aired programs catering to young adults, such as North American imports and other English language programming.	Household Ratings	0.6	0.6	0.6
		Audience Share	1.6	1.6	1.8
PTV	Official government TV, formerly called Maharlika Broadcasting System, Inc. and later the People's Television Network, Inc. (PTV).	Household Ratings	0.1	0.1	0.1
		Audience Share	0.2	0.2	0.3
IBC	International Broadcasting Corporation (IBC-13) is a VHF TV station of the Government Communications Group launched in 1975 by Roberto Benedicto.	Household Ratings	0.0	0.0	0.0
		Audience Share	0.0	0.0	0.0
ETC	ETC is a free-to-air ultra high frequency channel and is one of the channels owned by Solar Entertainment Corporation through its wholly-owned subsidiary	Household Ratings	0.0	0.0	0.0
		Audience Share	0.1	0.1	0.1

	Southern Broadcasting Network. [4]				
RJTV	RJTV is a UHF free to air television channel owned and operated by Rajah Broadcasting Network, Inc. owned by Ramon "RJ" Jacinto. RJTV is previously in a blocktime agreement with Solar Entertainment Corporation's 2nd Avenue. However, 2nd Avenue ceased its broadcast on June 5, 2018 after a 12-year run on cable and free-to-air and a decade of blocktime agreement with RJTV.	Household Ratings	0.0	0.0	0.0
		Audience Share	0.0	0.0	0.0

NOTE: Ratings data are based on the Nielsen Television Audience Measurement (TAM).

Reference Links:

[1] <https://philippines.mom-rsf.org/en/media/detail/outlet/cnn-philippines/>

[2] <https://philippines.mom-rsf.org/en/media/detail/outlet/cnn-philippines/>

[3] <https://sports.abs-cbn.com/SportsAndAction>

[4] <https://philippines.mom-rsf.org/en/media/detail/outlet/etc/>

International Distribution: *Optimizing revenue opportunities amid changing TV landscape*

The Company's television programs are distributed outside the Philippines in a number of ways. Through GMA International, the Network distributes subscription-based international linear channels – GMA Pinoy TV, GMA Life TV, and GMA News TV International. Meanwhile, GMA International, GMA Worldwide, Inc and GMA New Media Inc (a wholly-owned subsidiary of the company), also distribute non-linear content through Video On Demand (VOD) service.

GMA International continues to establish global and multi-platform exposure and presence for the Network that brings the company's programs to Filipino communities around the world. Live linear channels and video on demand services are all distributed both through the traditional (DTH, cable, IPTV) and digital Over The Top platforms, with TV Everywhere distribution where available. GMA

International's distribution footprint covers various territories in North America(US & Canada), APAC, MENA, Europe, the Caribbean Islands and South Pacific islands. Meanwhile, through GMA Worldwide, Inc. (GWI), GMA's locally produced programs are distributed on all platforms through worldwide syndication sales to broadcasters/companies in China, Southeast Asia, Africa, and Europe.

Under the carriage and licensing agreements with international payTV operators, GMA International receives license fees from linear channel and VOD subscriptions. It is also allocated a certain number of advertising minutes where advertising spots are sold through GMA Sales and Marketing Group (SMG). Aside from these, GMA International's revenue stream also includes advertising from digital/social media outlets, pay-per-view, sponsorships from events and ticket sales.

Positioned primarily as a premium content provider on global multiple-platform distribution outlets, GMA International contributed 25% of the Company's net income after tax in 2019.

GMA PINOY TV

Launched in 2005, GMA Pinoy TV delivers to an international audience the Company's most popular news and public affairs and general entertainment programs. The Company operates GMA Pinoy TV through which it offers subscription-based programs internationally.

GMA LIFE TV

GMA Life TV, GMA Network's second international channel, was launched three years after the success of GMA Pinoy TV. More than just offering mainstream entertainment, GMA Life TV engages more viewers with its exciting line-up of heart-warming and innovative programs that feature the Filipinos' lifestyle and interests. Given the unique features of GMA Life TV and the availability of English-dubbed and English-subtitled programs, its viewership has expanded beyond the Filipino market to a wider, non-Filipino speaking audience.

GMA NEWS TV INTERNATIONAL

In September 2011, GMA Network began distributing GMA News TV International in order to provide overseas Filipinos with the latest, most comprehensive, and most credible news coverage from the Philippines. It offers internationally acclaimed and award-winning news and public affairs programs with 7 to 8 hours of original content daily.

GMA On Demand

A collection of the best of the best, GMA video on demand products are a mix of top-rating dramas, blockbuster movies from mainstream and internationally-acclaimed independent filmmakers, award-winning public affairs programs, and well-loved lifestyle shows. These products are available as standalone products or as complement to GMA International's linear channels.

CONVERGING TECHNOLOGY

GMA New Media, Inc. is GMA Network's digital media and technology arm in charge of R&D, Software Design & Development, Systems Integration, and Quality Assurance. Since its inception in July 2000, it has launched category-breaking projects in web, mobile, digital television and other new and emerging platforms.

GMA NMI AS GAMECHANGER

Back in the days when traditional and new media had clear boundaries, GMA NMI had the audacity to blur the borders. It was the first to enable mobile and TV to talk to each other, ushering in the era of SMS-TV.

Two decades later, NMI continues to be at the top of its game.

As GMA Network's innovation center and de facto future-proofing agent, GMA NMI spearheads the design and implementation of the media giant's grand digital blueprint aimed to ensure the company's leadership in the digital era.

WEB

Online Publishing

In its early years, NMI launched GMA's official entertainment website, iGMA.tv, and its official news website, GMAnews.tv. Both websites won local and international acclaim as well as loyal patronage among Filipinos here and abroad.

NMI launched www.GMANetwork.com in late 2011 to consolidate all of GMA's web properties into a single portal. The GMA portal won in the Digital Filipino Web Awards in 2014 for the Television category, an indication that the move was a master stroke in establishing the Network's dominant presence online.

As of 2019, GMANetwork.com generated 1.3 billion pageviews and 57 million users. Meanwhile, GMA News Online ended the year with 633 million pageviews and 101 million users, approximately 10% higher than the year prior/

Synergies from the Social Media team and the editorial team to enhance overall user experience, as well as NMI's non-stop back-end upgrades, helped sustain improvements in web metrics.

NMI entered into a joint venture with **Summit Media** and launched **PEP.ph**, the leading showbiz news portal in the Philippines. It also launched **SPIN.ph** or Sports Interactive Network, currently the No. 1 sports website based on recent data from Similar Web. NMI provides the technology back-end of said sites. The joint venture is a way for GMA to capture a bigger slice of the online audience share by targeting readers who are keen on sports and entertainment.

MOBILE

NMI pioneered interactive TV in the Philippines with the launch of SMS-TV services in "*Debate*" and *Startalk*, and Eat Bulaga's Cool Dudes segment. This laid the foundation for succeeding SMS-TV initiatives that carried NMI through several years of growth and profit.

NMI also introduced SMS technology to Philippine broadcast TV and was the first to launch an interactive chat and gaming show called *Txtube*.

NMI has developed and maintained the iOS and Android apps of GMA News Online and GMA Network with regular updates and optimizations such as the addition of Dark Mode, Facebook registration, and interstitial ad support. The mobile apps allow people easy access to GMA content using their handheld devices. The GMA portal mobile app was also launched and was designed to be the perfect mobile companion to top-rating GMA shows.

CONVERGENT MEDIA

NMI worked closely with GMA Marketing and Promotions, Incorporated (GMPI, now Sales & Marketing Group, or SMG when it was absorbed by GMA) in the launch of innovative convergent media campaigns such as *Win Mo Kapuso* and *Win Mo Pamasko*. The combination of TV plus new media has become a valuable strategic offering for clients in terms of ensuring the widest possible reach for both online and offline audiences.

In collaboration with GMA News and Public Affairs, NMI launched **IMReady**, a one-stop online portal for public safety information to aid in traffic and disaster awareness and preparedness. The project aims to provide the public with timely and relevant information to minimize risks and better prepare them during emergency situations. It also enables the public to plan their routes and itineraries through its partnership with Waze.

BROADCAST

Election Coverage

NMI has maintained its track record of providing GMA News and Public Affairs with speedy and accurate delivery of election results using the latest technologies for the Eleksyon 2013 coverage. NMI spearheaded the count operations in Parish Pastoral Council for Responsible Voting (PPCRV) by acquiring, extracting, and prioritizing data from the Commission on Elections before sending it to GMA News and Public Affairs for processing.

To achieve multi-screen pervasiveness, NMI provided the most comprehensive election count data across all platforms—from television to mobile and the Internet. The team deployed its *proprietary search engine* that enabled users of GMA News Online and its mobile app (in both Android and iOS) to retrieve election count data in the Search Results. While all the other websites and apps were incapable of integrating the count results in their search, NMI's proprietary search returned the most relevant results for all candidates during election time.

NMI served the same function of ensuring fast and accurate delivery of election results in the 2016 elections.

NMI launched the Eleksyon 2016 microsite in February. On top of the usual news content, the microsite also launched the **Candidates Section [1]**, where visitors can get to know more about those running for top positions that year, as well as the **Campaign Tracker [2]** where the candidates' daily schedules were plotted on a map with a short description of their itinerary. NMI also added information that summarized the **demographics of the country's registered voters**.

Using a proprietary technology developed by GMA NMI, GNO also offered "Smart Search" that made it faster and easier for site visitors to find results by candidate, place or position. NMI also powered GMA Network's **first ever 360-degree livestream of the PiliPinas Debates 2016**.

For the Eleksyon 2019 website, new features were introduced, such as **Heat Maps [3]** which gave users a breakdown of which areas that aspirant fared well, and **Vote Graphs**, which showed the voting performance for each candidate over time as election returns were processed.

Digital TV

As its future-proofing agent, NMI spearheads GMA's digital transformation from a broadcast giant into a dominant multi-platform content provider. On January 9, 2019, GMA Network, through NMI, and PLDT-Smart Communications Inc., announced a formidable partnership that is set to revolutionize the experience of TV viewing in the Philippines. The two companies signed a technology, content, and

distribution agreement involving innovations that will boost GMA's digitization and improve the quality of its digital content. **GMA Now**, GMA's DTT Dongle is set to launch within 2020.

NMI AS BUSINESS CENTER

NMI created two subsidiaries to fulfill its role as a business center.

The first is **MediaMerge, Incorporated**, the online publisher of GMA News Online. MediaMerge takes charge of online advertising sales.

MediaMerge capped off 2019 with a 17% increase in total revenues versus prior year. While MediaMerge remains a subsidiary of NMI, its operations have been transferred to the Network as of January 2020.

Designed to specialize in digital marketing, GMA NMI established **Digify, Incorporated**. Digify is a digital solutions company that specializes in web and systems applications, mobile app creation, and VR/AR technology executions. Digify has launched a number of trailblazing projects that include award-winning apps for major clients and breakthrough solutions for clients in the technology industry.

NMI AS GMA'S CONDUIT TO INDUSTRY PARTNERS

The Digital Age is marked by constant change and dynamism and favors those who can manage to be constantly ahead of competition. It is in this context that NMI perceives its mandate to ensure that GMA Network is always at the leading edge in the digital space.

GMA NMI manages relationships with major telecommunications companies in the Philippines and abroad, and with leading global brands such as Google, YouTube Facebook, and Waze, to name some. It likewise serves as a conduit to advertising agencies and digital distribution partners meant to create new avenues for incremental revenue and expand the reach of GMA content, both in the local and international markets.

[1] Click here to see page: <http://www.gmanetwork.com/news/eleksyon2016/candidates>

[2] Click here to see page: http://www.gmanetwork.com/news/eleksyon2016/campaign_tracker

[3] Click here to see page: <https://www.gmanetwork.com/news/news/nation/694253/heat-maps-vote-graphs-smart-search-inside-gma-news-eleksyon-2019-results-site/story/>

Among all the revenue channels, we see impressive growth in the AVOD (Advertising Video on Demand) channel. With NMI's efforts focused on growing video views and subscriber base, we have seen revenues follow and show exponential growth year-on-year. **YouTube** continues to be the major contributor of revenues followed by Facebook Watch which was on an uptrend from November to December 2019.

Youtube has been a particularly impressive case study given the amount of time in which it has grown its subscriber base. By the end of 2019, it has seen a 69% increase in revenue of 69%, and 36% increase in views compared to the year prior.

Both GMA Network and GMA Public Affairs YouTube channels have been awarded the **Diamond Content Creator Award**, for each having hit the 10 million subscribers mark. Its latest channel, Wowowin, was awarded the Gold Content Creator Award for accumulating 1 million subscribers, which it did so in less than 2 years.

MOVIE PRODUCTION

GMA Network Films, Inc. ("GMIA Films") was established in August 1995 to produce movies that cater to both the local and international markets. Its movie productions have reaped both critical acclaim and commercial success.

MUSIC AND VIDEO RECORDING

RGMA Marketing and Productions, Inc. (GMA Records) was incorporated in September 1997 and became operational in 2004 after the Company decided to reactivate its musical recording business through the "GMA Records" label. Since resuming operations, GMA Records has leveraged the Company's talent and media resources, releasing music albums of various artists.

It also partnered with sister company GMA Films and other major film production outfits to release their films on DVD. Likewise, it has introduced the network's top-rating programs and blockbuster TV series into the home video market worldwide through GWI.

GMA Records works with GMA New Media and other local-based content providers and aggregators to take advantage of new revenue streams, particularly in the market of digital music downloading and streaming. GMA Records also secured non-exclusive mobile, web and kiosk-based deals with different content providers worldwide to continuously exploit the potentials of its music and video assets.

GMA Records publishes music and administers copyrights on behalf of composers. GMA Records is also actively pursuing publishing deals, building on its current catalog of original compositions. GMA Records serves as a clearing house and a source of music for the Company's television and film productions. It is also a member of FILSCAP, the Filipino Society of Composers, Authors and Publishers and SoundsRight. Last May 2017, GMA Records ventured into concert production since as a record label, it is much abreast with the live performance circuit and is knowledgeable of the current music scene. Producing concerts enables GMA Records to exploit album productions and showcase the musical talents of GMA artists.

GMA Records also started producing an online musical channel in October 2017 via video performances of various music artists which will be made available online and will generate additional revenue for the company.

STAGE DESIGN

Script2010, Inc. was formally established in April 2010 as a subsidiary of Citynet Network Marketing and Productions, Inc. It engages in conceptual design and design execution through fabrication, construction, set-up and dismantling of sets, and creation of props. It also provides other related services such as live performances and events management, sales activation and promotion, and tradeshow exhibits.

Script2010, Inc. is also engaged in transportation, hauling and trucking services to further fulfill the needs of its clients. Other business units of **Script2010, Inc.** are video wall, light and sound equipment rental and mobile LED and robotics truck rental, and facility support services to various GMA departments.

POST PRODUCTION

Alta Productions Group, Inc. was established in 1988 as a production house primarily to provide production services for the Network. Until the late 1990s, it operated a satellite studio in Makati, producing award-winning News and Public Affairs Programs for GMA Channel 7.

Today, Alta Productions Group's core business is audio dubbing and mixing for broadcast. Its fully digital audio recording and mixing studios are in sync with the Network's production requirements and broadcast standards. Aside from dubbing foreign content into the local vernacular for airing on the Network, Alta Productions Group also dubs station-produced content into English for international consumption. Its audio studio has now also included closed-captioning as a new service.

In addition, Alta Productions Group's shoot and video post-production department produces TVCs, broadcast content, and documentaries for both local and international clients. It has also become a prominent player in the conceptualization, design, and staging of corporate events, conferences, exhibits, and other on-ground activations.

Alta Productions Group is proud to be one of the few production houses capable of servicing the complete spectrum of production requirements all under one roof. From conceptualization, creatives, shoot, post-production, all the way to execution. It finds solutions for any kind corporate event or on-ground activity requirement.

EMPLOYEES

As of December 31, 2019, the Company has 2,568 regular and probationary employees. The Company also engaged 1,144 talents (on-cam and off-cam) in 2019. GMA Network, Inc. recognizes one labor union, the GMA Network, Inc. Employees Union. The Collective Bargaining Agreement (CBA) for the cycle 2019-2024 took effect in July 2019.

Item 6. Management Discussion and Analysis of Financial Condition and Results of Operations for the Years Ended December 31, 2019 and 2018

The Management Discussion and Analysis provides a narrative of the Company's financial performance and condition that should be read in conjunction with the accompanying financial statements, which have been prepared in accordance with accounting principles generally accepted in the Philippines.

As discussed below, the Company's financial statements do not show any losses from operation and hence the Company has not taken any measures to address the same.

KEY PERFORMANCE INDICATORS

The Company uses the following measures to assess its performance from period to period.

Ratings

The performance of a program and/or network as a whole with respect to household ratings is the primary consideration for an advertiser in the Philippines to determine whether to advertise on a given program and/or network. AGB Nielsen, a media research firm, provides ratings to the Company on a subscription basis.

Load Factor

Load factor refers to the amount of advertising minutes aired during the breaks in a program as a percentage of the total minutes available for advertisement. The load factor is an indication of a program's or a timeblock's ability to sell advertising minutes. Load factor statistics are internally generated, although certain third parties monitor such statistics.

Signal reach/coverage

The ability to reach a greater number of viewers is a part of the Company's strategy to provide its advertisers with more value for their advertising expenditures. The Company frequently assesses its signal strength and coverage by conducting field intensity surveys and tests.

Subscriber count

Subscriber count is the key performance indicator for the Company's initiatives in the international arena to diversify its revenue base beyond advertising revenues. The number of subscribers to the Company's GMA Pinoy TV, GMA Life TV and GMA News TV International form the benchmark for measuring the success of this service. The Company makes internal assessments to determine the market potential for each new initiative and sets a subscriber count target accordingly.

Cost control

The Company is continuously searching for ways to control costs and to improve efficiency. The Company has established systems and procedures to monitor costs and measure efficiency and has launched various initiatives and activities in relation to these efforts.

FINANCIAL AND OPERATIONAL RESULTS

For the Year Ended December 31, 2019

Buoyed by this year's extra-ordinary inflow from the mid-term elections held in May, GMA Network and Subsidiaries (GMA/the Company) sealed twelve-month⁹ consolidated revenues ahead by 8% versus a year ago. In absolute terms, consolidated top line for the full year reached ₱16,493 million, up by ₱1,257 million from 2018's ₱15,236 million. Political advocacies and advertisements during the year amounted to about three fourths of a billion pesos. Nonetheless, discounting the impact of aforesaid windfall, recurring sales for 2019 still managed to overtake last year's peg by 4% or a little over half a billion pesos.

Income Data	2019 (in millions PhP)	2018 (in millions PhP)	Inc/(Dec) (in millions PhP)	%
Revenues				
Advertising revenue	15,173.9	13,834.5	1,339.4	10%
Subscriptions and others	1,319.5	1,401.7	(82.1)	-6%
	16,493.5	15,236.2	1,257.3	8%
Total operating expenses	12,760.6	11,998.0	762.6	6%
EBITDA	5,392.3	4,823.9	568.4	12%
Net income	2,639.3	2,324.0	315.3	14%
Attributable to Equity Holders of Parent Co.	2,618.5	2,304.8	313.7	14%
Noncontrolling Interest	20.8	19.2	1.6	8%

For the year ended December 31, 2019, consolidated advertising revenues remained the lifeblood of the Company, wrapping up at ₱15,174 million and posting⁹ a double-digit growth compared to a year ago. Most airtime-revenue generating platforms surpassed prior year's top-line performance with the boost from this year's political advocacies and advertisements. Advertising revenues from online platforms also

contributed to this year's incremental sales. Meanwhile, inflows from subscriptions, non-advertising operations and other businesses of ₱1,320 million, manifested a reduction of 6% versus a year ago.

Cost-wise, the Company continued to exercise prudent management of its operating costs. Total consolidated operating expenses (OPEX) for 2019 measured at ₱12,761 million from year ago's ₱11,998 million, translating into a single-digit hike of 6% -- or at a rate slower than the growth in its top line. Production and other direct costs in fact finished off at ₱6,435 million which was even a tad lower than prior year's ₱6,484 million by ₱49 million or 1%. This was nonetheless negated by the hike in the Company's general and administrative expenses (GAEX) by ₱811 million or 15%. Consolidated GAEX for the year 2019 stood at ₱6,325 million versus ₱5,514 million in the prior year.

With the sterling performance in this year' consolidated top line coupled with costs held at bay, consolidated Earnings before interest, taxes, depreciation and amortization (EBITDA) posted an improvement of more than half a billion ending at ₱5,392 million, or up by 12% from last year. Finally, consolidated Net Income after tax for the twelve-month period this 2019 settled at ₱2,639 million, ₱315 million or 14% better than 2018's bottom-line peg of ₱2,324 million.

Revenues

Consolidated revenues of the Company in 2019 aggregated to ₱16,493 million, manifesting a huge increase of ₱1,257 million or 8% from year ago's ₱15,236 million. Advertising revenues comprised the lion's share in the Company's consolidated revenue pie at 92%, inching up against last year's 91% share. In absolute terms, advertising revenues grew by 10% in between periods, with incremental sales amounting to ₱1,339 million. Without the non-recurring sales from political advocacies and advertisements, advertising revenues were still better off by 5% year-on-year. Airtime revenues from free-to-air platforms as well as online advertising sales primarily comprised this segment. Meanwhile, subscriptions revenues, sales of subsidiaries and other business concluded the past twelve months of 2019 at ₱1,320 million, down 6% from last year.

Revenues	2019 <i>(in millions PhP)</i>	2018 <i>(in millions PhP)</i>	Inc/(Dec) <i>(in millions PhP)</i>	%
Advertising revenues	15,173.9	13,834.5	1,339.4	10%
Subscriptions and others	1,319.5	1,401.7	(82.1)	-6%
	16,493.5	15,236.2	1,257.3	8%

Further segmenting airtime sales -- GMA-7 revenues for this year contributed more than three-fourths of consolidated advertising revenues, sealing twelve-month results higher by 9% versus same period in 2018. Providing the growth impetus for the channel were the incremental advertising load from the 2019 mid-term elections. Minus the aforesaid influx, Ch-7 still managed to outshine last year's recurring sales by 3% propelled by the increase in effective rates per minute.

Ratings-wise, GMA recorded 35.5% total day people audience share, in Urban Luzon, which accounted for 72% of all urban viewers in the country -- outscoring ABS-CBN's 30.4%. Building the momentum in the morning slot with 28.1%, GMA won against rival network's 25.8%. This continued in the afternoon slot with GMA's 36.7 % versus ABS' 30.9%. GMA further toppled its competitor in the evening block with 37.7 % while ABS-CBN only got 31.9%. Likewise, in Mega Manila, which accounted for 60% of all urban

viewers in the country, the Network posted 36.5% total day people audience share compared to ABS-CBN's 27.9% based on official data from January to December.

Radio operations came in second in terms of airtime sales generation. The business unit bagged a 7% improvement in its top line inclusive of political advocacies and advertisements. In terms of recurring revenue growth, Radio business likewise recorded a 4% upswing in its top line. DWLS-FM was the biggest top-line gainer both percentage-wise and in absolute terms, equivalent to a 15% hike. DZBB-AM and Cebu and Provincial operations also pitched in sales increases in between years by 9% apiece.

Meanwhile, GMA News TV's (GNTV) top line was barely affected by this year's national elections with very minimal contribution from political advocacies and advertisements during the period. Compared to prior year, GNTV finished off with revenues down by 14%. Lastly, Regional TV operations sealed the twelve-month period with combined revenues from all stations up by 4%. Without the election boost, sales from Regional operations finished a hairline higher than a year ago.

Meanwhile, Advertising revenues from online sales, particularly from the websites of GMA News Online and GMA Entertainment, continued to be the catalyst for the Company in terms of revenue growth. For 2019, online advertisements grew by 78% compared to a year ago, coming from the improvements seen in both direct sales and programmatic buys. Finally, airtime advertising abroad through the Company's GMA Pinoy TV platform, sealed the period 9% more than a year ago.

In other non-advertising revenue sources, subscriptions income from international operations and other businesses which were not affected by the extraordinary influx from election placements concluded the year at ₱1,320 million, down 6% from a year ago. Taking up the biggest portion in this revenue category was GMA Pinoy TV's operations abroad. However, in terms of subscriber take up, the business unit recorded a decline in subscriber count averaging by 9% between its three channels offered internationally, thus resulting in revenue contraction by also 9%. The appreciation of the PhP against the USD by an average of 2% also influenced the aforementioned decline in Pinoy TV's top line this year. Revenues from non-linear sources abroad, albeit still at its starting stage has increased by more than three folds.

Expenses

Consolidated Total operating expenses (OPEX) of the Company measured at ₱12,761 million in 2019, climbing by ₱763 million or 6% compared to full year of 2018. Cash OPEX sealed 2019 at ₱11,149 million escalating by ₱742 million or 7% while non-cash OPEX finished off at about the same level as last year, inching up by only 1%.

Comprising half of the Company's total OPEX, consolidated Production cost, talent fees and other direct expenses summed up to ₱6,435 million, ending a tad lower by ₱49 million or 1% than year ago. Cash Production cost dipped by ₱132 million or 2% arising from the reduction in Talent fees by ₱90 million or 3% and Rental and outside services by ₱84 million or 9%. However, this was partly offset by the climb in non-cash direct cost, mainly Program rights amortization by ₱117 million or 13% more than a year ago. The hike in the account was due to airing of more expensive foreign movies. This was partly offset by the 17% or ₱34 million contraction in Depreciation and amortization of assets related to production.

	2019 (in millions PhP)	2018 (in millions PhP)	Inc/(Dec) (in millions PhP)	%
Production Costs				
Talent fees	2,948.0	3,038.3	(90.3)	-3%
Rentals and outside services	812.0	895.8	(83.8)	-9%
Other program expenses	1,518.3	1,475.8	42.5	3%
Sub-total - Cash Production Costs	5,278.3	5,409.9	(131.6)	-2%
Program rights amortization	988.7	871.5	117.3	13%
Depreciation and amortization	168.2	202.4	(34.2)	-17%
Sub-total - Non-cash Production Costs	1,156.9	1,073.8	83.1	8%
Total production costs	6,435.2	6,483.7	(48.5)	-1%

On the other hand, consolidated General and Administrative Expenses (GAEX) for the Company sealed the year 2019 at ₱6,325 million, higher by ₱811 million or 15% than last year. Personnel costs drove this year's growth, wrapping up at ₱4,127 million, up 26% and comprising 32% of total consolidated OPEX. The non-recurring/one-time signing and appreciation bonuses to rank and file and confidential employees this year significantly influenced the upturn in this expenditure. This year was also saddled by the surge in provisions for pension liabilities and long-term employee benefit (SL/VL), resulting from the latest actuarial valuations. The hike in the account was partly cushioned by the reduction in other GAEX accounts coming from Taxes and Licenses, which ended lower by ₱18 million or 10%. Non-cash GAEX netted a ₱62 million or 12% decline, mainly from the presence of some ₱110 million in Provision for Doubtful Accounts in 2018 versus only ₱18 million this year, resulting from the Estimated Credit Losses computation during the period. This was partly negated by the hike in Depreciation of GAEX-related assets by ₱25 million or 7% in between years.

	2019 (in millions PhP)	2018 (in millions PhP)	Inc/(Dec) (in millions PhP)	%
General and Administrative Expenses				
Personnel costs	4,127.1	3,284.8	842.3	26%
Outside services	459.9	408.2	51.7	13%
Facilities costs	490.8	465.7	25.1	5%
Taxes and licenses	174.4	192.8	(18.5)	-10%
Others	618.6	645.9	(27.2)	-4%
Subtotal - Cash GAEX	5,870.8	4,997.5	873.4	17%
Depreciation and amortization	409.3	384.1	25.2	7%
Provision for doubtful accounts	18.3	109.6	(91.3)	-83%
Amortization of software costs	27.1	23.2	3.9	17%
Subtotal - Non-cash GAEX	454.6	516.9	(62.3)	-12%
Total GAEX	6,325.5	5,514.3	811.1	15%

EBITDA

As the top line during the year enjoyed the boost from the mid-term election placements as well as improvements in recurring sales from regular clients, coupled with cash operating costs climbing at a slower pace than the growth in revenues, the Company's consolidated Earnings before interest, taxes, depreciation and amortization (EBITDA) this 2019 wrapped up at ₱5,392 million, ₱568 million or 12% better than a year ago.

Net Income

The Company's consolidated Net Income after Tax sealed the year ended 2019 at ₱2,639 million, recording a ₱315 million or 14% improvement vis-à-vis prior year's bottom line of ₱2,324 million.

Balance Sheet Accounts

The Company's total assets stood at ₱16,347 million as at end-2019, increasing by 6% from December 31, 2018's balance of ₱15,293 million.

Cash and cash equivalents of ₱2,255 million decreased by ₱304 million or 12% from 2018 balance of ₱2,559 million as cash generated from operations was lower than the cash needed for investing and financing activities such as cash dividends and loans payments. Trade and other receivables closed at ₱5,257 million, 9% higher than previous year.

Total liabilities also climbed by 15% or ₱855 million as at end-December this year to ₱6,690 million from ₱5,704 million in 2018 mainly due to the spike in Pension liability partly offset by the drop in short-term loans by ₱100 million.

Equity attributable to Parent Company stockholders amounting to ₱9,586 million as at December 31, 2019 increased by 1% or ₱61 million in between years, as a result of ₱2,618 million net income attributable to Parent Company earned in 2019, subsequently reduced by the dividends declared during the first half of 2019 amounting to ₱2,187 million.

Cash Flows	2019 <i>(in millions PhP)</i>	2018 <i>(in millions PhP)</i>
Net cash provided by operating activities	2,884.2	3,155.6
Net cash used in investing activities	(796.8)	(405.9)
Net cash used in financing activities	(2,365.5)	(2,472.3)
Effect of exchange rate changes on cash and cash equivalents	(26.0)	1.8
Net increase (decrease) in cash and cash equivalents	(304.1)	279.3
Cash and cash equivalents at beginning of year	2,559.1	2,279.8
Cash and cash equivalents at end of the year	2,255.0	2,559.1

Operating Activities

Net cash from operations registered at ₱2,884 million in 2019. This stemmed from income before income tax of ₱3,766 million, adjusted mainly by Program rights usage of ₱989 million, Depreciation expense of ₱578 million, Pension expense of ₱402 million, Interest expense and financing charges of ₱56 million, Net unrealized foreign currency exchange gain of ₱30 million, Gain on sale of property and equipment of ₱21 million and Amortization of software costs of ₱27 million apart from the changes in working capital. The primary component of the changes in working capital included the ₱493 million and ₱274 million increase in Trade and other receivables and Prepaid and other current assets, respectively.

Investing Activities

Net cash used in investing activities amounted to ₱797 million, coming primarily from the acquisition of ₱673 million and ₱65 million worth of Property and equipment and Software costs, respectively. These were partially offset by the ₱26 million proceeds from sale of property and equipment and investment properties.

Financing Activities

Net cash used in financing activities amounted to ₱2,366 million due to payment of cash dividends and loans amounting to ₱2,198 million and ₱1,618 million, respectively, plus some ₱46 million in Interest expense netted by ₱1,518 million remaining proceeds from short-terms loans.

FINANCIAL AND OPERATIONAL RESULTS

For the Year Ended December 31, 2018

Capping the twelve-month period in 2018, GMA Network and Subsidiaries (GMA/the Company) recorded consolidated sales of over ₱15.0 billion, ending shy by only 2% than a year ago – despite the challenges during most part of the year brought about by the industry-wide contraction in advertising spending. Consolidated revenues of the Company sealed at ₱15,236 million, behind previous year's tally of ₱15,602 million, albeit by only a low single-digit percentage. The dramatic improvement in this year's fourth quarter sales was instrumental in bridging the gap in year-to-date topline.

Income Data	2018 <i>(in millions PhP)</i>	2017 <i>(in millions PhP)</i>	Inc/(Dec) <i>(in millions PhP)</i>	%
Revenues				
Advertising revenue	13,834.5	14,176.9	(342.3)	-2%
Subscriptions and others	1,401.7	1,425.4	(23.8)	-2%
	15,236.2	15,602.3	(366.1)	-2%
Total operating expenses	11,998.0	12,066.7	(68.7)	-1%
EBITDA	4,823.9	5,217.4	(393.5)	-8%
Net income	2,324.0	2,559.7	(235.7)	-9%
<i>Attributable to Equity Holders of Parent Co.</i>	2,304.8	2,543.9	(239.1)	-9%
<i>Noncontrolling Interest</i>	19.2	15.8	3.4	21%

For the year ended December 31, 2018, advertising sales sealed at ₱13,835 million, lower than last year by ₱342 million or 2%. Mixed results were seen in the various airtime-revenue generating platforms. Radio and Regional TV operations exhibited top-line improvements while Ch-7 and GMA News TV 11 finished with sales lower than prior year. On the other hand, other revenue sources, particularly from subsidiaries' operations and other businesses reflected a combined decrease of ₱24 million equivalent to 2%.

Meanwhile, the Company continued to put a tight rein on cost as total consolidated operating expenses (OPEX) for 2018 aggregating to ₱11,998 million manifested a reduction of ₱69 million or 1%. Production and other direct cost finished off at ₱6,484 million which was lower than year ago's ₱6,682 million by ₱199 million or 3%. This was partly offset by the hike in the Company's general and administrative expenses (GAEX) by ₱130 million or 2%. Consolidated GAEX stood at ₱5,514 million by the close of the twelve month period this 2018.

The drop in this year's top line drove consolidated Earnings before interest, taxes, depreciation and amortization (EBITDA) down to ₱4,824 million, lower than last year, albeit by still a single digit percentage of 8% or ₱393 million. Consolidated Net Income after tax for the twelve-month period this 2018 thus settled at ₱2,324 million, down by ₱236 million or 9% against last year's performance of ₱2,560 million.

Revenues

Consolidated revenues this 2018 cumulated to ₱15,236 million, sliding by ₱366 million or 2% from year ago's ₱15,602 million. The shortfall in advertising revenues of ₱342 million was moderately heightened by the cut in top-line contribution coming from subsidiaries and other businesses by ₱24 million.

Revenues	2018 <i>(in millions PhP)</i>	2017 <i>(in millions PhP)</i>	Inc/(Dec) <i>(in millions PhP)</i>	%
Advertising revenues	13,834.5	14,176.9	(342.3)	-2%
Subscriptions and others	1,401.7	1,425.4	(23.8)	-2%
	15,236.2	15,602.3	(366.1)	-2%

On a per platform basis, core channel, GMA-7 comprised the lion's share in the Company's revenue pie, pitching in more than three quarters of the consolidated top line. Compared to prior year's sales, the channel posted a reduction of 4% in airtime sales, arising from the contraction in advertising spending by major business partners. In the same manner, leading news channel GMA News TV 11 also wrapped up the year 2018 with sales lower by 6%.

On the other hand, these were partly mitigated by the boost in revenues generated by the Radio business, which bagged the second largest share in airtime revenues. Radio operations nationwide, pitched in revenues higher by 11% versus 2017. Lastly, Regional TV operations also proved its mettle sealing the year with sales up by 5% from a year ago. Both national and local sales posted revenues higher by 6% and 3%, respectively. Meanwhile, partially netting the drop in advertising topline sales was the growth in on-line advertising via the Company's websites, GMA News Online and GMA Entertainment Online by 30% year-on-year.

Ratings-wise, GMA continued to win against ABS-CBN in the nationwide urban TV ratings (NUTAM) in 2018 with 40.8% average people audience share versus its main competitor's 37.5%. Excluding specials, 19 out of the overall top 30 programs nationwide were from GMA. Moreover, GMA's 47.6% people audience share average in Mega Manila was way ahead of its rival's 28.6%. The Network likewise posted a double-digit margin in TV audience share over ABS-CBN in Urban Luzon.

In other revenue sources, the combined growth of ₱61 million or 4% was a result of the net improvements from subsidiaries operations by 14%, while subscriptions from the Company's international channels GMA Pinoy TV, Life TV and News TV stood flat in between periods. The 4% hike in foreign exchange due to the depreciation of the Peso against the US dollar was counterweighed by the contraction in subscriber count for the channels mentioned above. Revenues from film distribution abroad also recorded a cut-back from last year.

Expenses

Total consolidated operating expenses for the full year of 2018 amounted to ₱11,998 million, declining by ₱69 million or 1% compared to last year. The dip in total cash OPEX by ₱91 million or 1% was partly offset by the slight increase in non-cash OPEX by ₱22 million.

	^a 2018 (in millions PhP)	2017 (in millions PhP)	Inc/(Dec) (in millions PhP)	%
Production Costs				
Talent fees	3,038.3	3,113.6	(75.3)	-2%
Rentals and outside services	895.8	845.0	50.8	6%
Other program expenses	1,475.8	1,577.6	(101.8)	-6%
Sub-total - Cash Production Costs	5,409.9	5,536.1	(126.3)	-2%
Program rights amortization	871.5	905.3	(33.8)	-4%
Depreciation and amortization	202.4	240.9	(38.5)	-16%
Sub-total - Non-cash Production Costs	1,073.8	1,146.2	(72.3)	-6%
Total production costs	6,483.7	6,682.3	(198.6)	-3%

Production cost and talent fees which comprised 54% of total consolidated OPEX sealed the period at ₱ 6,484 million, even lower by 3% or ₱199 million than a year ago. Cash production cost ended at ₱5,410 million, down ₱126 million or 2% from last year's ₱5,536 million. Talent fees, which comprised the biggest chunk in this category contracted by ₱75 million or 2%. This was partly offset by the increase in Rentals and outside services which grew by ₱51 million or 6%. Other program expenses also registered a reduction by ₱102 million or 6% in between periods. Contributing to the decline were lower line-production fees paid this year as well as less spending on tapes, sets and production supplies. Non-cash production expenses also netted a ₱72 million or 6% dip from last year coming from Program rights amortization by 4% and Depreciation by 16%.

	2018 (in millions PhP)	2017 (in millions PhP)	Inc/(Dec) (in millions PhP)	%
General and Administrative Expenses				
Personnel costs	3,284.8	3,284.3	0.5	0.02%
Outside services	408.2	376.5	31.8	8%
Facilities costs	465.7	449.6	16.1	4%
Taxes and licenses	192.8	182.7	10.1	6%
Others	645.9	669.1	(23.2)	-3%
Subtotal - Cash GAEX	4,997.5	4,962.2	35.3	1%
Depreciation and amortization	384.1	390.6	(6.5)	-2%
Provision for doubtful accounts	109.6	8.3	101.4	1228%
Amortization of software costs	23.2	23.4	(0.2)	-1%
Subtotal - Non-cash GAEX	516.9	422.2	94.7	22%
Total GAEX	5,514.3	5,384.4	129.9	2%

Meanwhile, consolidated general and administrative expenses (GAEX) accumulated to ₱5,514 million during the year, slightly ahead of last year by 2% or ₱130 million. Personnel cost which comprised the biggest chunk of this category ended at ₱3,285 million, at par with last year. While salary increases were accorded to both Confidential and Rank & File employees for 2018, this was fairly equalized by the presence of the non-recurring CBA signing bonus and appreciation bonus in 2017. Outside services which included Advertising expenses and Professional fees grew by ₱32 million or 8%, while Facilities cost hiked by ₱16 million or 4%, mainly from the rise in utilities payments. Lastly, non-cash GAEX spiked by ₱95 million this year, up 22% from a year ago, mainly due to the recording of ₱110 million as additional provision for doubtful accounts this year.

EBITDA

Earnings before interest, taxes, depreciation and amortization (EBITDA) for the year 2018 sealed at ₱ 4,824 million, lower by ₱393 million or 8% compared with prior year's ₱5,217 million. The drop in EBITDA was attuned to this year's top line ending shy against last year's showing.

Net Income

The Company wrapped up the twelve-month period this 2018 with consolidated net income after tax reaching ₱2,324 million, down by ₱236 million, though nevertheless only a single-digit percentage lower equivalent to 9%.

Balance Sheet Accounts

As at end-2018, the Company's total assets stood at ₱15,293 million, exhibiting an increase of 3% from December 31, 2017's ₱14,793 million.

Cash and cash equivalents of ₱2,559 million increased by ₱279 million or 12% from 2017 balance of ₱ 2,280 million as a result of higher operating income netted by the dividends declared during the year and various investing activities. Trade and other receivables closed at ₱4,812 million, 2% lower than previous year.

Total liabilities also grew by 7% or ₱361 million as at end-December this year to ₱5,704 million from ₱ 5,343 million in 2017 primarily due to hike in Pension liability as a result of latest actuarial valuation report partially netted by the drop in Trade payables and other current liabilities by ₱226 million.

Equity attributable to Parent Company stockholders of ₱9,525 million as at December 31, 2018 decreased by 1% or ₱122 million in between years, as a result of dividends declared during the first half of 2018 amounting to ₱2,430 million, subsequently counterbalanced by the ₱2,305 million net income attributable to Parent Company earned in 2018 and by increase in revaluation increment in land as of December 31, 2018 in the amount of ₱693 million, net of tax.

Cash Flows	2018 <i>(in millions PhP)</i>	2017 <i>(in millions PhP)</i>
Net cash provided by operating activities	3,155.6	3,072.5
Net cash used in investing activities	(405.9)	(542.9)
Net cash used in financing activities	(2,472.3)	(3,733.5)
Effect of exchange rate changes on cash and cash equivalents	1.8	64.7
Net increase (decrease) in cash and cash equivalents	279.3	(1,139.2)
Cash and cash equivalents at beginning of year	2,279.8	3,419.0
Cash and cash equivalents at end of the year	2,559.1	2,279.8

Operating Activities

Net cash from operations registered at ₱3,156 million in 2018. This stemmed from income before income tax of ₱3,332 million, adjusted mainly by Program rights usage of ₱871 million, Depreciation expense of ₱586 million, Pension expense of ₱312 million, Provision for doubtful accounts of ₱110 million, Interest expense and financing charges of ₱36 million, Gain on sale of property and equipment of ₱20 million and Amortization of software costs of ₱23 million apart from the changes in working capital. The primary

component of the changes in working capital included the ₱128 million increase in Trade and other receivables coupled by the ₱230 million decrease in Trade payables and other current liabilities.

Investing Activities

Net cash used in investing activities amounted to ₱406 million, coming primarily from the ₱519 million and ₱8 million net additions to Property and equipment and Software costs, respectively. These were partly offset by the increase in Other noncurrent assets by ₱88 million and by the ₱31 million proceeds from sale of property and equipment and investment properties.

Financing Activities

Net cash used in financing activities amounted to ₱2,472 million basically due to payment of cash dividends and loans amounting to ₱2,436 million ₱1,500 million, respectively, plus some ₱36 million in Interest expense netted by ₱1,000 million remaining proceeds from short-terms loans.

KEY VARIABLE AND OTHER QUALITATIVE OR QUANTITATIVE FACTORS

- i. Trends, demands, commitments, events or uncertainties that will have a material impact on the issuer's liquidity.

As of December 31, 2019, there were no known trends, demands, commitments, events or uncertainties that will have a material impact on the issuer's liquidity.
- ii. Events that will trigger direct or contingent financial obligation that is material to the company, including any default or acceleration or an obligation.

As of December 31, 2019, there were no events which may trigger a direct or contingent financial obligation that is material to the Company.
- iii. Material off-balance-sheet transactions, arrangements, obligations (including contingent obligations), and other relations of the company with unconsolidated entities or other persons created during the reporting period.

There were no material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relations of the company with unconsolidated entities or other persons created during the reporting period.
- iv. Material commitments for capital expenditures, the general purpose of such commitments and the expected sources of funds for such expenditures.

For 2020, the parent company has allotted ₱1,224 million for capital expenditures. This will be financed by internally-generated funds.
- v. Any known trends, events or uncertainties that have had or that are reasonably expected to have a material favorable or unfavorable impact on net sales/revenues/income from continuing operations.

GMA Network's results of operations depend largely on the ability to sell airtime for advertising. The Company's business may be affected by the general condition of the economy of the Philippines.

- vi. Significant elements of income or loss that did not arise from the Company's continuing operations.

As of December 31, 2019, there were no significant elements of income or loss that did arise from the issuer's continuing operations.

- vii. Causes for Material Changes in the Financial Statements

Balance Sheet (December 31, 2019 vs. December 31, 2018)

- Cash and cash equivalents of ₱2,255 million reduced by ₱304 million or 12% from 2018 balance of ₱2,559 million as cash generated from operations was lower than the cash needed from investing and financing activities such as cash dividends and loans payments.
- Trade and other receivables increased by ₱445 million as collections for the year is lower than the sales generated.
- Prepaid and other current assets also grew in between periods from ₱645 million in 2018 to ₱919 million in 2019 as a result of higher Prepaid production cost by ₱198 million
- Short-term loans decreased by ₱100 million as payments exceeds availments for the year.

- viii. Seasonal aspects that had a material effect on the financial condition or results of operations.

There are no seasonal aspects that had a material effect on the financial condition or results of operations.

Interim Periods

Management Discussion and Analysis of Financial^o Condition and Results of Operations for the Three Months Ended March 31, 2020 and 2019

Despite the onset of the Enhanced Community Quarantine (ECQ) by mid-March, in response by the Philippine government to quell the spread of the COVID-19 pandemic, GMA Network and Subsidiaries (GMA/the Company) managed to record consolidated sales of over ₱3,532 million, albeit behind last year by 7%. It must be noted though that last year also benefitted from the influx of political advocacies and advertisements in light of the 2019 mid-term elections. Hence, it was the impact of the latter which contributed the drag to the Company's top line this period more than the effect of the novel coronavirus 2019 disease towards the tail-end of the first quarter. In fact, minus the non-recurring inflows from last year's election placements, the Company finished off with consolidated sales ahead of Q1 2019 by 2%.

Income Data	3M 2020 <i>(in millions PhP)</i>	3M 2019 <i>(in millions PhP)</i>	Inc/(Dec) <i>(in millions PhP)</i>	%
Revenues				
Advertising revenues	3,254.5	3,495.0	(240.5)	-7%
Subscriptions and others	277.5	302.2	(24.8)	-8%
	3,532.0	3,797.3	(265.3)	-7%
Total operating expenses	2,691.9	2,811.7	(119.8)	-4%
EBITDA	1,157.5	1,387.5	(230.0)	-17%
Net income	583.4	721.8	(138.3)	-19%
<i>Attributable to Equity Holders of Parent Co.</i>	574.7	716.1	(141.4)	-20%
<i>Noncontrolling Interest</i>	8.7	5.7	3.1	54%

For the first three months of 2020, consolidated advertising revenues sealed at ₱3,255 million, missing last year's peg by ₱240 million or 7%. All airtime-revenue generating platforms yielded to prior year's top-line results, mainly due to the absence of political advocacies and advertisements this year. On the other hand, revenues from on-line advertising continued to post a considerable growth in between periods, thus partly abating the reduction from airtime sales. Meanwhile, revenues from subscription and others which also included subsidiaries' operations, wrapped up at ₱277 million for Q1 2020, likewise behind last year's ₱302 million sales by 8%. Carving out the non-recurring top-line gains from the election load, consolidated advertising revenues posted an improvement of 3% year-on-year.

While consolidated revenues did not come up to par with last year, the Company's total consolidated operating expenses (OPEX) from January to March this year amounting to ₱2,692 million likewise resulted in a reduction of 4% or ₱120 million. Production and other direct cost sealed the first quarter, 17% or ₱251 million less than last year's balance of ₱1,476 million, with this year's direct costs finishing off at ₱1,225 million or 17% less than Q1 last year. This was partly offset by the hike in the Company's consolidated general and administrative expenses (GAEX) by ₱131 million or 10%. Consolidated GAEX stood at ₱1,467 million by the close of the first three months this 2020.

The drop in this year's top line drove consolidated Earnings before interest, taxes, depreciation and amortization (EBITDA) down to ₱1,157 million, lower than last year by 17% or ₱230 million. Consolidated Net Income after tax for the 1st quarter of 2020 thus settled at ₱583 million, down by ₱138 million or 19% against last year's solid performance of ₱722 million.

Revenues

Capping Q1 results, the Company managed to hurdle the early stages of the ECQ as most airtime placements were already locked in prior to its imposition by mid-March. However, consolidated sales nevertheless wrapped up lower than a year ago owing to the absence of more than three hundred million worth of election-related placements this year. The Company sealed the quarter with consolidated sales of ₱3,532 million, sliding by ₱265 million or 7% from year ago's ₱3,797 million. The shortfall in advertising revenues was coupled by lower top-line contribution coming from subscriptions and other businesses by ₱25 million or 8% between comparable periods.

Revenues	3M 2020 <i>(in millions PhP)</i>	3M 2019 <i>(in millions PhP)</i>	Inc/(Dec) <i>(in millions PhP)</i>	%
Advertising revenues	3,254.5	3,495.0	(240.5)	-7%
Subscriptions and others	277.5	302.2	(24.8)	-8%
	3,532.0	3,797.3	(265.3)	-7%

On a per platform basis, core channel GMA-7 comprised the lion's share in the Company's revenue pie, pitching in more than three quarters of the consolidated top line. Compared to prior year's sales, the channel posted a reduction of 7% in airtime sales, being the hardest hit with the absence of political advocacies and advertisements this period. On a positive note, discounting the impact of last year's windfall, Ch-7 emerged with recurring sales higher by 4%. The growth in the top line coming from regular advertisers was influenced by the improvement in average rate per minute.

Meanwhile, Radio business contributed the second largest airtime sales and registered a 6% setback versus same period last year. Majority of the reduction was a result of the boost from last year's election-related load which was not present this period. Nonetheless, Radio ended shy by 1% year-on-year after carving out the extraordinary top line last year. Regional TV operations was likewise not spared, with its top line manifesting a reduction equivalent to 17% compared to Q1 of 2019. The business unit also benefitted from both local and national election-related placements last year. On the other hand, in terms of recurring sales, Regional TV operations netted a reduction by 7% mostly coming from the dearth in national sales which was cushioned by the growth in locally-generated revenues. Lastly, GMA News TV which was hardly affected by the presence of political advocacies and advertisements recorded a revenue contraction by 58% from Q1 2019.

GMA Network kept its winning streak in the nationwide television ratings for March despite the recent programming changes in light of the COVID-19 pandemic. Citing the latest data from Nielsen TV Audience Measurement (NUTAM) in March (with March 22 to 31 based on overnight data), GMA registered 33.8 percent average total day people audience share in NUTAM while ABS-CBN got 29.4 percent. The Network consequently won in all dayparts which include the morning, afternoon, and evening blocks.

GMA continued to dominate in key urban areas including Urban Luzon and Urban Visayas. The Network recorded 35.4 percent total day people audience share in Urban Luzon while its competitor posted 26.5 percent. In the recently-clinched Urban Visayas, GMA also posted a bigger lead with 35.9 percent versus rival network's 32.5 percent. With official data from March 1 to 21, the Network likewise won in Mega Manila with 37.7 percent total day people audience share, outscoring ABS-CBN's 25.1 percent.

Meanwhile, online advertising sales continued to gain traction year-on-year. For the first quarter of 2020, advertising revenues from online sources, particularly from the Company's websites, GMA News Online and GMA Entertainment Online as well as the Network's YouTube channels, grew by 39%. The boost from this revenue stream partly cushioned the general decline posted under airtime sales. The GMA YouTube channels achieved an all-time high in aggregate views with 1.2 billion for March while YTD views grew by 62% versus in the same period last year. Moreso, watch time grew by 48% in against Q12019. Both metrics tell us that people are watching significantly more content and the length of time spent on the channels has likewise gone up substantially. In the same manner, GMA Entertainment and GMA Public Affairs channels increased views by 23% and 21%, respectively between comparative periods. Lastly, GMA News Online (GNO) achieved a new all-time high in users per month in March in terms of unique visitors.

In other revenue sources, which was mainly comprised of subscriptions revenues from GMA's international cable channels GMA Pinoy TV as well as revenues from Subsidiaries' operations, an 8% or ₱25 million decline was recorded for the first quarter. Primary drag came from the contraction in GMA Pinoy TV's revenues from subscriptions owing to the churn in subscriber count across channels possibly due to shift in the preference of the subscriber base to other media platforms. Compounding the decline was the appreciation of the PhP against the USD in between periods by 2%. Partly alleviating the downtrend from traditional cable subscription was the increase in revenues from non-linear sources, i.e. over-the-top and video-on-demand in the international market. Likewise, additional revenues were generated this year from distribution of film rights in the international market which more than doubled its growth from the first quarter of last year.

Expenses

Total consolidated operating expenses sealed the first quarter of this year at ₱2,692 million, dropping by ₱120 million or 4% compared to last year's ₱2,812 million. The dip in total consolidated cash OPEX measured at ₱82 million or 3% which was likewise met by a reduction in non-cash OPEX by ₱38 million or 10%.

Meanwhile, Production costs and talent fees sealed the period at ₱1,225 million, exhibiting a double-digit decline by 17% or ₱251 million versus same period in 2019. Both cash and non-cash production and other direct cost yielded lower spending compared to Q1 of last year. Rentals and outside services this period saw a reduction of ₱68 million or 32% owing to centralized rate negotiation across major in-house produced programs. Talent fees also ended lower by 6% or ₱40 million while other cash program expenses accumulated a contraction of ₱96 million or 30%, owing to the conclusion of the blocktime fees with Zoe Broadcasting Network. On the other hand, the decline in non-cash production spending emanated from lower charges for Program rights amortization by ₱44 million or 20%. The mix of canned movies shown this year included reruns with zero cost and lower-costing foreign titles.

Production Costs	3M 2020 <i>(in millions ₱ PhP)</i>	3M 2019 <i>(in millions ₱ PhP)</i>	Inc/(Dec) <i>(in millions ₱ PhP)</i>	%
Talent fees	635.9	675.7	(39.7)	-6%
Rentals and outside services	144.6	212.8	(68.2)	-32%
Other program expenses	225.8	321.6	(95.7)	-30%
Sub-total - Cash Production Costs	1,006.4	1,210.1	(203.7)	-17%
Program rights amortization	179.5	223.2	(43.8)	-20%
Depreciation and amortization	39.0	42.4	(3.4)	-8%
Sub-total - Non-cash Production Costs	218.5	265.6	(47.1)	-18%
Total production costs	1,224.9	1,475.7	(250.8)	-17%

For the first quarter, consolidated general and administrative expenses (GAEX) accumulated to ₱1,467 million, outpacing last year's tally by 10% or ₱131 million. Personnel cost which comprised the biggest chunk of this category ended at ₱1,002 million, increasing by ₱158 million or 19%. The hike was an offshoot of annual salary increases accorded to both Confidential and Rank & File employees and climb in manpower count by 5% more or less year-on-year. On top of this, the growth in the provisioning for pension and other long-term employee benefits likewise contributed to the escalation in the account category. Outside services which included Advertising expenses and Professional fees posted a reduction of 20% or ₱17 million for the initial quarter this year. In particular, there were less promotional campaigns in the regions this period. Facilities cost further contributed to the reduction, slipping by ₱11 million or 10% vs Q1 2019 results. Utilities registered an 18% drop due to lower generation charge this period on top of the reduced utilization of most premises both in Metro Manila and the provinces at the

onset of the ECQ in mid-March. Lastly, non-cash GAEX partly negated the abovementioned reductions in cash GAEX, with Depreciation and amortization-related charges climbing by 9% or ₱9 million.

General and Administrative Expenses	3M 2020 <i>(in millions PhP)</i>	3M 2019 <i>(in millions PhP)</i>	Inc/(Dec) <i>(in millions PhP)</i>	%
Personnel costs	1,002.4	844.4	158.1	19%
Outside services	70.8	88.0	(17.2)	-20%
Facilities costs	94.9	106.0	(11.1)	-10%
Taxes and licenses	44.9	43.0	1.9	4%
Others	145.3	155.4	(10.0)	-6%
Subtotal - Cash GAEX	1,358.3	1,236.7	121.6	10%
Depreciation and amortization	96.8	92.9	3.8	4%
Provision for doubtful accounts	0.1	-	0.1	-
Amortization of software costs	11.8	6.3	5.4	86%
Subtotal - Non-cash GAEX	108.7	99.3	9.4	9%
Total GAEX	1,467.0	1,336.0	131.0	10%

EBITDA

Earnings before interest, taxes, depreciation and amortization (EBITDA) wrapped up at ₱1,157 million for the first three months of 2020, exhibiting a decline of ₱230 million or 17%. The shortfall in the top line by ₱265 million was partly mitigated by the contraction in operating expenses of the Company.

Net Income

The Company sealed first quarter of the year with more than half a billion in Net Income after Tax, wounding up with a bottom line of ₱583 million. Nonetheless, compared to year ago's heavily charged net income from election-related placement, this year's tally translated into a ₱138 million or 19% reduction.

Balance Sheet Accounts

As at end-March 2020, the Company's total assets stood at ₱16,808 million, exhibiting an increase of 3% from December 31, 2019's ₱16,347 million.

Cash and cash equivalents of ₱1,878 million decreased by ₱377 million or 17% from end-2019 balance of ₱2,255 million as a result of net cash flows provided by operating activities of ₱209 million which was partly offset by acquisition of property and equipment and payments of short-term loans during the three-month period this 2020, amounting to ₱138 million and ₱400 million, respectively. Trade and other receivables closed at ₱6,039 million, 15% higher than previous year's ₱5,257 million as a result of higher sales than collections as of March 31, 2020. Note that ECQ was already in place starting mid-March, posing a challenge in terms of collections of receivables for the period covered.

Meanwhile, total liabilities also declined by 2% or ₱119 million as at end of 1st quarter of 2020 this year to ₱6,571 million from ₱6,690 million in end-December 2019 as the drop in short-term loans by ₱400 million was partially negated by the increase in income tax payables and pension liability in between reporting periods. The Company sealed the first quarter of 2020 debt-free.

Equity attributable to Parent Company stockholders of ₱10,157 million as at March 31, 2020 increased by 6% or ₱571 million, mainly due to the ₱575 million net income attributable to Parent Company earned in 3M2020.

Cash Flows

Cash Flows	3M 2020 <i>(in millions PhP)</i>	3M 2019 <i>(in millions PhP)</i>
Net cash provided by operating activities	209.2	697.6
Net cash provided by (used in) investing activities	(154.0)	8.9
Net cash used in financing activities	(405.9)	(3.4)
Effect of exchange rate changes on cash and cash equivalents	(26.7)	7.6
Net increase (decrease) in cash and cash equivalents	(377.4)	710.7
Cash and cash equivalents at beginning of year	2,255.0	2,559.1
Cash and cash equivalents at end of the year	1,877.5	3,269.8

Operating Activities

Net cash provided by operating activities measured at ₱209 million in 1Q2020. This stemmed from income before income tax of ₱834 million, adjusted mainly by Program rights usage of ₱179 million, Depreciation expense of ₱136 million, Net unrealized foreign exchange gain of ₱27 million, Amortization of software costs of ₱12 million, Interest income of ₱8 million and Interest expense and financing charges of ₱5 million apart from the changes in working capital. The primary component of the changes in working capital included the ₱778 million and ₱147 million increase in Trade and other receivables and Program and other rights, respectively, coupled by the ₱86 million decrease in Trade payables and other current liabilities.

Investing Activities

Net cash used in investing activities amounted to ₱154 million, coming primarily from the ₱138 million additions to Property and equipment. These were partly offset by the increase in Other noncurrent assets by ₱3 million proceeds from property sales.

Financing Activities

Net cash used in financing activities amounted to ₱406 million basically due to payment of loans and interest expense amounting to ₱400 million ₱6 million, respectively.

Key Financial Performance Indicators

The key financial performance indicators that the Company monitors are the following:

Key Performance Indicators	3M 2020 <i>(in millions PhP)</i>	3M 2019 <i>(in millions PhP)</i>	Inc/(Dec) <i>(in millions PhP)</i>	%
Revenues	3,532.0	3,797.3	(265.3)	-7%
Advertising revenues	3,254.5	3,495.0	(240.5)	-7%
Cash operating expenses	2,364.8	2,446.8	(82.0)	-3%
EBITDA	1,157.5	1,387.5	(230.0)	-17%
Net income before tax	833.7	1,026.3	(192.6)	-19%
Net income after tax	583.4	721.8	(138.2)	-19%

Item 7. Financial Statements

Refer to attached copy of the Company's 2020 Audited Financial Statement as well as the Interim Financial Statements of the Company as of March 31, 2020 (under SEC Form 17-Q).

Item 8 . Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

The Audit and Risk Management Committee reviews the fee arrangements with the external auditor and recommends the same to the Board of Directors. The Company's Audit Committee (now Audit and Risk Management Committee) was formed in 2007 and was formally organized during the latter portion of that year. The members of the Audit and Risk Management Committee are as follows:

Dr. Jaime C. Laya (Chairman)
Chief Justice Artemio V. Panganiban
Anna Teresa Gozon-Vaides
Laura J. Westfall
Judith R. Duavit-Vazquez

The Audit and Risk Management Committee has recommended the appointment of Sycip Gorres Velayo and Co., as the external auditor of the Company. The Sycip Gorres Velayo & Co. has acted as the Company's external auditors since 1994. The same accounting firm is being recommended for re-election at the scheduled annual meeting.

The Company has not had any disagreements on accounting and financial disclosures with its current external auditors during the two most recent fiscal years or any subsequent interim period.

Sycip Gorres Velayo & Co. has no shareholdings in the Company nor any right, whether legally enforceable or not, to nominate persons or to subscribe for the securities in the Company. The foregoing is in accordance with the Code of Ethics for Professional Accountants in the Philippines set by the Board of Accountancy and approved by the Professional Regulation Commission.

AUDIT AND AUDIT RELATED FEES

The aggregate fees billed for each of the last two years for the professional services rendered by SyCip Gorres Velayo & Co. amounted to P6.3 million in 2018 and P6.5 million in 2019 (these included the fees related to financial audit and services for general tax compliance).

TAX FEES

There was no specific engagement availed by the Company for purely tax accounting. The total audited related fees as stated above already included basic tax review.

ALL OTHER FEES

Other than the foregoing services, no other product or service was provided by the external auditor to the Company.

III. PROPERTIES

As of December 31, 2019, the Company's total property and equipment and real property amounted to P5,498.4 million. The property and equipment had a book value of P2,693.9 million, while its real property had a fair market value of P2,804.5 million (based on an Independent appraisal report as of November 19, 2018).

The Company also leases land, building, and studio/office space in various locations around the Philippines under lease agreements for periods of between three and 25 years. The lease agreements may be cancelled at the Company's option. Rental expense of the Company related to this amounted to P20.6 million for the year ended December 31, 2019

The following are the principal properties of the Company:

- The Channel 7 compound located in Barangay South Triangle, Diliman, Quezon City, which contains several buildings, including the GMA Network Center building;
- The GMA Network Center Studios, a four-storey building with an area of 4,053 square meter property adjacent to the GMA Network Center at GMA Network Drive cor. EDSA, Diliman Quezon City which houses two state-of-the-art studios, technical facilities and offices;
- The GMA Transmitter complex in Tandang Sora Avenue, Barangay Culiati, Diliman Quezon City with a total land area of 27,228sqm, which houses the 777 ft. Tower, tallest broadcast tower in the Philippines, TV and FM Transmitter building and Sets & Props storage and construction facility;
- The GMA Fleet Center located on the east corner of Mother Ignacia Avenue and Sergeant Esguerra Avenue, Barangay South Triangle, Diliman Quezon City; and
- Properties in the key areas across different regions:

Luzon

- Land in Barangay Malued, Dagupan City, where the Company's radio and television studios are located;
- A 51,135 square meter property in Panghulo, Obando, Bulacan, where an AM transmitter site, a two-storey building, a genset house, and an AM tower are situated;
- A 2,000 square meter property in Barangay Concepcion Pequena, Naga City, where a two-storey building which houses TV & Radio Studio and Offices, TV & FM transmitter building are situated.
- A 10,000 square meter property in La Trinidad, Benguet where an FM transmitter site and a one storey building are situated.
- A 2000 square meter property in Bayubay Sur, San Vicente, Ilocos Sur where a TV studio is located.

Visayas

- Land located in Nivel Hills, Barangay Lahug, Cebu City, containing a multilevel building which houses radio and television operation facilities;
- Land in Barangay Tamborong, Jordan, Guimaras where an FM radio and television transmitter is located;
- Land in Alta Tierra, Jaro, Iloilo City where radio and television studios are located;
- Land in Barangay Jibao-an, Pavia, Iloilo where an AM transmitter site and building are located;
- Land in Barangay Sta. Monica, Puerto Princesa City, Palawan where a television relay transmitter site is located; and
- Land in Barangay Bulwang, Numancia, Aklan where a television relay transmitter site and a building are located.

Mindanao

- Land in Bo. Matina Hills, Davao City where an FM and television transmitter building and studio complex are located;
- Land in Barangay San Isidro, General Santos City where a television relay transmitter site and a building are located;
- Land in Barangay Cabatangan, Zamboanga City where a television relay transmitter site and a building are located.

The properties owned by the Company are currently unencumbered and are free from any existing liens.

The Company also leases land, building and studio/office space in various locations around the Philippines under lease agreements for periods of between three and 25 years. The lease agreements may be cancelled at the Company's option. Rental expense of the Company related to this amounted to P20.2 million for the year ended December 31, 2018.

Regional Broadcast Stations

GMA owns regional broadcast stations in various parts of the country. Originating TV stations are stand-alone transmitter, studio and production facilities capable of producing and airing live and/or taped programs as well as plugs and advertising within their (local) service area/s independent of, or in conjunction with the national feed. Satellite TV stations are similar to originating TV stations except that they are not equipped with live production capability outside of news bulletins. Satellite TV stations are also capable of broadcasting local plugs or advertising within their respective (local) service areas either independent of, or in conjunction with national program feeds. TV relay stations are limited to transmitter and signal receiving facilities and only re-broadcast programs/content received from originating or satellite TV stations with which they are associated; either via satellite or other receiving methods.

The following are GMA's television and radio stations throughout the Philippines:

LIST OF GMA's OPERATING TV STATIONS

NO	STATION	ADDRESS	CONTACT NUMBER
	LUZON		
1	TV-7 Metro Manila (GMA)	Brgy. Culiati, Tandang Sora, Quezon City	(02) 931-9183 / (02) 924-2497

	TV-27 Metro Manila (DTTB GMA/GNTV)	GMA Network Center, EDSA cor. Timog Avenue, Diliman, Quezon City	(02) 931-9183 / (02) 924-2497
2	TV-5 Ilocos Norte (GMA)	Brgy. San Lorenzo, San Nicolas, Ilocos Norte	0916-6715439
	TV-27 Ilocos Norte (GNTV)	Brgy. San Lorenzo, San Nicolas, Ilocos Norte	0916-6715439
3	TV-48 Ilocos Sur (GMA)	Mt. Caniao, Bantay, Ilocos Sur	0915-8632841
	RGMA TV-40 Ilocos Sur (GNTV)	Mt. Caniao, Bantay, Ilocos Sur	0915-8632841
4	TV-7 Batanes (GMA)	Brgy. Kayvaluganan, Basco, Batanes	0915-6127197
5	TV-13 Aparri, Cagayan (GMA)	Hi-Class Bldg., De Rivera St., Aparri, Cagayan	0915-6130530
	TV-26 Aparri, Cagayan (GNTV)	Hi-Class Bldg., De Rivera St., Aparri, Cagayan	0915-6130530
6	TV-7 Tuguegarao, Cagayan (GMA)	No. 91 Mabini St., Tuguegarao City, Cagayan	0915-6127263
	TV-27 Tuguegarao, Cagayan (GNTV)	No. 91 Mabini St., Tuguegarao City, Cagayan	0915-6127263
7	TV-7 Isabela (GMA)	Heritage Commercial Complex, Maharlika Hi-way, Brgy. Malvar, Santiago City, Isabela	0915-2700063
8	TV-5 Baler (GMA)	Purok 3, Brgy. Buhangin, Baler, Aurora	0915-6127194
9	TV-10 Olongapo (GMA)	Upper Mabayuhan, Olongapo City	0915-6127265
	TV-26 Olongapo (GNTV)	Upper Mabayuhan, Olongapo City	0915-6127265
10	RGMA TV-28 Tarlac City (GNTV)	Exclusively His Bldg., F. Tanedo St. corner Espinosa St., Tarlac City	0915-2700185
11	TV-12 Batangas (GMA)	Mt. Banoy, Bo. Talumpok East, Batangas City	0915-8632860
	TV-26 Batangas (GNTV)	Mt. Banoy, Bo. Talumpok East, Batangas City	0915-8632860
	TV-32 Batangas (DTTB GMA/GNTV)	Mt. Banoy, Bo. Talumpok East, Batangas City	0915-8632860
12	TV-44 Jalajala, Rizal (GMA)	Mt. Landing, Jalajala, Rizal	0915-8632874
13	TV-13 Occidental Mindoro (GMA)	Bonifacio St., San Jose, Occidental Mindoro	0915-6127199
	TV-26 Occidental Mindoro (GNTV)	Bonifacio St., San Jose, Occidental Mindoro	0915-6127199
14	TV-6 Brooke's Point, Palawan (GMA)	Poblacion, Brooke's Point, Palawan	0915-6127181
15	TV-8 Coron, Palawan (GMA)	Tapias Hill, Coron, Palawan	0915-6127178
16	TV-12 Puerto Princesa, Palawan (GMA)	Mitra Rd., Brgy. Sta. Monica, Puerto Princesa, Palawan	0915-6127185

	TV-27 Puerto Princesa, Palawan (GNTV)	Mitra Rd., Brgy. Sta. Monica, Puerto Princesa, Palawan	0915-6127185
17	TV-7 Romblon (GMA)	Triple Peak, Sta. Maria, Tablas, Romblon	0915-6127225
18	TV-12 Legaspi (GMA)	Mt. Bariw, Estanza, Legaspi City	0915-8632867
	TV-27 Legaspi (GNTV)	Mt. Bariw, Estanza, Legaspi City	0915-8632867
	RGMA TV-33 Legaspi (GMA)	Mt. Bariw, Estanza, Legaspi City	0915-8632867
19	TV-8 Daet (GMA)	Purok 2, Brgy. Mancruz, Daet, Camarines Norte	0915-2700056
20	TV-7 Naga (GMA)	Brgy. Concepcion Pequeña, Naga City	0915-4417071
	TV-28 Naga (GNTV)	Brgy. Concepcion Pequeña, Naga City	0915-4417071
	RGMA TV-44 Naga (GMA)	Brgy. Concepcion Pequeña, Naga City	0915-4417071
21	TV-13 Catanduanes (GMA)	Brgy. Sto. Niño, Virac, Catanduanes	0915-6127174
22	TV-7 Masbate (GMA)	Brgy. Pinamurbuhan, Mobo, Masbate	0915-6127175
	TV-27 Masbate (GNTV)	Brgy. Pinamurbuhan, Mobo, Masbate	0915-6127175
23	TV-2 Sorsogon (GMA)	Mt. Bintacan, Brgy. Maño, Juban, Sorsogon	0915-2700192
24	TV-7 Abra (GMA)	Brgy. Lusuac, Peñarrubia, Abra	0915-6130512
25	TV-10 Benguet (GMA)	Mt. Sto. Tomas, Tuba, Benguet	0915-4417080
	TV-38 Benguet (DTTB GMA/GNTV)	Mt. Sto. Tomas, Tuba, Benguet	0915-4417080
	TV-22 Benguet (GNTV))	Mt. Sto. Tomas, Tuba, Benguet	0915-4417080
26	TV-5 Mountain Province (GMA)	Mt Amuyao, Barlig, Mountain Province	0915-2700124
VISAYAS			
27	TV-2 Kalibo (GMA)	New Busuanga, Numancia, Aklan	0915-6127216
	TV-27 Kalibo (GNTV)	New Busuanga, Numancia, Aklan	0915-6127216
28	TV-5 Roxas (GMA)	Brgy. Milibili, Roxas City, Capiz	0915-6127217
	TV-27 Roxas (GNTV)	Brgy. Milibili, Roxas City, Capiz	0915-6127217
29	TV-6 Guimaras (GMA)	Bo. Tamburong, Jordan, Guimaras	0915-4417084
	TV-28 Iloilo (GNTV)	Alta Tierra Subdivision, Jaro, Iloilo	0915-4417084

30	TV-13 Bacolod (GMA)	IsecureBldg., Rizal St. cor. Locsin St., Bacolod City	0915-8632864
	TV-48 Bacolod (GNTV)	IsecureBldg., Rizal St. cor. Locsin St., Bacolod City	0915-8632864
31	TV-30 Murcia, Negros Occidental (GMA)	Mt. Kanlandog, Brgy. Canlandog, Murcia, Negros Occidental	0915-2700132
32	TV-10 Sipalay (GMA)	Sipalay Municipal Building, Sipalay, Negros Occidental	0915-6127219
33	TV-11 Bohol (GMA)	Banat-I Hills, Brgy. Bool, Tagbilaran City	0915-6127214
34	TV-7 Cebu (GMA)	Bonbon, Cebu City	0915-4417075
	TV-26 Cebu (DTTB GMA/GNTV)	Bonbon, Cebu City	0915-4417075
	TV-27 Cebu (GNTV)	Bonbon, Cebu City	0915-4417075
	RGMA TV-51 Cebu (GMA)	Bonbon, Cebu City	0915-4417075
35	TV-5 Dumaguete (GMA)	Barrio Looc, Sibulan, Negros Oriental	0915-6131185
	TV-28 Dumaguete (GNTV)	Barrio Looc, Sibulan, Negros Oriental	0915-6131185
36	TV-8 Borongan (GMA)	Poblacion, Borongan, Eastern Samar	0915-6127177
37	TV-12 Ormoc (GMA)	Brgy. Alta Vista, Ormoc City	0915-6127213
38	TV-10 Tacloban (GMA)	Basper, Tigbao, Tacloban City	0915-6127208
	TV-26 Tacloban (GNTV)	Basper, Tigbao, Tacloban City	0915-6127208
39	TV-5 Calbayog (GMA)	Purok 2 San Mateo St. Brgy. Matobato, Calbayog City, Western Samar	0915-6127176
MINDANAO			
40	TV-4 Dipolog (GMA)	Linabo Peak, Dipolog City, Zamboanga Del Norte	0915-6127247
	TV-26 Dipolog (GNTV)	Linabo Peak, Dipolog City, Zamboanga Del Norte	0915-6127247
41	TV-3 Pagadian (GMA)	Mt. Palpalan, Pagadian City, Zamboanga del Sur	0915-6127245
	TV-26 Pagadian (GNTV)	Mt. Palpalan, Pagadian City, Zamboanga del Sur	0915-6127245
42	TV-9 Zamboanga (GMA)	Brgy. Cabatangan, Zamboanga City	0915-8632870
	TV-21 Zamboanga (GNTV)	Brgy. Cabatangan, Zamboanga City	0915-8632870
	RGMA TV-45 Zamboanga (GMA)	Brgy. Cabatangan, Zamboanga City	0915-8632870

43	TV-12 Mt. Kitanglad, Bukidnon (GMA)	Mt. Kitanglad, Bukidnon	0915-8632863
44	TV-5 Ozamis, Misamis Occidental (GMA)	Bo. Malaubang, Ozamis City, Misamis Occidental	0915-6127220
	TV-22 Ozamis, Misamis Occidental (GNTV)	Bo. Malaubang, Ozamis City, Misamis Occidental	0915-6127220
45	TV-11 Iligan City (GMA)	Brgy. Del Carmen, Iligan City, Lanao del Norte	0915-6131202
46	TV-35 Cagayan de Oro (GMA)	Malasag Heights, Brgy. Cugman, Cagayan de Oro City	0915-8632875
	RGMA TV-43 Cagayan de Oro (GNTV)	Malasag Heights, Brgy. Cugman, Cagayan de Oro City	0915-8632875
47	TV-26 Butuan (GMA)	Brgy. Bonbon, Butuan City, Agusan del Norte	09163178470
48	TV-5 Davao (GMA)	Shrine Hills, Matina, Davao City	0915-4417082
	TV-37 Davao (DTTB GMA/GNTV)	Shrine Hills, Matina, Davao City	0915-4417082
	TV-27 Davao (GNTV)	Shrine Hills, Matina, Davao City	0915-4417082
49	TV-12 Cotabato (GMA)	Regional Government Center, Cotabato City	0915-6131170
	TV-27 Cotabato (GNTV)	Regional Government Center, Cotabato City	0915-6131170
50	TV-8 General Santos (GMA)	Nuñez St., Brgy. San Isidro, General Santos City	0915-8632871
	TV-26 General Santos (GNTV)	Nuñez St., Brgy. San Isidro, General Santos City	0915-8632871
	RGMA TV-32 General Santos (GMA)	Nuñez St., Brgy. San Isidro, General Santos City	0915-8632871
51	TV-10 Surigao (GMA)	Lipata Hills, Surigao City, Surigao del Norte	0915-6131227
	TV-27 Surigao (GNTV)	Lipata Hills, Surigao City, Surigao del Norte	0915-6131227
52	TV-2 Tandag (GMA)	Capitol Hill, Brgy. Telaje, Tandag, Surigao del Sur	0915-6127248
53	TV-12 Jolo, Sulu (GMA)	Ynawat Bldg., Hadji Butu St., Jolo, Sulu	0915-6131182
	TV-26 Jolo, Sulu (GNTV)	Ynawat Bldg., Hadji Butu St., Jolo, Sulu	0915-6131182

GMA's RADIO STATIONS

AREA	FREQ.	CALL SIGN	AM / FM	POWER	ADDRESS
LUZON					
METRO MANILA	594 kHz 97.1 MHz	DZBB DWLS	AM FM	50kW 25kW	GMA Network Center, EDSA cor. Timog Ave., Diliman, Quezon City

BAGUIO	92.7 MHz	DWRA	FM	10kW	2/F Baguio Midland Courier Bldg., Kisad Road, Baguio City
DAGUPAN	1548 kHz 93.5 MHz	DZSD DWTL	AM FM	10kW 10kW	GMA TV 10 Compound, Claveria Road, Malued District, Dagupan City
LEGAZPI	96.3 MHz	DWCW	FM	10kW	3/L A. Bichara Silverscreen Entertainment Center, Magallanes St., Legazpi City
LUCENA	91.1 MHz	DWQL	FM	10kW	3/F Ancon Bldg., Merchan St., Lucena City
NAGA	101.5 MHz	DWQW	FM	5kW	GMA Complex (Beside Mother Seton Hospital), Diversion Road (Roxas Ave.), Naga City
PALAWAN	909 kHz 97.5 MHz	DYSP DYHY	AM FM	5kW 5kW	Solid Road, San Manuel, Puerto Princesa City, Palawan
TUGUEGARAO	89.3 MHz	DWWQ	FM	10kW	4/F Villablanca Hotel, Pattau St. cor, Pallua Rd., Ugac Norte, Tuguegarao City, Cagayan

VISAYAS

BACOLOD	1341 kHz 107.1 MHz	DYSB DYEN	AM FM	5KW 10kW	3/F Centroplex Mall, Gonzaga-Locsin St., Bacolod City
CEBU	999 kHz 99.5 MHz	DYSS DYRT	AM FM	10kW 25kW	GMA Skyview Complex, Nivel Hills, Lahug, Cebu City
ILOILO	1323 kHz 93.5 MHz	DYSI DYMK	AM FM	5kW 10kW	GMA Broadcast Complex Phase 5, Alta Tierra Village, Jaro, Iloilo City
KALIBO	92.9 MHz	DYRU	FM	5kW	Torres-Olivia Bldg., Roxas Ave. Extension, Kalibo, Aklan

MINDANAO

CAGAYAN DE ORO	100.7 MHz	DXLX	FM	5kW	2/F Centro Mariano Bldg., Osmena St., Cagayan De Oro City
DAVAO	1125 kHz 103.5 MHz	DXGM DXRV	AM FM	10kW 10kW	GMA Network Complex, Shrine Hills, Matina, Davao City
GENERAL SANTOS	102.3 MHz 1107 kHz (leased)	DXCJ DXBB	FM AM	10kW 5KW	3/F PBC Bldg., Cagampang St., General Santos City
ILIGAN (RGMA)	90.1 MHz	DXND	FM	1kW	Infinity Suites, Consunji St., Iligan City
ZAMBOANGA	1287 kHz	DXRC	AM	5kW	Logoy Duitay, Talon-Talon, Zamboanga City

Item 3. Legal Proceedings

The Company and its subsidiaries are involved, from time to time, as plaintiff or defendant in litigation arising from transactions undertaken in the ordinary course of its business. Described below are the pending material litigations of which the Company and its subsidiaries or their properties are involved.

The Company believes that a judgment rendered against it in the cases indicated below will not have a material adverse effect on its operations or financial condition.

The Company's affiliate, Philippine Entertainment Portal, Inc. is not involved in any material pending litigation as of December 31, 2019.

By virtue of the complaint filed in the case of Isabel Cojuangco Suntay v. Emilio A.M. Suntay III, Nenita Sunday Tanedo, Civil Case No. R-QZN-15-06204 which involves a nullification of affidavits of settlement of the estate of Frederico Suntay, plaintiff Suntay caused the annotation of notice of lis pendens upon Mont-Aire Realty and Development Corporation's (Mont-Aire Realty's) TCT No. T-29046, whose parent title is subject of the affidavits sought to be nullified. Mont-Aire Realty then filed a motion to cancel the notice of lis pendens upon its title. The trial court in its Order dated August 30, 2019 granted Mont-Aire Realty's motion to cancel the notice of lis pendens and ordered the Register of Deeds of Tagaytay to cancel and delete such notice. The plaintiff filed a motion for reconsideration of the Order dated August 30, 2019. Mont-Aire Realty filed its comment to the motion for reconsideration.

Labor Cases

There is a case for illegal dismissal filed against GMA Marketing and Productions, Inc. ("GMPI"), then a wholly-owned subsidiary of GMA Network, and its officers, Lizelle Maralag and Leah Nuyda initiated by Corazon Guison, a former Sales Director of GMPI. The complainant claimed that she was unceremoniously terminated from her employment sometime in May 2010 and is entitled to reinstatement as well as payment of full backwages, unpaid commissions and salaries, moral and exemplary damages and attorney's fees. On January 31, 2011, the Labor Arbiter rendered a decision finding for complainant Guison and ordered the respondents to pay P807,007.50 as backwages and P1,691,000.00 as separation pay, as well as attorney's fees. On appeal, the National Labor Relations Commission (NLRC) reversed the decision of the Labor Arbiter and ordered the dismissal of complainant's complaint. Complainant filed a Petition with the Court of Appeals (CA) but the latter denied the same. Her motion for reconsideration was likewise denied.

There is a case for regularization and illegal dismissal (NLRC NCR Case No. 04-05664-13[22]) filed by Henry T. Paragele, Roland Elly C. Jaso, et al. against GMA Network. Complainants are relievers/pinch hitters whose services were no longer availed of by GMA Network. The Labor Arbiter rendered a decision dismissing the complaint. Complainants filed an appeal to the NLRC. The NLRC rendered a decision dismissing the appeal. Complainants filed a motion for reconsideration which was also denied by the NLRC. Complainants filed a Petition with the CA where it is pending. GMA Network filed its Comment/Opposition and Memorandum. The CA rendered the Decision dated March 3, 2017, denying complainants' Petition for Certiorari. Complainants filed a motion for reconsideration, which motion was also denied by the CA. Complainants filed a petition for review with the Supreme Court, to which GMA Network filed its Comment/Opposition. The Petition is now submitted for resolution.

There is also a case for illegal dismissal filed by Christian Bochee M. Cabaluna et al., against GMA Network. The Labor Arbiter rendered a decision declaring valid the termination as against the 15 complainants but held that the rest of the complainants were illegally dismissed and awarded backwages with reinstatement. GMA Network filed a Notice of Appeal with Memorandum of Appeal and posted a bond. Subsequently, GMA Network filed a Supplemental Memorandum of Appeal. The NLRC modified the Labor Arbiter's decision and dismissed the complaint for illegal dismissal filed by the 35 complainants. Complainants filed a motion for reconsideration but the same was denied by the NLRC for lack of merit. Cabaluna et al. filed a petition for certiorari with the CA and GMA Network already filed its comment. The case is now pending resolution.

There is another case against GMA Network *et al.* for regularization filed by Micholl P. Mabinta whose talent agreement was no longer renewed. The Labor Arbiter rendered a decision dismissing the complaint on June 8, 2015. Complainant filed an appeal which was dismissed by the NLRC in the Decision dated January 29, 2016. Complainant filed a Motion for Reconsideration which was denied by the NLRC in the

Resolution dated March 31, 2016. Complainant filed a petition before the CA and respondents filed their comment/opposition thereto. The Court of Appeals rendered a Decision denying the Petition for Review. Complainant filed a motion for reconsideration, but the same which was denied by the CA in a Resolution dated February 21, 2019.

There is a case against GMA Network for illegal suspension, moral and exemplary damages and attorney's fees filed by Edmalynne Remillano et al.. Remillano et al. filed a Petition for Certiorari with the CA seeking to review and annul the decision of the NLRC affirming the decision rendered by the Labor Arbiter dismissing their complaint for illegal suspension, damages and attorney's fees. On January 22, 2018 the CA dismissed Remillano's Petition.

There is a case involving a complaint filed against GMA Network by Alfredo Lubrica Enoce for alleged illegal dismissal with a prayer for separation pay, backwages, moral and exemplary damages and attorney's fees. The parties filed their respective position papers on November 15, 2016 as well as their respective replies. The Labor Arbiter rendered a decision finding illegal dismissal. However, the decision was reversed on appeal by the NLRC. Enoce's motion for reconsideration was likewise denied. Enoce filed a petition with the CA, to which GMA Network filed its comment and memorandum as well. The petition is now pending resolution.

There is a case for illegal dismissal, underpayment of benefits, damages and attorney's fees filed against GMA Network *et al.* by Jocelyn Bautista Pacleb. The Complaint was set for conciliation and mediation conference but the parties failed to settle. The Labor Arbiter rendered a Decision dated December 18, 2018. On appeal by Pacleb and partial appeal by GMA Network, the NLRC rendered a Decision dated March 28, 2019. GMA Network filed a Motion for Reconsideration dated April 20, 2019, which was granted by the NLRC in a Resolution dated May 25, 2019. Pacleb filed a Petition for Certiorari with the Court of Appeals for which GMA Network filed its Comment. Pacleb replied to the comment. The case is now submitted for decision.

There is a case for illegal dismissal and money claims against GMA Network filed by Reynaldo delos Santos Aranas et al., under a talent agreement which was not renewed. In this case, GMA Network implemented a reorganization and streamlining of its operations and organizational structure which resulted in the reduction of personnel. Complainants were awarded backwages and ordered to be reinstated to their position. On appeal, the NLRC denied GMA Network's appeal and affirmed the Labor Arbiter's decision. GMA Network's motion for reconsideration was likewise denied, and hence, it then filed a Petition for Certiorari with the CA assailing the NLRC Decision and Resolution. Respondents filed their comment. The Petition was denied;. So with the GMA Network's a motion for reconsideration in a Resolution dated December 12, 2019.

There is a case against GMA Network filed by Junie D. Sioson et al., for regularization of employment, increase in salary and other monetary benefits. The case was dismissed for lack of merit by the Labor Arbiter. In reaching its Decision, the Labor Arbiter found overwhelming evidence supporting GMA Network's assertion that complainants were regular employees of RGMA Network Inc, (RGMA) as a legitimate independent contractor. The claim of complainants for regularization and monetary benefits were also denied for lack of valid legal basis. Unsatisfied with the Labor Arbiter's Decision, Complainants filed an appeal to the NLRC which appeal was subsequently dismissed and their motion for reconsideration denied. Complainants then filed a Petition with the CA to which GMA Network filed its comment. The Petition is now submitted for decision.

There is a case filed by Jose G. Nacionales *et al.* against GMA Network and RGMA for regularization with monetary claims before the NLRC Regional Arbitration Branch VIII in Tacloban City. Since no settlement was reached, the mandatory conference was terminated and the parties were directed to file their respective position papers. On October 15, 2018, GMA Network received a copy of the Labor Arbiter's Decision declaring complainants its regular employees and granted monetary award in their favor. Upon appeal, the NLRC partially granted GMA Network's appeal by deleting the monetary award but affirming the decision insofar as it found that complainants are regular employees of GMA Network. GMA Network

filed a partial motion for reconsideration. RGMA filed its Motion for Reconsideration. Complainants also filed their motion for reconsideration with respect to the deletion of the monetary award.

On April 2, 2019, GMA received the Resolution dated March 15, 2019 of the Seventh Division of the NLRC of Cebu City: 1) denying GMA Network's Partial Motion for Reconsideration; 2) denying RGMA's Motion for Reconsideration; and 3) partially granting complainants' Motion for Reconsideration. On June 3, 2019, GMA Network filed a Petition for Certiorari with the Court of Appeals; and it is now submitted for resolution.

There is a case filed by David *et al.* against GMA Network and RGMA for regularization with monetary claims before the NLRC Sub-regional Arbitration Branch VI in Iloilo City. On September 14, 2018 GMA Network filed its position paper. On December 11, 2019, GMA Network received the Labor Arbiter's Decision dated October 8, 2019 declaring complainants as its regular employees, and directing both GMA Network and RGMA solidarily liable to pay complainants Php 597,843.89, representing complainants' backwages, among others. On December 18, 2019, GMA Network filed its Memorandum of Appeal of the said decision with the NLRC.

There is a case filed by Ronald C. Avelino for monetary claims with issuance of Certificate of Employment on August 30, 2018. On January 7, 2020, GMA Network received the Decision dated December 13, 2019, dismissing the complaint against it for lack of merit.

There is also a case filed by Enrile *et al.*, against GMA and RGMA for regularization. On May 28, 2019, GMA received the Decision dated April 30, 2019 of Labor Arbiter Bunagan-Cabatingan declaring RGMA as a labor only contractor and complainants as regular employees of GMA Network. On May 31, 2019, complainants filed their Memorandum of Appeal. On June 7 and June 10, 2019, GMA Network and RGMA filed their separate Memorandum of Appeal. On September 27, 2019, GMA Network received the Decision of NLRC Cebu dated August 30, 2019 affirming the Decision of Labor Arbiter Bunagan-Cabatingan and further declaring complainants as automatically covered by and entitled to the benefits in GMA Network's Collective Bargaining Agreement. GMA Network and RGMA were solidarily ordered to pay complainants the total amount of Php 3,664,650.00. GMA Network filed its Motion for Reconsideration on October 3, 2019 while complainants filed their Motion for Partial Reconsideration and Manifestation on September 26, 2019. On January 22, 2020, GMA Network received the NLRC Decision dated December 20, 2019 denying GMA Network's Motion for Reconsideration but granting complainants' Motion for Partial Reconsideration. GMA Network and RGMA were ordered to pay complainants the total amount of Php 6,917,344.88. GMA Network is preparing to file a Petition for Certiorari with the Court of Appeals originally due to be filed on March 22, 2020. The date will have to adjust in view of the COVID 19-Pandemic

There are cases filed by Mariano *et al.*, Rieta *et al.*, and Panlilio *et al.* against GMA and RGMA for regularization availing themselves of the Single-Entry Approach with their respective NLRC Regional Arbitration Branches. On September 27, 2019, Labor Arbiter Magdaraog-Alba promulgated a decision: 1) declaring GMA Network and RGMA to be engaged in labor only contracting; and 2) ordering GMA Network to pay complainants the monetary benefits under its 2009-2014 and 2017-2019 Collective Bargaining Agreements. GMA Network and RGMA filed their respective Memorandums of Appeal. On March 2, 2020, GMA Network received the Decision of NLRC Quezon City dated February 12, 2020 reversing the Decision of Labor Arbiter Magdaraog-Alba and dismissing the complaints for lack of merit. The cases are now considered closed and terminated.

There are cases filed by Villarin *et al.*, and Abud *et al.*, for regularization against GMA Network and RGMA availing themselves of the Single-Entry Approach with their respective NLRC Regional Arbitration Branches. On July 25, 2019, a decision was promulgated declaring complainants as regular employees of GMA Network and entitled to the salaries and benefits as such. On September 9, 2019, GMA Network filed its Memorandum of Appeal. The cases are now submitted for resolution.

There is a case filed by Tubice against GMA Network for illegal dismissal and payment of money claims. The parties filed their respective position papers and replies on November 15, 2019, respectively. The case is now submitted for resolution.

There was a DOLE investigation on the incident involving the death of Eddie Garcia. In the Order dated December 2, 2019, GMA Network and some members of its Management were ordered to pay the administrative fine of Php 890,000.00. A notice of appeal was filed by respondents on December 13, 2019.

There was a case filed by Carmelo R. Dizon for "Illegal Dismissal-Constructive, Non-payment-13th Month Pay-Pro rated, Illegal suspension, moral and exemplary damages, attorney's fees, and Re-instatement with full backwages." GMA Network filed its Position Paper last August 6, 2019 and the complainant filed his Reply on August 23, 2019. Under the Order dated September 4, 2019, the case is now submitted for resolution.

There was a case filed by Ruby Gruezo Bautista who questioned the cessation of her employment arising from a Project Employment Contract which expired. GMA Network filed its position paper on November 8, 2019 and complainant Bautista filed her Reply on November 22, 2019. The case is now submitted for resolution.

There is a case filed by Enong *et al.*, against GMA Network for regularization availing themselves of the Single-Entry Approach with NLRC Sub-Regional Arbitration Branch IX in Dipolog City. Since no settlement was reached, complainants filed their formal complaint and the mandatory conference was set on December 13, 2018. Both parties have filed their respective position papers. On March 20, 2019, a decision was promulgated dismissing the complaints for lack of merit. Without actually receiving complainants Memorandum of Appeal, GMA Network received the Decision dated October 23, 2019 granting said appeal and setting aside the Decision dated March 20, 2019. Complainants were declared regular employees of GMA. On November 21, 2019, GMA Network filed its Motion for Reconsideration, and the same is now submitted and awaiting resolution.

There was also a case filed by Dexter Delgado *et al.* for constructive dismissal, illegal dismissal, regularization and payment of money claims. This case consolidates 5 complaints by more than 40 complainants who are crew members of respondents CMB and Shoot Digital Video Company. The parties have submitted their respective position papers. The simultaneous filing of the reply was made on January 30, 2020. On March 5, 2020, GMA Network received the Decision dated February 27, 2020 dismissing the complaint. Complainant had ten (10) days from receipt of the decision to file an appeal to the National Labor Relations Commission.

There was also a case filed by Ely B. Selincio *et al.* for regularization and payment of money claims. On July 29, 2019, complainants availed themselves of the Single-Entry Approach with NLRC Regional Arbitration Branch No. V, Legazpi City. Since GMA Network was not willing to settle, the SENA was terminated and the records have been referred for the filing of the appropriate complaint with the Labor Arbiter. On August 13, 2019, complainants filed their formal complaint. The conciliation and mediation failed, and hence, the parties were directed to file their position papers 15 days after receipt of the Order dated September 12, 2019 of the Labor Arbiter. GMA Network filed its position paper. The Labor Arbiter has yet to rule on complainants' Motion for Production of Documents, which motion was opposed by respondent GMA.

There is a complaint for regularization with money claims filed by Cuenco *et al.* against RGMA and GMA Network. Since no amicable settlement was reached,⁶ the parties were directed to file their position papers. All the parties have filed their respective position papers and replies. The case now awaits the decision of the labor arbiter.

There is a complaint for regularization filed by Bantonto *et al.* for regularization with money claims against GMA Network and RGMA. On October 28, 2019, GMA Network filed its opposition to complainant's Motion for Inhibition. On December 5, 2019, respondents received the Order denying complainants' Motion for Inhibition and directing parties to file their respective Position Papers within ten (10) days from

receipt of the said order. On December 18, 2019, GMA Network filed its Position Paper. On January 3, 2020, GMA Network received complainants' Position Paper, to which the former's Reply was filed on February 13, 2020. The case is now submitted for resolution.

There were complaints for regularization with money claims filed against GMA Network and RGMA by Jumawan *et al.* and Nayon before the NLRC Cotabato City and NLRC Dipolog City, respectively. Under the Decision dated March 6, 2019 the complaint filed by Jumawan *et al.* was dismissed. Similarly, under the Decision dated March 20, 2019, the complaint of Nayon was likewise dismissed.

There was also a complaint for regularization filed against GMA Network and RGMA by Gagante *et al.*. A decision was promulgated on June 28, 2019 granting complainants' motion for correction in the computation of wage increases, longevity pay, among others. GMA Network and RGMA filed their separate motions for reconsideration. On February 20, 2020 GMA Network received the decision of NLRC Cebu City denying its and RGMA's motions for reconsideration. At present, GMA Network is preparing a Petition for Certiorari to be filed after the lifting of the enhanced community quarantine.

There is also a complaint for regularization filed by Pádillo *et al.* against GMA Network and RGMA. On November 25, 2019, GMA Network received the Decision dated October 16, 2019 of the Labor Arbiter declaring complainants as regular employees of GMA Network and ordering the latter to pay complainants all salaries and benefits granted to regular employees. On December 5, 2019, GMA Network filed its Memorandum of Appeal.

There is also a case filed by Atenta *et al.* against GMA Network and RGMA for regularization. On November 25, 2019, GMA Network received the Decision dated October 16, 2019 of the Labor Arbiter declaring complainants as regular employees of GMA Network and ordering the latter to pay complainants salaries and benefits granted to regular employees. GMA Network filed its Memorandum of Appeal on December 5, 2019.

There is a consolidated case of the complaints filed by Abud *et al.*, Boniel *et al.* and Bernados *et al.* for regularization before the NLRC Cagayan de Oro City (Regional Arbitration Branch X). A decision was promulgated on July 25, 2019 declaring complainants as regular employees of GMA Network entitled to receive salaries and benefits as such. The appeal was filed on September 9, 2019. The case is awaiting resolution by the NLRC.

There is a complaint for regularization and payment for salaries, overtime pay, rice allowance and bonuses filed by Calleja *et al.* against GMA Network and RGMA before NLRC Zamboanga City. On August 8, 2019, the Labor Arbiter promulgated a Decision dismissing the complaints.

Finally, there is a complaint for illegal suspension by Roland Crisostomo Manipon. The parties submitted their position paper and reply on February 20 and 27, 2020, respectively. On March 10, 2020, GMA Network received through registered mail complainant's motion to admit rejoinder. In turn, GMA Network filed its own motion to admit rejoinder on May 21, 2020.

Infringement Cases

The Company's officers, Felipe L. Gozon, Gilberto R. Duavit, Jr., Marissa L. Flores, Jessica A. Soho, Grace dela Peña-Reyes, John Oliver Manalastas, John Does and Jane Does were named as respondents in a criminal case initiated by ABS CBN in June 2004 for copyright infringement before the City Prosecutor's Office of Quezon City and the Department of Justice ("DOJ"). The case was subsequently consolidated with the Company's counter charge for libel.

The respondents were charged in their capacities as corporate officers and employees of the Company responsible for the alleged unauthorized airing of ABS-CBN's exclusive live coverage of the arrival in the Philippines of Angelo dela Cruz, a Filipino overseas worker previously held hostage in Iraq. Aside from seeking to hold the named respondents criminally liable for infringement and unfair competition, ABS-CBN sought damages from the respondents jointly and severally in the aggregate amount of ₱200 million.

On July 27, 2004, the Company and certain of its officers filed a case for libel against certain officers of ABS-CBN for statements made in their programs Insider and Magandang Umaga Bayan relative to the incident involving the Angelo dela Cruz feed. The Company also seeks damages in the aggregate amount of ₱100 million.

In the Resolution dated December 3, 2004, the DOJ dismissed the complaint for libel against the ABS-CBN officers and employees and dropped the charges against the Company's officers except for Ms. Dela Peña-Reyes and Mr. Manalastas against whom the DOJ found probable cause for violation of the Intellectual Property Code. ABS-CBN filed a motion for partial reconsideration of the resolution on the ground that the other named respondents were erroneously exonerated. The Company filed a petition for review with the DOJ with respect to the finding of probable cause against Ms. Dela Peña-Reyes and Mr. Manalastas and the dismissal of the case for libel which was denied. On August 1, 2005, the DOJ reversed the fiscal's resolution finding probable cause against Ms. dela Peña-Reyes and Mr. Manalastas and directed the fiscal to withdraw the Information. ABS-CBN filed a motion for reconsideration. Meanwhile, the DOJ issued the Resolution dated September 15, 2005 denying the Company's Petition for Review and ruling that ABS-CBN's officers and employees did not commit libel. The Company filed a motion for reconsideration.

On June 29, 2010, the DOJ issued a resolution granting both the Company's and ABS-CBN's motions for reconsideration, and directing among others the filing of Information against ABS-CBN's officers and employees for libel. ABS-CBN moved for reconsideration, which motion was denied. ABS-CBN then filed a petition for certiorari with the Court of Appeals. In the meantime, an Information for libel was filed by the Quezon City Prosecutor with the Regional Trial Court of Quezon City, Branch 88 which was later re-raffled to Branch 104. The original setting of March 16, 2020 for the prosecution's presentation of evidence will be rescheduled to a later date due to the COVID-19 pandemic.

The Company elevated the DOJ's June 29, 2010 Resolution directly to the Court of Appeals via a petition for certiorari docketed as CA-G.R. SP No. 115751. On November 9, 2010, the Court of Appeals issued a decision granting the Company's petition for certiorari and reversing the DOJ Resolution dated June 29, 2010 and reinstating the DOJ Resolution dated August 1, 2005 which ordered the withdrawal of Information for copyright infringement. ABS-CBN's petition with the Supreme Court was partially granted reversing the DOJ Resolution ordering the withdrawal of the Information for copyright infringement and sustaining the finding of probable cause for copyright infringement only as against Ms. Dela Peña-Reyes and Mr. Manalastas. The Prosecution has completed the presentation of its evidence and was given a period to file its formal offer of exhibits. The defense will continue with the presentation of evidence on June 25 and August 13, 2020.

There is a complaint filed by Garry Granada against GMA Network and Rosario Unite with the Intellectual Property Office for copyright infringement and damages. The said complaint stemmed from an alleged unauthorized use of complainant's musical work entitled "Tipid Handog Edukasyon jingle". The parties have filed their respective memorandum. The case is now submitted for resolution.

Civil Cases

On June 25, 2008, Mary the Queen Hospital filed a case for damages against the Company, Mike Enriquez as well as certain other members of the show, Imbestigador. The hospital alleged that the show damaged its reputation by falsely accusing them of illegally detaining a patient for failure to settle hospital bills. The hospital claimed a total of ₱ 5.5 million in moral, exemplary and temperate damages, as well as costs of the suit. The Regional Trial Court (RTC) of Quezon City, Branch 95, has rendered a favorable decision dismissing plaintiff's complaint for damages.

Another case involving the Company and members of the show Imbestigador stemmed from a story involving a police officer allegedly extorting money from arrested drug dependents, which ultimately led to his arrest. On September 4, 2008, the complainant sought to enjoin the airing of the story relating to his arrest by filing a case for injunction. However, the plaintiff's application for restraining order was denied by the RTC of Quezon City. Plaintiff then filed an amended complaint to include a claim for damages.. The

RTC of Quezon City, Branch 91 dismissed plaintiff's complaint for damages. On appeal, the CA denied plaintiff's appeal and affirmed the trial court's decision in favor of the Company.

There is a case for libel filed by Andrea Gorriceta against GMA Iloilo Manager Jonathan Cabillon and News Anchor Charlene Belvis-Gador arising from the news reports made in GMA news programs *Ratsada* and *Arangkada* on the progress of the criminal cases against Gorriceta before MCTC of Iloilo City. The GMA officers completed the presentation of its defense evidence and subsequently filed their formal offer of evidence which offer still pends. The prosecution filed their Memorandum. The GMA officers are preparing their Memorandum.

V. MARKET FOR ISSUER'S COMMON EQUITY AND RELATED STOCKHOLDERS MATTERS

Market Information

Stock Prices GMA7

<u>Period in 2019</u>	<u>Highest Closing</u>	<u>Lowest Closing</u>
1Q	5.99	5.41
2Q	5.98	5.10
3Q	5.47	5.20
4Q	5.37	5.15

Stock Prices GMAP

<u>Period in 2019</u>	<u>Highest Closing</u>	<u>Lowest Closing</u>
1Q	5.85	5.35
2Q	5.80	4.97
3Q	5.49	5.08
4Q	5.30	5.00

The Company's common shares and GMA Holdings, Inc.'s Philippine Deposit Receipts (PDRs) have been listed with the Philippine Stock Exchange since 2007. The price information as of the close of the latest practicable trading date 18 June 2020 are GMA7's closing price is P 5.20 for GMA7 and P 4.85 for GMAP (PDRs).

From May 1 to June 18, 2020 the highest closing price of GMA Network common shares was Php 5.90 (May 6, 2020), and lowest closing price was Php 4.70 (May 26, 2020). From May 1 to June 18, 2020 the highest closing price of GMAP (PDRs) was P 5.29 (May 6, 2020), and the lowest closing price was P 4.52 (May 27, 2020).

Holders

There are 1,665 holders of common equity and 37 holders of preferred equity as of May 31, 2020.

The following are the top 20 holders of the common equity of the Company as of May 31, 2020:

Name of Shareholders	No. of Common Shares	Percentage of Ownership of Total Common Shares
Group Management Development Inc.	789,813,389	23.47%
GMA Holdings, Inc.	732,925,700	21.52%

FLG Management & Development Corp.	697,665,217	20.74%
M.A. Jimenez Enterprises, Inc.	453,882,095	13.49%
Television International Corp.	334,378,037	9.94%
PCD Nominee Corp. (for the benefit of several qualified Philippine national stockholders holding the scripless shares of the Company)	312,070,251	9.27%
Gozon Development Corp.	14,033,954	0.42%
Gozon Foundation, Inc.	5,144,361	0.15%
Gilberto R. Duavit, Jr.	4,007,005	0.12%
Ismael Gozon	2,814,900	0.08%
Miguel Enrique Singson Roa	2,566,400	0.08%
Jose Mari L. Chan	2,092,900	0.06%
Luisito C. Cirineo	1,750,500	0.05%
Felipe S. Yalong	1,613,000	0.03%
Alberto Tio Ong	1,000,000	0.03%
Judith Duavit Vazquez	588,000	0.02%
Jose P. Marcelo	501,498	0.01%
Jaime Javier Gana and/or Ma. Erlinda G. Gana	444,900	0.01%
Jose C. Laurel V	346,127	0.01%
Susana Laurel Delgado	346,127	0.01%

The following are the top 20 holders of the Company's preferred shares as of May 31, 2020:

Name of Shareholders	No. of Preferred Shares	Percentage of Ownership of Total Preferred Shares
Group Management & Development Inc.	2,625,805,308	35.0130%
FLG Management & Development Corp.	2,181,898,644	29.0939%
M.A. Jimenez Enterprises	1,508,978,826	20.1210%
Television International Corp.	1,111,661,610	14.8231%
Gozon Development Corp.	46,245,306	0.6166%
Gozon Foundation Inc.	15,020,670	0.2003%
Alegria F. Sibai	2,623,806	0.0350%
Jose P. Marcelo	1,203,594	0.0160%
Sarah L. Lopez	830,706	0.0111%
Nita Laurel Yupangco	830,706	0.0111%
Jose C. Laurel V	830,706	0.0111%
Juan Miguel Laurel	830,706	0.0111%
Susana Laurel-Delgado	830,706	0.0111%
Ma. Asuncion Laurel-Uichico	830,706	0.0111%
Horacio P. Borromeo	784,164	0.0105%
Francis F. Obana	105,120	0.0014%
Eduardo Morato	38,028	0.0005%
Antonio Gomez	30,420	0.0004%
Jose N. Morales	30,420	0.0004%
Paul Sim	30,420	0.0004%

The information presented does not relate to an acquisition, business combination or other reorganization.

Dividend Information

Dividends shall be declared only from the surplus profits of the Company and shall be payable at such times and in such amounts as the Board of Directors shall determine, either in cash, shares or property of the Company, or a combination of the three, as said Board of Directors shall determine. The declaration of stock dividends, however, is subject to the approval of at least two-thirds of the outstanding capital stock. No dividend which will impair the capital of the Company shall be declared. The Company has no contractual restrictions which would limit its ability to declare any dividend.

On June 15, 2020, the Company's Board of Directors affirmed and ratified the cash dividend declaration of the Executive Committee on June 8, 2020 amounting to 0.30 per share on all common and preferred shares issued and outstanding of stockholders of record as of June 24, 2020.

On March 29, 2019, the Company declared cash dividends amounting to 0.45 per share on all common and preferred shares issued and outstanding stockholders of record as of April 22, 2019.

On April 5, 2018, the Company declared cash dividends amounting to 0.50 per share on all common and preferred shares issued and outstanding on stockholders of record as of April 23, 2018.

Dividend History of the Company

<u>Year</u>	<u>Amount</u>	<u>Date Declared</u>	<u>Type of Dividend</u>
2005	P 218,521,204	February 17, 2005	Cash and Property
2005	P 3,000,000,000	October 11, 2005	Stock
2006	P 1,150,000,000	June 13, 2006	Cash and Property
2007	P 1,500,000,000	March 19, 2007	Cash
2007	P 375,000,000	April 26, 2007	Stock
2007	P 1,000,000,000	July 2, 2007	Cash
2008	P 1,214,163,001	May 21, 2008	Cash
2009	P 1,701,069,453	April 2, 2009	Cash
2010	P 2,187,089,297	March 25, 2010	Cash
2010	P 1,215,049,069	October 28, 2010	Cash
2011	P 2,187,089,297	March 11, 2011	Cash
2012	P 1,944,079,375	April 16, 2012	Cash
2012	P 1,264,794,293	August 22, 2012	Cash
2013	P 1,215,049,609	March 21, 2013	Cash
2014	P 1,312,253,578	April 2, 2014	Cash
2015	P 1,215,049,609	March 30, 2015	Cash
2016	P 1,312,253,578	April 8, 2016	Cash
2017	P 3,547,944,859	March 27, 2017	Cash
2018	P 2,430,099,218	April 5, 2018	Cash
2019	P 2,187,089,297	March 29, 2019	Cash
2020	P 1,458,060,000	June 15, 2020	Cash

The Company's Board of Directors has approved a dividend policy which will entitle holders of the Common Shares to receive annual cash dividends equivalent to a minimum of 50% of the prior year's net income based on the recommendation of the Board of Directors. Such recommendations will take into consideration factors such as the implementation of business plans, operating expenses, budgets,

funding for new investments, appropriate reserves and working capital, among others. The cash dividend policy may be changed by the Company's Board of Directors at any time.

Recent Sales of Unregistered or Exempt Securities

No sale of unregistered or exempt securities of the Company has occurred within the past three years.

VI. CORPORATE GOVERNANCE

GMA Network, Inc. is committed to the principles of good governance and recognizes their importance in safeguarding shareholders' interests and in enhancing shareholder value. The Company has adopted a Revised Manual on Corporate Governance to institutionalize the Company's adherence to these principles. This Revised Manual clearly sets out the principles of good management and defines the specific responsibilities of the Board, the Board Committees, and management within the overall governance framework.

The Revised Manual conforms to the requirements of the Philippine Securities and Exchange Commission and covers policies, among others:

(a) independent directors, (b) key board committees (e.g. Executive Committee, Nomination Committee, Audit and Risk Management Committee, Compensation and Remuneration Committee); (c) independent auditors, (d) internal audit, (e) disclosure system of company's governance policies, (f) stockholder rights, (g) monitoring and assessment, and (h) penalties for non-compliance.

The Board of Directors, led by the Chairman, Atty. Felipe L. Gozon, strongly advocates accountability, transparency and integrity in all aspects of the business and commits themselves to the best practices of governance in the pursuit of the Company's Mission and Vision.

To ensure adherence to corporate governance, the Board designated a Compliance Officer. The Compliance Officer is responsible for monitoring compliance by the Company with the provisions and requirements of good corporate governance.

Based on the Revised Manual on Corporate Governance (attached to the Company's letter to the Securities and Exchange Commission dated May 22, 2017) as well as the Company's Integrated Annual Corporate Governance Report for year 2017 filed with the Securities and Exchange Commission on May 23, 2018, there have been no deviations from the Company's Manual as of date.

Board of Directors

Compliance with the principles of good governance starts with the Company's Board of Directors. The Board is responsible for oversight of the business, determination of the company's long-term strategy and objectives, and management of the company's risks by ensuring the company's internal controls and procedures are observed. The Board of Directors ensures a high standard of governance, and promotes and protects the interests of the Company, its stockholders and other stakeholders.

The Board consists of nine directors, two of whom are independent directors. All nine members of the Board have the expertise, professional experience and background that allow a thorough discussion and deliberation of issues and matters affecting the Company.

The two independent directors – former Chief Justice Artemio V. Panganiban and Dr. Jaime C. Laya – have no relationship with the Company which would interfere with the exercise of independent judgment in carrying out the responsibilities of a director.

The Board comprises the following members:

Name	Position
Felipe L. Gozon	Chairman and CEO
Gilberto R. Duavit, Jr.	President and COO
Anna Teresa Gozon-Valdes	Director
Joel Marcelo G. Jimenez	Director
Judith R. Duavit-Vazquez	Director
Laura J. Westfall	Director
Felipe S. Yalong	Chief Financial Officer and Executive Vice-President
Artemio V. Panganiban	Independent Director
Jaime C. Laya	Independent Director

Board Performance

Directors attend regular meetings of the Board, which are held every quarter and other times as necessary, and the Annual Stockholders' Meeting (ASM). In its meetings, the Board reviews the performance of the Company and its subsidiaries, approves plans, budgets and financial statements, sets policies and guidelines for management, and discusses matters requiring Board attention and approval. The Board met six (6) times in 2019. The attendance of the individual directors at these meetings is duly recorded as follows:

Director's Name	Regular and Special Meetings	
	<i>Present</i>	<i>Absent</i>
Felipe L. Gozon	6	0
Judith R. Duavit-Vazquez	6	0
Gilberto R. Duavit, Jr.	6	0
Joel Marcelo G. Jimenez	6	0
Felipe S. Yalong	6	0
Anna Teresa Gozon-Valdes	6	0
Laura J. Westfall	6	0
Artemio V. Panganiban	6	0
Jaime C. Laya	6	0

All directors have individually complied with the SEC's minimum attendance requirement of 50%.

The Chairman, Felipe L. Gozon, presided over all the Board meetings for the year. He likewise presided over the Annual Stockholders' Meeting, with all the members of the Board in attendance.

Board Remuneration

The amended by-laws of the Company provides that the Board of Directors shall be entitled to an amount of not more than two and a half percent (2.5%) of the net income after income tax of the corporation

during the preceding year and per diems for every board meeting attended. Of the said 2.5%, one percent (1%) shall be distributed equally among the members of the Board of Directors, while the remaining one and a half percent (1.5%) shall be distributed equally among the members of the Executive Committee.

Committees and Meetings of the Board of Directors

Four committees were established to aid in complying with the principles of good governance and address issues requiring the Board's attention:

Executive Committee

The Executive Committee (Excom) consists of three members which includes the Chairman of the Board and CEO Felipe L. Gozon, President and COO Gilberto R. Duavit, Jr. and Director Joel G. Jimenez. Mr. Gilberto R. Duavit, Jr. serves as Chairman of the Committee. It acts on matters delegated to it by the Board of Directors. The Excom acts by a majority vote and in accordance with the authority granted by the Board. All actions of the Excom are reported to the Board for ratification at the meeting immediately following such action.

The jurisdiction of the Executive Committee has been expanded to include the functions and responsibilities of the Corporate Governance Committee, except those pertaining to the nomination and election of directors and the procedure for determining the remuneration of directors and officers which remain vested in the Nomination Committee and the Compensation and Remuneration Committee, as well as the power to evaluate the performance of the Board of Directors as it pertains to the stockholders and the duly elected Board directors themselves.

Nomination Committee

The Nomination Committee is chaired by Felipe L. Gozon and composed of four members that include an independent director in the person of former Chief Justice Artemio V. Panganiban as Vice Chairman, with Gilberto R. Duavit, Jr. and Joel Marcelo G. Jimenez as members. The mission of the Nomination Committee is to provide the shareholders with an independent and objective evaluation and assurance that the membership of the Board of Directors is competent and will foster the long-term success of the Corporation and secure its competitiveness. The Nomination Committee assists the Board of Directors in ensuring that all nominees to the Board of Directors are competent and qualified to be nominated as Director based on internal guidelines. This is to ensure that: (a) there is a proper mix of competent directors that would continuously improve shareholder's value; and, (b) Directors will ensure a high standard of best practices for the Company and its stakeholders.

Compensation and Remuneration Committee

The members of the Compensation and Remuneration Committee are Felipe L. Gozon (Chairman), Former Chief Justice Artemio V. Panganiban (Vice Chairman), with Gilberto R. Duavit, Jr. and Laura J. Westfall as members. The Committee recommends a formal and transparent framework of remuneration and evaluation for the members of the Board of Directors and key executives to enable them to run the Company successfully.

Audit and Risk Management Committee

Audit

The Audit and Risk Management Committee is currently composed of the following members: Dr. Jaime C. Laya, (Chairman), former Chief Justice Artemio V. Panganiban (Vice Chairman), Ms. Judith R. Duavit-Vazquez, Atty. Anna Teresa Gozon-Valdes and Ms. Laura J. Westfall. The Audit and Risk Management

Committee assists the Board in its fiduciary responsibilities by providing an independent and objective assurance to the Company's management and stakeholders in the continuous improvement of risk management systems, business operations and proper safeguarding and use of the Corporation's resources and assets. The Audit and Risk Management Committee provides a general evaluation and gives assistance in the overall improvement of the risk management, control, and governance process of the Corporation as designed by Management and provides assurance that these are properly functioning.

The Committee conducts tenders for independent audit services, reviews audit fees and recommends the appointment and fees of the independent auditors to the Board. The Board, in turn, submits the appointment of the independent auditors for approval of the shareholders at the ASM.

The Audit and Risk Management Committee also approves the work plan of the Company's Internal Audit Group, as well as the overall scope and work plan of the independent auditors.

The jurisdiction of the Audit and Risk Management Committee has been expanded to include the functions and responsibilities of the Board and Risk Oversight Committee ("BROC") and the Related Party Transactions ("RPT") Committee.

The Audit and Risk Management Committee held four (4) meetings in 2019 wherein the Committee reviewed and approved, among others, the Company's 2018 Consolidated Audited Financial Statements as prepared by the external auditors.

Risk Management

The GMA Network's Board of Directors and management are mindful of the risks and uncertainties inherent in the business. In the formulation of corporate strategy and business decision-making, potential risks are always taken into account. Necessary steps are taken to minimize, if not eliminate, such risks.

The Audit and Risk Management Committee assists the Board in the oversight of the company's risk management, ensures that it has the proper controls in place, identifies and evaluates significant risk exposures and contributes to the improvement of risk management and control systems.

Both radio and television broadcasting are highly competitive businesses. GMA stations compete for listeners/viewers and advertising revenues within their respective markets directly with other radio and /or television stations, as well as with other media such as cable television and/ or cable radio, newspapers, magazines, the internet, billboard advertising, among others. Audience ratings and market shares are subject to change, and any change in a particular market could have a material adverse effect on the revenue of our stations located in that market.

Considering the potential impact of various risks to the company's ability to deliver quality content across multiple platforms, the Company has established a Programming Committee that deliberates weekly on the programming issues and strategies of the Network. Regular monthly meetings of the Company's officers are also held to discuss plans, operational issues and strategies, implementation of projects and recommendations for improvements.

The Company's Corporate Planning Department has been designated by the Board of Directors to monitor the courses of action taken by the departments to manage the risks. The Head of the Company's Corporate Planning Department performs the functions and responsibilities of a Chief Risk Officer on the matter of Enterprise Risk Management.

The Company's financial results are dependent primarily on its ability to generate advertising revenue through rates charged to advertisers. The advertising rates a station is able to charge is affected by many

factors, including the ratings of its programs and the general strength of the local and national economies. Generally, advertising declines during periods of economic recession or downturns in the economy. As a result, the Company's revenue is likely to be adversely affected during such periods.

Management, being accountable to the Board, also prepares financial statements in a timely manner in accordance with generally accepted accounting standards in the Philippines. Management's statement of responsibility with regards to the Company's financial statements is included in this annual report.

The consolidated financial statements of GMA Network and its subsidiaries have been prepared in accordance with Philippine Financial Reporting Standards which are aligned with International Financial Reporting Standards. The financial statements are audited by external auditors and reviewed by the Audit and Risk Management Committee (with the support of the Internal Audit Group) to ensure that they fairly present, in all material respects, the financial position and results of the Company's operations before these are presented to the Board of Directors for approval.

The Board is responsible for presenting a clear, balanced and comprehensive assessment of the Company's financial position, performance and prospects each time it makes available its quarterly and annual financial statements to the public.

Management

The Chairman of the Board and Chief Executive Officer is Felipe L. Gozon, while Gilberto R. Duavit, Jr. holds the position of President and Chief Operating Officer.

The CEO is accountable to the Board for the development and recommendation of strategies and the execution of strategic directions set by the Board, while the COO is responsible for the day-to-day management of the Company and the implementation of the directives provided by the CEO and the Board's policies and decisions. Both the CEO and COO are guided by the Company's Mission, Vision, and Core Values.

Management regularly provides the Board with complete and accurate information on the operations and affairs of the Company.

Employee Relations

Employees are provided an employee handbook which contains the policies and guidelines for the duties and responsibilities of an employee of GMA Network, Inc. The Handbook also details the benefits and privileges accruing to all regular employees.

The News and Public Affairs Ethics Manual, on the other hand, sets the standards and rules on how News and Public Affairs personnel should conduct themselves at work.

The employees are updated on material developments through the Network's Corporate Affairs Division. Its platforms for internal communications include online publications (intranet, monthly newsletter, e-mail announcements), multimedia (internal television), and the quarterly General Assemblies among others.

The Company also provides training programs and seminars for career advancement and development. The Company has also initiated activities centered on the safety, health and welfare of its employees.

Prompt Disclosures and Timely Reporting

GMA Network, Inc. adheres to a high level of corporate disclosure and transparency regarding the company's financial condition and state of corporate governance on a regular basis. Through the Investor

Relations and Compliance Division (IRCD), shareholders are provided disclosures, announcements and periodic reports filed with the Securities and Exchange Commission (SEC) and the Philippine Stock Exchange. These are also available online through the Company's Investor Relations website www.gmanetwork.com/corporate/ir.

The Company, through the IRCD and Corporate Affairs and Communications Department, publishes press releases on the performance of the Company. Meetings with Fund Managers, Investment, Financial and Research Analysts are likewise handled by the IRCD.

Consolidated audited financial statements are submitted to the SEC on or before the prescribed period and are made available to the shareholders prior to the ASM.

The financial soundness indicators that the Company monitors are the following:

	2019	2018	Inc/(Dec)	%
Key Performance Indicators	(in millions PhP)	(in millions PhP)	(in millions PhP)	
Revenues	16,493.5	15,236.2	1,257.3	8%
Advertising revenues	15,173.9	13,834.5	1,339.4	10%
Cash operating expenses	11,149.1	10,407.3	741.8	7%
EBITDA	5,392.3	4,823.9	568.4	12%
Net income before tax	3,766.4	3,332.0	434.4	13%
Net income after tax	2,639.3	2,324.0	315.4	14%

	2019	2018	Inc/(Dec)	%
Key Performance Indicators				
Current ratio	2.66	2.72	(0.06)	-2%
Asset-to-Equity ratio	1.69	1.59	0.10	6%
Debt-to-Equity ratio	0.04	0.05	(0.01)	-21%
Interest Rate Coverage Ratio	68.34	92.21	(23.88)	-26%
Gross Profit Margin	0.61	0.57	0.04	6%
EBITDA Margin	0.33	0.32	0.01	3%
Net Income Margin	0.16	0.15	0.01	5%