



**THE PHILIPPINE STOCK  
EXCHANGE, INC.**

**Corporate Governance Guidelines  
for  
Listed Companies  
Disclosure Template**

	COMPLY	EXPLAIN
<b>Guideline No. 1: DEVELOPS AND EXECUTES A SOUND BUSINESS STRATEGY</b>		
1.1 Have a clearly defined vision, mission and core values.	YES	The Company shares GMA Network, Inc.'s vision, mission and values posted in <a href="http://www.gmanetwork.com">www.gmanetwork.com</a> (hereinafter "the website").
1.2 Have a well developed business strategy.	YES	Please refer to the Company's Annual Report in the website.
1.3 Have a strategy execution process that facilitates effective performance management, and is attuned to the company's business environment, management style and culture.	YES	Please refer to the Company's Annual Report, Information Statement as well as in its Annual Corporate Governance Report ("ACGR") in the website.
1.4 Have its board continually engaged in discussions of strategic business issues.	YES	Please refer to the results of the regular meetings of the Board of Directors which are summarized in the disclosures (17-C) in the website.
<b>Guideline No. 2: ESTABLISHES A WELL-STRUCTURED AND FUNCTIONING BOARD</b>		
2.1. Have a board composed of directors of proven competence and integrity.	YES	Please refer to the profile of the members of the Board of Directors the Annual Report and Information Statement in the website.
2.2. Be lead by a chairman who shall ensure that the board functions in an effective and collegial manner.	YES	Please refer to the Company's Amended By-laws, Revised Amended Corporate Governance Manual ("CG Manual") and ACGR in the website.
2.3 Have at least three (3) or thirty percent (30%) of its directors as independent directors.	YES	Please refer to the Company's Annual Report and Information Statement in the website.
2.4 Have in place written manuals, guidelines and issuances that outline procedures and processes.	YES	Please refer to Company's CG Manual and ACGR in the website.

<p>2.5 Have Audit, Risk, Governance and Nomination &amp; Election Committees of the board.</p>	<p>YES</p>	<p>The Company currently has 3 committees to aid it in complying with the principles of good governance and address issues requiring the Board's attention: the Nomination, Compensation and Remuneration and Audit Committees.</p> <p>The Audit Committee provides a general evaluation and gives assistance in the overall improvement of the risk management, control, problems and governance process of the Corporation as designed by Management and provides assurance that these are functioning properly.</p>
<p>2.6 Have its Chairman and CEO positions held separately by individuals who are not related to each other.</p>	<p>NO</p>	<p>Under SEC Memorandum Circular No. 6 Series of 2009 (the "Revised Code of Corporate Governance"), the positions of Chairman and CEO may be unified provided that proper checks and balances are laid down to ensure that the Board gets the benefit of independent views and perspectives. Moreover, there is no conflict in the responsibilities of the designations of CEO and Chairman since the CEO manages the daily operations of the Company while the Chairman presides in all the meetings of the Board.</p>
<p>2.7 Have a director nomination and election process that ensures that all shareholders are given the opportunity to nominate and elect directors individually based on the number of shares voted.</p>	<p>YES</p>	<p>Please refer to the Company's CG Manual and ACGR in the website.</p>
<p>2.8 Have in place a formal board and director development program.</p>	<p>YES</p>	<p>Please refer to the Company's CG Manual and ACGR in the website.</p>

2.9	Have a corporate secretary.	YES	Please refer to the Company's CG Manual and ACGR in the website.
2.10	Have no shareholder agreements, by-laws provisions, or other arrangements that constrains the directors' ability to vote independently.	YES	Please refer to the Company's By-laws, CG Manual and ACGR in the website.
<b>Guideline No. 3: MAINTAINS A ROBUST INTERNAL AUDIT AND CONTROL SYSTEM</b>			
3.1	Establish the internal audit function as a separate unit in the company which would be overseen at the Board level.	YES	Please refer to the Company's CG Manual in the website.
3.2	Have a comprehensive enterprise-wide compliance program that is annually reviewed.	YES	Please refer to the Company's CG Manual and ACGR in the website.
3.3	Institutionalize quality service programs for the internal audit function.	YES	Please refer to the Company's CG Manual and ACGR in the website.
3.4	Have in place a mechanism that allows employees, suppliers and other stakeholders to raise valid issues.	YES	Please refer to the Company's ACGR in the website.
3.5	Have the Chief Executive Officer and Chief Audit Executive attest in writing, at least annually, that a sound internal audit, control and compliance system is in place and working effectively.	YES	<p>The Audit Committee submits to the Board of Directors (BOD) an Annual Committee Report signed by the Chairman, Vice-Chairman and all Committee members. The report contains the Committee's performance in assisting the BOD in fulfilling its oversight responsibility to the shareholders relating to the a) financial statements and financial reporting process; b) system of internal controls; c) risk management; d) performance of internal and independent auditors; and e) compliance with legal and regulatory matters. The Chief Audit Executive (CAE) is reporting functionally to the Audit Committee.</p> <p>Both the Company's Chief Executive Officer and the Chairman of the Audit Committee attest and duly execute the Audit Committee Report.</p>

<b>Guideline No. 4: RECOGNIZES AND MANAGES ITS ENTERPRISE RISKS</b>		
4.1	Have its board oversee the company's risk management function.	YES Please refer to the Company's CG Manual.
4.2	Have a formal risk management policy that guides the company's risk management and compliance processes and procedures.	YES The Board of Directors and management are mindful of the risks and uncertainties inherent in the business. Note however, that the Company does not engage in any other business or purpose except in relation to the issuance of the PDRs relating to the GMA Network, Inc. common shares ("Common Shares") for as long as the PDRs are outstanding.
4.3	Design and undertake its Enterprise Risk Management (ERM) activities on the basis of, or in accordance with, internationally recognized frameworks such as but not limited to, COSO, (The Committee of Sponsoring Organizations of the Tread way Commission) I and II.	NO The Company has not encountered any instance that necessitated the need to form ERM since it does not engage in any other business or purpose except in relation to the issuance of the PDRs relating to the GMA Network, Inc. common shares ("Common Shares") for as long as the PDRs are outstanding.
4.4	Have a unit at the management level, headed by a Risk Management Officer (RMO).	NO The Company does not engage in any other business or purpose except in relation to the issuance of the PDRs relating to the GMA Network, Inc. common shares ("Common Shares") for as long as the PDRs are outstanding.
4.5	Disclose sufficient information about its risk management procedures and processes as well as the key risks the company is currently facing including how these are being managed.	YES Please refer to the Company's CG Manual Information Statement and ACGR in the website.
4.6	Seek external technical support in risk management when such competence is not available internally.	YES All risks (financial and non-financial) pertaining to the business of the company are regularly monitored and managed by the Board of Directors (BOD) through the Audit

		Committee and Management.
<b>Guideline No. 5: ENSURES THE INTEGRITY OF FINANCIAL REPORTS AS WELL AS ITS EXTERNAL AUDITING FUNCTION</b>		
5.1	Have the board Audit Committee approve all non-audit services conducted by the external auditor. The Committee should ensure that the non-audit fees do not outweigh the fees earned from the external audit.	YES Please refer to the Company's CG Manual and ACGR in the website.
5.2	Ensure that the external auditor is credible, competent, and should have the ability to understand complex related party transactions, its counterparties, and valuations of such transactions.	YES Please refer to the Company's CG Manual and ACGR in the website.
5.3	Ensure that the external auditor has adequate quality control procedures.	YES Please refer to the Company's CG Manual and ACGR in the website.
5.4	Disclose relevant information on the external auditors.	YES Please refer to the Company's ACGR and Information Statement in the website.
5.5	Ensures that the external audit firm is selected on the basis of a fair and transparent tender process.	YES Please refer to the Company's ACGR and Information Statement in the website.
5.6	Have its audit committee conduct regular meetings and dialogues with the external audit team without anyone from management present.	YES Please refer to the Company's CG Manual, ACGR and Information Statement in the website.
5.7	Have the financial reports attested to by the Chief Executive Officer and Chief Financial Officer.	YES Please refer to the Company's Annual and Quarterly Reports in the website.
5.8	Have a policy of rotating the lead audit partner every five years.	YES Please refer to the Company's Annual Report in the website.
<b>Guideline No. 6: RESPECTS AND PROTECTS THE RIGHTS OF ITS SHAREHOLDERS, PARTICULARLY THOSE THAT BELONG TO THE MINORITY OR NON-CONTROLLING GROUP</b>		
6.1	Adopt the principle of "one share, one vote."	YES Please refer to the Company's Amended Articles of Incorporation ("AOI") and ACGR in the website.
6.2	Ensure that all shareholders of the same class are treated equally with respect to voting rights, subscription rights and transfer rights.	YES Please refer to the Company's AOI, CG Manual and ACGR in the website.
6.3	Have an effective, secure and efficient voting system.	YES Please refer to the Company's AOI and ACGR in the website.

6.4	Have effective shareholder voting mechanisms such as supermajority or "majority of minority" requirements to protect minority shareholders against actions of controlling shareholders.	YES	The Company adheres to the provisions of the Corporation Code as well as the rules and regulations of the Securities and Exchange Commission and the Philippine Stock Exchange relating to the protection of the rights of the minority.
6.5	Provide all shareholders with the notice and agenda of the annual general meeting (AGM) at least thirty (30) days before a regular meeting and twenty (20) days before a special meeting.	YES	Please refer to the Company's Information Statement and ACGR in the website.
6.6	Allow shareholders to call a special shareholders meeting, submit a proposal for consideration at the AGM or the special meeting, and ensure the attendance of the external auditor and other relevant individuals to answer shareholder questions in such meetings.	YES	Please refer to the Company's Amended By-Laws and ACGR in the website.
6.7	Ensure that all relevant questions during the AGM are answered.	YES	Please refer to the Minutes of the Annual Stockholders' Meeting and ACGR in the website.
6.8	Have clearly articulated and enforceable policies with respect to treatment of minority shareholders.	YES	Please refer to the Company's CG Manual and ACGR in the website.
6.9	Avoid anti-takeover measures or similar devices that may entrench management or the existing controlling shareholder group.	YES	Please refer to the Company's CG Manual and ACGR in the website.
6.10	Provide all shareholders with accurate and timely information regarding the number of shares of all classes held by controlling shareholders and their affiliates.	YES	Please refer to the Company's CG Manual, Information Statement, Annual Report and ACGR in the website.
6.11	Have a communications strategy to promote effective communication with shareholders.	YES	Please refer to the Company's CG Manual, Information Statement, Annual Report and ACGR in the website.
6.12	Have at least thirty percent (30%) public float to increase liquidity in the market.	NO	Under Section 3 (a) of the PSE Rules on Minimum Public Ownership (public float), a listed company shall, at all times, maintain a minimum percentage of listed securities held by the public of ten percent (10%) of the listed company's issued and outstanding shares. The PDRs issued by the Company form part of the public float of GMA

		Network, Inc. which is at 24.98%.
6.13	Have a transparent dividend policy.	YES Please refer to the Company's AOI and ACGR in the website.
<b>Guideline No. 7: ADOPTS AND IMPLEMENTS AN INTERNATIONALLY-ACCEPTED DISCLOSURE AND TRANSPARENCY REGIME</b>		
7.1	Have written policies and procedures designed to ensure compliance with the PSE and SEC disclosure rules, as well as other disclosure requirements under existing laws and regulations.	YES Please refer to the Company's CG Manual, ACGR and other disclosures to the PSE and SEC posted in the website.
7.2	Disclose the existence, justification, and details on shareholders agreements, voting trust agreements, confidentiality agreements, and such other agreements that may impact on the control, ownership, and strategic direction of the company.	YES Please refer to the Company's CG Manual, ACGR and other disclosures to the SEC and PSE posted in the website.
7.3	Disclose its director and executive compensation policy.	YES Please refer to the Company's ACGR, Information Statement and Annual Report in the website.
7.4	Disclose names of groups or individuals who hold 5% or more ownership interest in the company, significant cross-shareholding relationship and cross guarantees, as well as the nature of the company's other companies if it belongs to a corporate group.	YES Please refer to the disclosures on beneficial ownership posted in the website.
7.5	Disclose annual and quarterly consolidated reports, cash flow statements and special audit revisions. Consolidated financial statements shall be published within 90 days from the end of the financial year, while interim reports shall be published within 45 days from the end of the reporting period.	YES For quarterly reporting, we submit our Financial Statements (FS) on or before the 45 <sup>th</sup> day after the end of each quarter in compliance with the requirements of the Securities and Exchange Commission (SEC).  To maximize the time value of money, we usually pay our annual income tax due to the Bureau of Internal Revenue (BIR) on or near April 15 following the close of the taxable year. Upon payment, BIR received FS is submitted to the SEC on the dates prescribed by them. We believe that the 105 days is already reasonable time to inform the



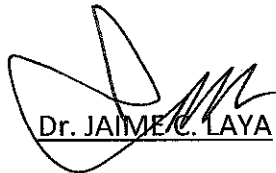
		company's stockholders and stakeholders of the previous year's financial results.
7.6	Disclose to shareholders and the Exchange any changes to its corporate governance manual and practices, and the extent to which such practices conform to the SEC and PSE CG Guidelines.	YES Please refer to the Company's disclosures on the amendments to its CG Manual and ACGR posted in the website.
7.7	Publish and/or deliver to its shareholders in a timely fashion all information and materials relevant to corporate actions that require shareholder approval.	YES Please refer to the Company's Information Statement in the website.
7.8	Disclose the trading of the corporation's shares by directors, officers (or persons performing similar functions) and controlling shareholders. This shall also include the disclosure of the company's purchase of its shares from the market (e.g share buy-back program).	YES Please refer to the Company's disclosures on directors'/officers'/major stockholders' initial statements of beneficial ownership and changes thereto posted in the website.
7.9	Disclose in its annual report the principal risks to minority shareholders associated with the identity of the company's controlling shareholders; the degree of ownership concentration; cross-holdings among company affiliates; and any imbalances between the controlling shareholders' voting power and overall equity position in the company.	YES Please refer to the Company's Information Report and Annual Report in the website.
<b>Guideline No. 8: RESPECTS AND PROTECTS THE RIGHTS AND INTERESTS OF EMPLOYEES, COMMUNITY, ENVIRONMENT, AND OTHER STAKEHOLDERS</b>		
8.1	Establish and disclose a clear policy statement that articulates the company's recognition and protection of the rights and interests of key stakeholders specifically its employees, suppliers & customers, creditors, as well the community, environment and other key stakeholder groups.	YES Please refer to the Company's CG Manual and ACGR in the website.
8.2	Have in place a workplace development program.	YES Please refer to the Company's CG Manual and ACGR in the website.
8.3	Have in place a merit-based performance incentive mechanism such as an employee stock option plan (ESOP) or any such scheme that awards and incentivizes employees, at the same time aligns their interests with those of the shareholders.	YES Please refer to the Company's CG Manual and ACGR in the website.
8.4	Have in place a community involvement program.	YES Please refer to the Company's ACGR and Annual Report in the website.

8.5	Have in place an environment-related program.	YES	Please refer to the Company's ACGR and Annual Report in the website.
8.6	Have clear policies that guide the company in its dealing with its suppliers, customers, creditors, analysts, market intermediaries and other market participants.	YES	Please refer to the Company's ACGR and Annual Report in the website.
<b>Guideline No. 9: DOES NOT ENGAGE IN ABUSIVE RELATED-PARTY TRANSACTIONS AND INSIDER TRADING</b>			
9.1	Develop and disclose a policy governing the company's transactions with related parties.	YES	Please refer to the Company's CG Manual, ACGR, Information Statement and Annual Report in the website.
9.2	Clearly define the thresholds for disclosure and approval for RPTs and categorize such transactions according to those that are considered <i>de minimis</i> or transactions that need not be reported or announced, those that need to be disclosed, and those that need prior shareholder approval. The aggregate amount of RPT within any twelve (12) month period should be considered for purposes of applying the thresholds for disclosure and approval.	YES	Please refer to the Company's CG Manual, ACGR, Information Statement and Annual Report in the website.
9.3	Establish a voting system whereby a majority of non-related party shareholders approve specific types of related party transactions in shareholders meetings.	YES	Please refer to the Company's CG Manual, ACGR, Information Statement and Annual Report in the website.
9.4	Have its independent directors or audit committee play an important role in reviewing significant RPTs.	YES	Please refer to the Company's ACGR, Information Statement and Annual Report in the website.
9.5	Be transparent and consistent in reporting its RPTs. A summary of such transactions shall be published in the company's annual report.	YES	Please refer to the Company's ACGR, Information Statement and Annual Report in the website.
9.6	Have a clear policy in dealing with material non-public information by company insiders.	YES	Please refer to the Company's ACGR and Annual Report in the website.
9.7	Have a clear policy and practice of full and timely disclosure to shareholders of all material transactions with affiliates of the controlling shareholders, directors or management.	YES	Please refer to the Company's CG Manual, ACGR, Information Statement and Annual Report in the website.
<b>Guideline No. 10:</b>			

<b>DEVELOPS AND NURTURES A CULTURE OF ETHICS, COMPLIANCE, &amp; ENFORCEMENT</b>		
10.1	Formally adopt a code of ethics and proper conduct that guides individual behavior and decision making, clarify responsibilities, and inform other stakeholders on the conduct expected from company personnel.	YES Please refer to the Company's ACGR, in the website.
10.2	Have a formal comprehensive compliance program covering compliance with laws and relevant regulations. The program should include appropriate training and awareness initiatives to facilitate understanding, acceptance and compliance with the said issuances.	YES Please refer to the Company's ACGR and Annual Report in the website.
10.3	Not seek exemption from the application of a law, rule or regulation especially when it refers to a corporate governance issue. Should it do so, it has to disclose the reason for such action as well present the specific steps being taken to finally comply with the applicable law, rule or regulation.	YES Please refer to the Company's ACGR and Annual Report in the website.
10.4	Have clear and stringent policies and procedures on curbing and penalizing company or employee involvement in offering, paying and receiving bribes.	YES Please refer to the Company's ACGR in the website.
10.5	Have a designated officer responsible for ensuring compliance with all relevant laws, rules, and regulation, as well as all regulatory requirements.	YES Please refer to the Company's CG Manual, Annual Report and ACGR in the website.
10.6	Respect intellectual property rights.	YES Please refer to the Company's ACGR and Annual Report in the website.
10.7	Establish and commit itself to an alternative dispute resolution system so that conflicts and difference with counterparties, particularly with shareholders and other key stakeholders, would be settled in a fair and expeditious manner.	YES Please refer to the Company's CG Manual ACGR in the website.

This is to certify that the undersigned reviewed the contents of this document and to the best of my knowledge and belief, the information contained set forth in this document is true, complete and correct.

Done this 27<sup>th</sup> day of March, 2015 in Quezon City.

  
Dr. JAIME C. LAYA

Independent director

  
ATTY. FELIPE L. GOZON

Chairman and CEO