

UPDATES AND CHANGES IN THE ACGR FOR 2013

A. BOARD MATTERS

1. Composition of the Board

As a result of the Annual Stockholders' Meeting, new member of the board was added.

Director's Name	Type [Executive (ED), Non-Executive (NED) or Independent Director (ID)]	If nominee, identify the principal	Nominator in the last election (if ID, state the relationship with the nominator)	Date first elected	Date last elected (if ID, state the number of years served as ID)	Elected when (Annual/Special Meeting)	No. of years served as director
Thalassa G. Elizalde	NED	NA	Nominating Committee	2013	09/26/13	Annual Meeting	1

2. Directorship in the Company's Group

Director's Name	Corporate Name of the Group Company	Type of Directorship (Executive, Non-Executive, Independent). Indicate if director is also the Chairman.
Thalassa G. Elizalde	TGE Holdings Corp.	Non-Executive

3. Relationship within the Company and its Group

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

Director's Name	Name of the Significant Shareholder	Description of the relationship
Thalassa G. Elizalde	Fred J. Elizalde (Director / Chairman)	Ms. Thalassa G. Elizalde is the daughter of Mr. Fred J. Elizalde

4. Shareholding in the Company

Name of Director	Number of Direct shares	Number of Indirect shares / through (name of record owner)	% of Capital Stock
Fred J. Elizalde	94	-	0.0000%
Ruperto S. Nicdao Jr.	129,200	-	0.0321%
Eduardo G. Cordova	12,779	-	0.0032%
Julio Manuel P. Macuja	36	-	0.0000%
Juan Manuel Elizalde	1,000	-	0.0002%
Thalassa G. Elizalde	185	-	0.0000%
Rudolph Steve E. Jularbal	10,807	-	0.0027%

George T. Goduco	1,000	-	0.0002%
Gary C. Huang	36	-	0.0000%
TOTAL	154,953	-	0.0387%

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

a. Resignation / Death / Removal

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

Name	Position	Date of Cessation	Reason
Jose M. Taruc, Jr.	Director	Sept. 26, 2013	Resignation

6. Voting Result of the last Annual General Meeting (September 26, 2013)

Name of director	Votes Received
Fred J. Elizalde	majority vote
Ruperto S. Nicdao Jr.	majority vote
Eduardo G. Cordova	majority vote
Julio Manuel P. Macuja	majority vote
Juan Manuel Elizalde	majority vote
Thalassa G. Elizalde	majority vote
Rudolf Steve F. Jularbal	majority vote
George T. Goduco	majority vote
Gary C. Huang	majority vote

B. BOARD MEETINGS & ATTENDANCE

1. Attendance of Directors

Board	Name	Date of election	No. of Meetings Held during the year	No. of Meetings Attended	%
Chairman	Fred J. Elizalde	09/26/13	9	7	78%
Member	Ruperto S. Nicdao Jr.	09/26/13	9	9	100%
Member	Eduardo G. Cordova	09/26/13	9	9	100%
Member	Julio Manuel P. Macuja	09/26/13	9	9	100%
Member	Juan Manuel Elizalde	09/26/13	9	9	100%
Member	Jose M. Taruc*	-	6	6	100%
Member	Thalassa G. Elizalde*	09/26/13	3	3	100%
Member	Rudolph Steve F. Jularbal	09/26/13	9	9	100%
Independent	George T. Goduco	09/26/13	9	9	100%
Independent	Gary C. Huang	09/26/13	9	8	89%

*Ms. Thalassa G. Elizalde was elected as director effective September 26, 2013 as replacement of Mr. Jose M. Taruc.

2. Access to Information

- a. How many days in advance are board papers for board of directors meetings provided to the board?

Board papers are provided to the board of directors at least five (5) working days before the actual date of meeting so that they have ample time to carefully review the board papers and prepare the needed reports for the meeting.

C. REMUNERATION MATTERS

1. Aggregate Remuneration

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

Remuneration Item	Executive Directors	Non-Executive Directors (other than independent directors)	Independent Directors
a. Fixed Remuneration	P7,889,255.24	-	-
b. Variable remuneration	-	-	-
c. Per diem Allowance	155,555.56	-	44,444.44
d. Bonuses	-	-	-
e. Stock Options and/or other financial instruments	-	-	-
f. Others (specify)	-	-	-
TOTAL	P8,044,810.80	-	P155,555.40

Other Benefits	Executive Directors	Non-Executive Directors (other than independent directors)	Independent Directors
a. Advances	-	-	-
b. Credit Granted	-	-	-
c. Pension Plan/s Contributions	-	-	-
d. Pension Plans, Obligations incurred	-	-	-
e. Life Insurance Premium	-	-	-
f. Hospitalization Plan	-	-	-
g. Car Plan	-	-	-
h. Others (specify)	-	-	-
TOTAL	-	-	-

2. Stock Rights, Options and Warrants

a. Remuneration of Management

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

Name of Officer/Position	Total Remuneration
George T. Goduco	P44,444.44
Gary C. Huang	

D. RISK MANAGEMENT SYSTEM

1. Control System Set Up

a. Group

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

Risk Exposure	Risk Management (Monitoring and Measurement Process)	Risk Management and Control (Structures, Procedures, Actions Taken)
Operational Risk	Annual Risk Identification through Risk and Control Assessment	1. Interview with Risk owners 2. Filtering of Risks 3. Risk Rating and Ranking 4. Assignment of Risk Owner 5. Risk Owner Monitoring and Report

E. INTERNAL AUDIT AND CONTROL

1. Internal Control System

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

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

The Company's Board of Directors:

- Discussed and reviewed the results of the audit findings and recommendations of the internal and independent auditors and their assessment of the Company's internal controls and the overall quality of the financial reporting process
- Reviewed the reports of the internal auditors and regulatory agencies, where applicable, ensuring that management is taking timely and appropriate corrective actions, including those addressing internal control and compliance issues.

- b. Period covered by the review;

Year 2013

- c. Where no review was conducted during the year, an explanation why not.

A review was conducted in 2013.

2. Internal Audit

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

The Internal Auditor reports functionally to the Audit Committee of the Board and administratively to the CEO. Internal Auditor has unrestricted access to all functions, records, property, and personnel for the specific purpose of the audit and has full access to the Audit Committee. The Internal Auditor has full and free access to the Audit Committee.

F. ROLE OF STAKEHOLDERS

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

Yes. There is a separate corporate responsibility section or sustainability report/section in the Company.

G. DISCLOSURE AND TRANSPARENCY

1. Medium of Communication

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

External Modes of Communication

- Company Website
- Radio & TV Broadcasting
- SEC/PSE Disclosures
- Social Networking Media

Internal Modes of Communication

- Company Memorandum and other special publications which may be released internally within the Company
- Intranet (MBC mail)
- Social Networking Media (Facebook Group)

2. Date of release of audited financial report.

The Company’s Audited Financial Statements were authorized for issuance by the Board of Directors on April 4, 2014, filed with the Bureau of Internal Revenue (BIR) on April 21, 2014 and submitted to the Securities and Exchange Commission (SEC) and Philippine Stock Exchange (PSE) on April 30, 2014.

3. Company Website

Manila Broadcasting Company’s official website: **www.mbcradio.net**

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

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

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

H. RIGHTS OF STOCKHOLDERS

1. Right to participate effectively in and vote in Annual/Special Stockholders' Meeting

a. Stockholders' Rights

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

Stockholders' Rights under the Corporation Code	Stockholders' Rights not in the Corporation Code
Right to vote	The Right to Transfer Ownership
Pre-emptive right	The Right to Sue for Wrongful Acts
Right to inspect	
Right to receive	
Right to dividends	
Appraisal right	

Dividends

Declaration Date	Record Date	Payment Date
December 16, 2013	January 10, 2014	January 31, 2014

b. Stockholders' Participation

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

Yes. The Company provide at least 21 business days' notice for giving out notices to the 2013 ASM.

a. Date of sending out notices: September 1, 2013

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

September 26, 2013 – 2013 Annual Stockholders' Meeting

The regular meeting of stockholders shall be held on the Second Thursday of June of each year. If the day fixed for the regular meeting falls on legal holiday, such meeting shall be held at the same time on the first working day following said date. The Board may, for good cause, postpone the regular meeting to a reasonable date.

Special meetings may be called by the Chairman, the Chief Executive Officer, on in his absence, by the President. They may also be called by a majority of the Board of Directors any time they may deem necessary to hold a stockholders' meeting.

c. Stockholders' Attendance

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

Type of Meeting	Names of Board members/ officers present	Date of Meeting	Voting Procedure (by poll, show of hands, etc.)	% of SH Attending in Person	% of SH in Proxy	Total % of SH attendance
Annual	Directors: Fred J. Elizalde Ruperto S. Nicdao, Jr. Eduardo G. Cordova Julio Manuel P. Macuja Rudolf Steve F. Jularbal Juan Manuel Elizalde Thalassa G. Elizalde George T. Goduco Gary C. Huang Officers: Jose M. Taruc, Jr. Robert A. Pua Irving A. Lisondra Ellen C. Fullido Carlea C. Miranda Jonathan E. Decena Elpidio Macalma Jose Ma. T. Parroco Wilfredo Espinosa	09/26/13	By ballots			
Special	No Special Meeting held during the year.					

d. Definitive Information Statements and Management Report

Number of Stockholders entitled to receive Definitive Information Statements and Management Report and Other Materials	606
Date of Actual Distribution of Definitive Information Statement and Management Report and Other Materials held by market participants/certain beneficial owners	September 01, 2013
Date of Actual Distribution of Definitive Information Statement and Management Report and Other Materials held by stockholders	September 01, 2013
State whether CD format or hard copies were distributed	Only hard copies of the Definitive Information Statement were distributed
If yes, indicate whether requesting stockholders were provided hard copies	Yes, copies of the Definitive Information Statement were distributed to all requesting parties.

2. Treatment of Minority Stockholders

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

Policies	Implementation
<p>The Company's shareholders, including those in the minority, are given the opportunity to exercise their basic rights with respect to the following:</p> <ol style="list-style-type: none"> a. Changes and/or amendments to the company's Articles of Incorporation and By-laws; b. Sale, purchase and/or transfer of a significant share of corporate assets, that may result in a change in the character of the Company; c. Authorization for the issuance of additional shares of the Company; d. Opportunity to nominate candidates for membership in the BOD. e. Opportunity to elect individually the members of the BOD. The Notice of AGM, being sent to all shareholders include the profiles of all nominees for seats in the Board of Directors such as age, qualifications and experience, date of first appointment to the Board of the company, and directorships in other publicly listed corporations (or subsidiaries, whether listed or non-listed, within our group of companies) Non-controlling shareholders are also encouraged to exercise their right to vote and elect the Company's BOD. f. Approval of the remuneration of all non-executive Directors (members of the Board). g. Appointment of the external auditor. The Notice of AGM clearly identifies the external auditor seeking appointment and the same were duly appointed by the shareholders. <p>For the further protection of the rights of the minority shareholders, the following are also provided:</p> <ul style="list-style-type: none"> - Pre-emptive right - Right of inspection - Appraisal right - Right to dividends 	<p>Implemented according to the policy</p>

- b. Do minority stockholders have a right to nominate candidates for board of directors?

Yes. The Company provides minority shareholders a right to nominate candidates for board of directors/commissioners, since the Company has no single controlling shareholders.

K. INVESTORS RELATIONS PROGRAM

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

The Company recognizes that active internal and external communications are integral part of good business and administration. In order to reach its overall goals for communication, the Company follows a set of guiding principles.

- Efficiency. The Company uses modern communication technologies in a timely manner to convey its messages to its target groups. The Company replies without unnecessary delay to information requests by the media and the public.

- Transparency. The Company strives in its communication to be as transparent and open as possible. This contributes to maintaining high level of accountability.
- Proactivity. The company proactively develops contacts with its target groups and identifies topics of possible mutual interest.
- Clarity. The Company aims at clarity, i.e., to send uniform and clear messages on key policy issues. It avoids unnecessary jargon in its communication. The company reinforces clarity by adhering to a well-defined visual identity in its external communication.
- Cultural awareness. The Company operates in a multicultural environment. While most of its communication material is provided only in English, the Company strives to communicate with its target groups to the extent possible in their own languages.
- Feedback. The Company actively and regularly seeks feedback on its image and communication activities both from the media as well as from its key target groups. This feedback is used to fine tune communication activities.

Atty. Rudolph Steve E. Jularbal is in-charge of the corporate communications. He reviews and approves the releases of the Company's information. He coordinates with concerned groups including the Board, the President and CEO and other Key Officers to get approval for the disclosure of the information pertaining to their group/office.

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

	Details
1. Objectives	To disseminate information to shareholders, financial professionals, and potential investors about the Company's competencies, competitive advantages, strengths, weaknesses, strategies, vision and mission – the objective being to ensure that the Company will be accurately valued in the marketplace.
2. Principles	Excellence – to ensure that the information is relevant and communicated in a professional, clear and orderly manner Integrity – to ensure that the acts of the Company with regard to investor relations are performed within the rules and regulations of its governing bodies. (Company, SEC, PSE and government); and that the information communicated is accurate, relevant and timely
3. Modes of Communications	- Annual Stockholders Meeting - Regular Company Disclosures - Investor Relations Meetings - Responding to calls and emails
4. Investors Relations Officer	Eduardo G. Cordova

L. CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

Discuss any initiative undertaken or proposed to be undertaken by the company.

Initiative	Beneficiary
Promote fair, just and equitable employment policies	Employees
Promote and be sensitive to the preservation and protection of the natural environment - Manila Bay Clean-up Run	General Citizens

Disaster Response and Emergency Preparedness - DZRH Operation Tulong	General Citizens
Medical & Dental Missions - DZRH Operation Tulong	General Citizens
Job Fairs - DZRH Operation Tulong	General Citizens
Promote different Filipino cultures & traditions - Aliwan Festival	General Citizens

M. BOARD, DIRECTOR, COMMITTEE AND CEO APPRAISAL

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

The Board annually conducts a self-assessment of their performance individually, collectively and as members of the different Board Committees. The self assessment results are key factors in the enhancement of directors' performance and effectiveness in discharging their duties.

	Process	Criteria
CEO/President	Self-Assessment	A. Board Structure B. Board Duties and Responsibilities C. Duties and Responsibilities as an Individual Director The Performance is conducted using a rating system described as follows: 1 – Needs immediate attention 2 – Needs strengthening 3 – Satisfactory 4 – Good 5 – Very Good
Board of Directors		
Individual Directors		
Board of Committees		

N. INTERNAL BREACHES AND SANCTIONS

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

Violations	Sanctions
Violations of Corporate Governance Rules	The Revised Manual of Corporate Governance provides for the following disciplinary actions for directors: <ol style="list-style-type: none"> 1. Temporary disqualification – refusal to comply with Company's disclosure requirements, unexcused absences of more than 50% of all regular and special meetings of the Board, dismissal or termination for a cause as director in any corporation covered by Governance Code, among others.

	<p>2. Permanent Disqualification – if convicted or adjudged guilty of any offenses or crimes, decree or order issued by a judicial or administrative body or the SEC or BSP.</p> <p>Please refer to Section III-e Disqualification of a Director of the Company’s Revised Manual of Corporate Governance for details.</p>
<p>Violations on the following prescribed behavior:</p> <ol style="list-style-type: none"> 1. Attendance & Punctuality 2. Work Performance 3. Employee Behavior 4. Confidentiality of Work and Information 5. Conflict of Interest 6. Use of Company Property 7. Hiring and/or Assignment of Relatives 8. Voluntary Separation 	<p>For Officers/Senior Management and Employees:</p> <p>The Company’s Code of Business Conduct and Ethics prescribes the proper and correct conduct of employees and Senior Management of the Company.</p> <p>The policy includes a guide in imposing disciplinary actions to employees and Senior Management with sanctions and penalties ranging from verbal counseling, written reprimand, suspension or dismissal, depending on the gravity of the offense committed.</p>