ANNUAL MEETING OF STOCKHOLDERS
INTERNATIONAL CONTAINER TERMINAL SERVICES, INC.
HELD AT THE SOLAIRE BALLROOMS 2 to 5, SOLAIRE RESORT & CASINO, 1 ASEAN AVENUE, ENTERTAINMENT CITY, PARAÑAQUE CITY ON APRIL 21, 2016 AT 10:00 A.M.
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The Annual Meeting of Stockholders of INTERNATIONAL CONTAINER TERMINAL SERVICES, INC. (ICTSI or “Company”) was called to order at 10:00 a.m., April 16, 2015, at the Solaire Ballrooms 2 to 5, Solaire Resort & Casino, 1 Asean Avenue, Entertainment City, Parañaque City, pursuant to written notices given by the Corporate Secretary Atty. Rafael T. Durian.

Chairman Enrique K. Razon, Jr. presided the meeting. Assistant Corporate Secretary, Atty. Silverio Benny J. Tan, acted as secretary of the meeting (“Secretary”) and took minutes of the proceedings.

The following members of the Board of Directors were present: Enrique K. Razon Jr., Andres Soriano III, Stephen A. Paradies, Octavio R. Espiritu, John Ramon Aboitiz, Joseph R. Higdon and Jose C. Ibazeta.

1. **Call to Order**

The Chairman called the meeting to order and asked the secretary whether the stockholders were duly notified and if there was a quorum for the meeting.

2. **Determination of Quorum**

The Secretary of the meeting certified that written notices were sent out starting March 30, 2016 to all stockholders as of record date of March 18, 2016. He further certified that stockholders representing 2,338,728,277 shares, out of a total of 2,733,252,516 shares, or 85% of total issued and outstanding shares were present in person or by proxy in the meeting. There was, therefore, a quorum for the meeting.

3. **Approval of Minutes of the Annual Meeting of Stockholders Held on April 16, 2015**

A stockholder moved for the approval of the minutes of the Annual Stockholders Meeting dated April 16, 2015. The motion was duly seconded. There being no objection to the motion, the Chairman declared the resolution approved and instructed the Secretary to record a vote approving the motion, noting the votes through proxies with specific instructions, as detailed below:
<table>
<thead>
<tr>
<th>VOTES</th>
<th>NUMBER OF VOTES CAST</th>
</tr>
</thead>
<tbody>
<tr>
<td>Approving</td>
<td>2,334,728,277</td>
</tr>
<tr>
<td>Dissenting</td>
<td>None</td>
</tr>
<tr>
<td>Abstaining</td>
<td>None</td>
</tr>
</tbody>
</table>

The following resolution was thus adopted and approved:

**RESOLUTION NO. STK-01-16**

"RESOLVED, that the minutes of the Annual Stockholders Meeting held on April 16, 2015 are hereby approved."

4. **Chairman’s Report** -

The Chairman and President delivered the following report:

The year 2015 was overshadowed by global economic uncertainty, which resulted in stress to the economies of certain countries and regions around the world. The continuing slowdown of China has sent China-reliant countries, such as Brazil, into deep recessions. Most oil producing countries and regions are also experiencing severe slowdowns due to the collapse in oil prices.

All of these negative economic headwinds led to weak global demand as reflected in flat global trade. Add to this the spreading conflict in the Middle East and terrorist attacks in the west, and you will be hard pressed to be optimistic about the near and medium term prospects for global growth.

There are of course bright spots in our own portfolio. We have several star performers such as Honduras, Iraq and Pakistan to name but a few, which provided strong volume growth and cash flow, not the countries you would normally expect to be drivers of growth. The Philippines likewise remains a bright spot, and should have healthy economic growth this year.

We certainly have our share of troubled spots as well that have been a drag on our results led by Brazil, which I cannot describe by any other term but an economic disaster, where volume continues to decline as the country falls deeper into recession and political instability. Argentina is another one. However, we are turning cautiously
optimistic with the recent election of a new government, which seems to be very serious in executing the right economic reforms. We hope that the country will return to growth in the next year or so.

Throughout the year, there were currency devaluations in several countries where we are exposed in local currency, again with Brazil in the forefront with the largest devaluation against the Dollar. In most areas though, our revenue is in U.S dollars, so we are able to offset the currency losses.

So 2015 was a mixed bag to say the least, but when looked at as a whole, due to our diverse portfolio, we still managed to grow volume by five percent, and revenue more or less flat over the previous year. This speaks well of our strategy of geographical diversity, not reliant on one area or region. It clearly proves the resiliency of the company’s business even in the most difficult economic environment. Experience tells us that times like these require us to be cautious, but also times like these eventually lead to great opportunities.

**Business Development**

In January, our greenfield project in Matadi, Democratic Republic of Congo officially broke ground. We expect the terminal to be completed by the third quarter of this year, and will have an initial capacity of 175,000 TEUs.

In February, we gained full ownership of Victoria International Container Terminal in Melbourne, Australia when we acquired Anglo Ports’ 10 percent share in the Australian unit. VICT’s development is on schedule, and we expect the terminal to be operational by the fourth quarter of 2016. Upon full completion of Phase 2, the 1 million-TEU annual capacity VICT will be the Group’s first fully automated terminal, and the most advanced container handling facility in the Asia Pacific region.

In April, we divested our interest in Naha International Container Terminal in Okinawa, Japan when we sold our 60 percent ownership back to Naha International Container Terminal, Inc. as treasury shares. Our 10-year lease effectively expired last year, and we had earlier expressed our non-interest in renewing the NICT lease with the Naha Port Authority.

In May, we acquired from Grupo TMM 100 percent ownership of Terminal Maritima de Tuxpan (TMT) in Veracruz, Mexico. TMT holds an extendable 20-year concession for the development and operation of a projected one million-TEU annual capacity terminal in Tuxpan. The Tuxpan terminal will complement our existing business in Manzanillo. We plan to consolidate operations in the two terminals and expand our services through the Pacific and the Gulf of Mexico.
Group Volumes

To date, the ICTSI Group is involved in 30 terminal concessions and port development projects in 20 countries.

For 2015, we handled consolidated volumes of 7,775,993 TEUs, a five percent increase from 2014.

The increase was driven by continued volume ramp-up in Manzanillo, Mexico and Puerto Cortes, Honduras; new shipping line contracts and services in Karachi, Pakistan, Guayaquil, Ecuador, and Subic Bay, Philippines; favorable impact of consolidation in Yantai, China; and the contribution from our new operations in Umm Qasr, Iraq, which opened in November 2014. Excluding the new volume from Iraq, organic volume increased three percent.

All three regions posted single-digit TEU growth: Asia Pacific with 7.2 percent; Americas, 1.9 percent; and EMEA, 1.4 percent.

Asia Pacific accounted for over half of Group volume with 52.7 percent. This is followed by the Americas with 35.2 percent, and EMEA with 12.1 percent.

Financial Performance

Gross revenue from port operations were US$1.051 billion, one percent lower compared to US$1.061 billion the year before. The slight decline was largely due to weakening currencies in some countries that we operate in.

In addition, revenue was affected by loss of vessel calls at ICTSI Oregon in Portland, USA due to the continuing labor disruption, and weaker trade at Baltic Container Terminal in Gdynia, Poland. The decrease was partially offset by tariff rate adjustments in certain terminals.

Consolidated Earnings Before Interest, Taxes, Depreciation and Amortization or EBITDA of US$450 million was two percent higher than the US$443 million generated the previous year. EBITDA margin improved to 43 percent in 2015 from 42 percent in 2014.

Largely because of one-time, non-cash charges, net income attributable to equity holders was US$58.5 million, down 68 percent compared to the US$182 million earned in 2014.

In 2015, we took impairment charges of US$114.6 million related to reduced value of our TecPlata terminal in Argentina and of Jakarta, Indonesia operator OJA.

In addition, we recognized non-recurring gains. These include gains from our divestment in Japan, and tax charges in Buenaventura, Colombia and Pakistan.
Excluding the effect of these one-time adjustments and non-recurring charges, recurring net income would have increased by one percent to US$174.7 million, from US$172.6 million in 2014.

Diluted earnings per share declined 85 percent to 1.1 cents, from 7.5 cents again due to said one-time charges.

Consolidated cash operating expenses decreased by five percent in 2015 to US$432.3 million, from US$454.5 million the year earlier. The decrease was the result of lower equipment and facilities-related expenses. We likewise also benefited from lower global fuel prices and maintenance expenses. In addition, the depreciation of local currencies in various ports meant cash operating expenses of these ports were translated to a lower US dollar equivalent upon consolidation.

The reduction, however, was tapered by start-up costs in Iraq, Mexico, Australia and DR Congo. Excluding costs associated with the new projects, consolidated cash operating expenses would have decreased by seven percent in 2015.

Capital expenditure mainly related to construction and procurement of equipment amounted to US$353.5 million, approximately 67 percent of the original US$530 million 2015 capital expenditure budget.

Capex was directed mainly to the completion of new terminals in Mexico, Honduras and Iraq, capacity expansion in Manila; and greenfield projects in DR Congo and Australia.

In addition, we invested US$95.1 million in the development of Sociedad Puerto Industrial Aguadulce, our joint venture container terminal development project with PSA International in Colombia.

We have set 2016 capex at US$420 million, mainly allocated for ongoing projects in DR Congo, Iraq and Australia. In Colombia, we allocated approximately US$60 million for our share to complete the initial phase of the project.

**Fund Management**

In January, we launched a liability management initiative that involved the issuance of US$117.5 million in senior bonds and US$300 million in perpetual securities. These were exchanged with outstanding higher yielding securities. The transaction was part of our ongoing capital management program that achieved two objectives – first, to extend the duration of debt maturities and a call option for the perpetual securities and second, to reduce our cost of capital. In August, we issued US$450 million of new perpetual securities. The funds raised were used to finance capital expenditures, refinance existing debt and for other general corporate purposes.
The Asset Asian Awards and IFR Asia hailed our US$450 million perpetual securities issue as the Philippines’ Best Corporate Bond and the Philippine Capital Market Deal of the Year, respectively.

In October, Condec Manzanillo S.A., our subsidiary in Mexico signed a US$260 million 12-Year Project Finance Facility with the International Finance Corp., Inter-American Development Bank, and syndicate banks. We drew US$95 million from the facility in December.

Vigilance

We remain vigilant as we face challenges in the coming months and the next few years. We relentlessly explore new ways to continuously improve the business, cut costs, and make ourselves more and more efficient.

We always have your interests, our shareholders, in mind. We have immediately implemented measures that would mitigate the effects of a contracting global economy. No stranger to volatility, we have instructed Management to look into areas of our operations where we could best optimize costs, and save on capital and administrative expenses, while maintaining the global operational standards we are associated with.

In our almost 30 years in the business, we have made solid investments that we know will secure the company’s growth for decades to come.

Thank you for your continued trust.

5. Approval of the Chairman’s Report and the 2015 Audited Financial Statements -

A stockholder moved for the approval of the Chairman’s Report for 2015. Another stockholder seconded the motion. There being no objection, the Chairman declared the motion approved, noting the votes through proxies with specific instructions, as detailed below:

<table>
<thead>
<tr>
<th>VOTES</th>
<th>NUMBER OF VOTES CAST</th>
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</thead>
<tbody>
<tr>
<td>Approving</td>
<td>2,334,089,277</td>
</tr>
<tr>
<td>Dissenting</td>
<td>None</td>
</tr>
<tr>
<td>Abstaining</td>
<td>639,000</td>
</tr>
</tbody>
</table>

The following resolution was thus approved:
RESOLUTION NO. STK-02-15

"RESOLVED, that the Chairman’s Report for 2015 is hereby approved."

A stockholder moved for the approval the Audited Financial Statements as of December 31, 2015 which was duly seconded. The Chairman asked the body whether there was any objection and there being none, he declared the resolution approved, and instructed the secretary of the meeting to record a vote in favor of the resolution, noting as well the votes through proxies with specific instructions, as detailed below:

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<td>None</td>
</tr>
<tr>
<td>Abstaining</td>
<td>639,000</td>
</tr>
</tbody>
</table>

The following resolution was thus adopted and approved:

RESOLUTION NO. STK-03-15

"RESOLVED, that the Audited Financial Statements as of December 31, 2015 is hereby approved."

6. Approval/Ratification of Acts, Contracts, Investments and Resolutions of the Board of Directors and Management Since the Last Annual Meeting -

A stockholder moved for the approval of all acts, contracts, investments and resolutions and other activities approved by the outgoing Board and Management. Another stockholder seconded the motion. There being no objection, the Chairman declared the motion carried and approved, taking note of the votes through proxies with specific instructions, as detailed below:

<table>
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<tbody>
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<tr>
<td>Dissenting</td>
<td>None</td>
</tr>
<tr>
<td>Abstaining</td>
<td>639,000</td>
</tr>
</tbody>
</table>
The following resolution was thus adopted and approved:

**RESOLUTION NO. STK-04-15**

"RESOLVED, that all the acts, contracts, investments, resolutions and other activities approved by the outgoing Board of Directors and Management since the last annual meeting of April 16, 2015 are hereby approved and ratified."

7. **Election of Directors**

The Secretary reported that the formal nomination of the following to the Board of Directors of the Company was received by the Office of the Corporate Secretary in accordance with the By-Laws, namely:

ENRIQUE K. RAZON, JR.
JOSE C. IBAZETA
STEPHEN A. PARADIES
ANDRES SORIANO III
JON RAMON ABOITIZ

* OCTAVIO VICTOR ESPIRITU
* JOSEPH R. HIGDON

(*nominees for independent director)

The Office of the Corporate Secretary received no other nomination. He further reported that the Nomination Committee passed upon the nominations.

A stockholder said that since there are only seven (7) nominees for the seven (7) seats available in the Board, he moves that the Secretary be directed to cast the votes for the seven (7) nominees, except for the proxies with specific instructions, and that the said seven (7) nominees be declared duly elected for the ensuing term. Another stockholder seconded the motion.

The Chairman asked the body whether there was any objection and there being none, he declared the motion approved and directed the Secretary to cast a vote for the seven (7) nominees and declare them as duly elected Directors for the ensuing term, except for stockholders who voted through proxy with specific instructions, as detailed below:

<table>
<thead>
<tr>
<th>Election of Directors</th>
<th>In favor</th>
<th>Against</th>
<th>Abstain</th>
<th>Total Shares Voting</th>
</tr>
</thead>
<tbody>
<tr>
<td>Enrique K. Razon Jr.</td>
<td>2,304,214,926</td>
<td>29,838,391</td>
<td>674,960</td>
<td>2,334,728,277</td>
</tr>
<tr>
<td>Jon Ramon Aboitiz</td>
<td>1,995,852,930</td>
<td>338,875,347</td>
<td>-</td>
<td>2,334,728,277</td>
</tr>
<tr>
<td>Octavio Espiritu</td>
<td>2,329,001,423</td>
<td>5,726,854</td>
<td>-</td>
<td>2,334,728,277</td>
</tr>
<tr>
<td>Joseph Higdon</td>
<td>2,334,728,277</td>
<td>-</td>
<td>-</td>
<td>2,334,728,277</td>
</tr>
<tr>
<td>Stephen Paradies</td>
<td>2,025,657,587</td>
<td>309,070,690</td>
<td>-</td>
<td>2,334,728,277</td>
</tr>
<tr>
<td>Jose Ibazeta</td>
<td>1,975,874,274</td>
<td>358,854,003</td>
<td>-</td>
<td>2,334,728,277</td>
</tr>
<tr>
<td>Andres Soriano III</td>
<td>2,006,046,373</td>
<td>328,681,904</td>
<td>-</td>
<td>2,334,728,277</td>
</tr>
</tbody>
</table>
The following resolution was thus adopted and passed:

**RESOLUTION NO. STK-05-16**

"RESOLVED, that the following are the duly elected Directors for the ensuing term:

Enrique K. Razon, Jr.
Jon Ramon Aboitiz
Octavio Espiritu*
Joseph Higdon*
Jose Ibazeta
Stephen Paradies
Andres Soriano III"

*As independent directors.

8. **Appointment of External Auditor** -

A stockholder nominated Sycip Gorres Velayo and Company as External Auditor of the Company. Another stockholder seconded the nomination. Another stockholder moved to close the nomination, which was duly seconded. The Chairman asked the body whether there was any objection and there being none, he declared the resolution approved, and the Chairman instructed the Secretary to record the votes, as detailed below, except those voting through proxies with specific instructions:

<table>
<thead>
<tr>
<th>VOTES</th>
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</tr>
</thead>
<tbody>
<tr>
<td>Approving</td>
<td>2,333,142,807</td>
</tr>
<tr>
<td>Dissenting</td>
<td>1,585,470</td>
</tr>
<tr>
<td>Abstaining</td>
<td>-</td>
</tr>
</tbody>
</table>

The following resolution was thus adopted and approved:

**RESOLUTION NO. STK-07-16**

"RESOLVED, That Sycip Gorres Velayo and Company is appointed as external auditors of the company for the year 2016."
9. **Other Matters**

The Chairman announced that at the meeting held earlier this morning, April 21, 2016, the Board declared cash dividends of PhP0.91 per share for stockholders of record as of May 5, 2016, payable on May 18, 2016. The stockholders applauded.

**Questions and Answers**

The Chairman opened the floor and gave the stockholders the opportunity to raise questions/issues.

One stockholder asked about expectations in 2016 considering that economic situation is still unchanged. The Chairman replied that he thinks that challenges remain from 2015 and 2016 and probably more since the world trade and global economy slows down dramatically over the last couple of years. The challenges are to control cost and to maintain revenue, opportunities in new terminals not just in Congo and Australia which will be open this year and in Colombia. Those three and other existing terminals like Mexico, Iraq and Honduras will bring growth over the next couple of years. The same stockholder also asked about Oregon. The Chairman responded that the problem continues and it’s a lengthy court battle. Hopefully, a resolution will be granted this year or next year.

10. **Adjournment**

A stockholder moved for the adjournment of the meeting. Another stockholder duly seconded the motion. There being no objection, the Chairman announced that the meeting was adjourned. He invited the stockholders to partake of a brunch prepared by the Company, thanked them for their attendance, hoped to see them again next year, and greeted them good morning.

**Important Notice:**

The minutes of the 2016 Annual Stockholders Meeting is subject for approval of the shareholders in the 2017 Annual Stockholders Meeting.

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**ATTESTED BY:**

**ATTY. SILVERIO BENNY J. TAN**
Secretary of the Meeting

**ENRIQUE K. RAZON, JR.**
Chairman of the Meeting