

ACGS Level 1 PRIMARY CGS SECTIONS

D. Disclosure and Transparency

D.1.1

Does the information on shareholdings reveal the identity of beneficial owners, holding 5% shareholding or more?

Response

YES. The shareholdings of the beneficial owners of 5% or more are clearly stated and disclosed.

Sources:

SEC 17-A 2016 (Annual Report)

Part IV, Item 11 Security Ownership of Certain Beneficial Owners and Management, page 73

[click to open](#)

ACGR

Part I. Disclosure and Transparency, Item 1 (a) Ownership Structure Holding 5% shareholding or more, page 83 [click to open](#)

SEC 20-IS (Definitive Information Statement)

Part I.B. Item 4, Security Ownership of Certain Beneficial Owners and Management, page 4 [click to open](#)

D.1.2

Does the company disclose the direct and indirect (deemed) shareholdings of major and/or substantial shareholders?

Response

YES. The Public Ownership Report filed and disclosed quarterly contains the direct and indirect shareholding of major and or principal shareholders. It is also disclosed in the Annual Report, ACGS and in the 20-IS.

Sources:

Public Ownership Report

as of March 31, 2017

[click to open](#)

SEC 17-A 2016 (Annual Report)

Part IV, Item 11 Security Ownership of Certain Beneficial Owners and Management, page 74

[click to open](#)

ACGR

Part I. Disclosure and Transparency, Item 1 (a) Ownership Structure Holding 5% shareholding or more, page 84 [click to open](#)

SEC 20-IS (Definitive Information Statement)

Part I.B. Item 4, Security Ownership of Certain Beneficial Owners and Management, page 5 [click to open](#)

D.1.3

Does the company disclose the direct and indirect (deemed) shareholdings of directors (commissioners)?

Response

YES. The company clearly states the direct and indirect shareholdings of all directors.

These are all disclosed to the Exchange and publicly available in the company's website.

Sources:

ACGR

Part A. Item 1 (a) Shareholding in the Company, page 11 [click to open](#)

SEC 20-IS (Definitive Information Statement)

Part I.B. Item 4, Security Ownership of Certain Beneficial Owners and Management, page 5 [click to open](#)

Public Ownership Report

as of March 31, 2017

[click to open](#)

SEC 17-A 2016 (Annual Report)

Part IV, Item 11 Security Ownership of Certain Beneficial Owners and Management, page 74

[click to open](#)

D.1.4

Does the company disclose the direct and indirect (deemed) shareholdings of senior management?

Response

YES. The direct and indirect shareholdings of all officers/senior management are all disclosed to the Exchange and publicly available in the company website.

Sources:

SEC 20-IS (Definitive Information Statement)

Part I.B. Item 4, Security Ownership of Certain Beneficial Owners and Management, page 5 [click to open](#)

Public Ownership Report

as of March 31, 2017

[click to open](#)

ACGR

Part A. Item 1 (a) Shareholding in the Company, page 11 [click to open](#)

SEC 17-A 2016 (Annual Report)

Part IV, Item 11 Security Ownership of Certain Beneficial Owners and Management, page 74

[click to open](#)

D.1.5

Does the company disclose details of the parent/holding company, subsidiaries, associates, joint ventures and special purpose enterprises/ vehicles (SPEs)/ (SPVs)?

Response

YES. A detailed overview of the parent/holding company and all its subsidiaries are disclosed in the Annual Report. The Notes to the Consolidated Financial Statements of the Annual Report also disclosed the list of all subsidiaries and joint ventures including the Place of Incorporation, Nature of Business and Percentage of Ownership of each.

The company and its subsidiaries are also presented in the world map disclosed in the glossy Annual Report

It is likewise presented in the company's website under Operations tab and in the Conglomerate map.

Sources:

SEC 17-A 2016 (Annual Report)

Part 3, Item 6.1 Management's Discussion and Analysis or Plan of Operations Overview page 30 [click to open](#)

Notes to Consolidated Financial Statements, Item 1. Corporate Information page 1 [click to open](#)

Notes to Consolidated Financial Statements, Item 1.3 Subsidiaries and Joint Venture page 4 [click to open](#)

Map of Subsidiaries [click to open](#)

Annual Report (glossy)

ICTSI Ports and Terminals, page 6, [click to open](#)

ICTSI website

Operations tab [click to open](#) About Us, Conglomerate Map [click to open](#)

D.2.1

Does the company's annual report disclose the following: corporate objectives?

Response

YES. The corporate objectives are clearly disclosed in the annual reports, both SEC 17-A and the glossy report.

The company's objective is focused on its core competency: port management, operations and development.

ICTSI is open to expanding opportunities and to do this in strategically located ports, in both developed and developing economies, diversifying geographically across the world's continents. Specifically, ICTSI seeks to develop, acquire, own and operate common user container terminals in markets with superior growth and profit potential.

The company constantly improves its current operations, with strategic investments in enhanced organizational capability and human resources, information technology, support structures, and cargo handling equipment. (see Review of Operations)

Sources:

Annual Report (glossy)

Vision, Mission and Corporate Objectives
page 26, [click to open](#)

Annual Corporate Governance Report (ACGR)

Vision, Mission and Corporate Objectives
page 8, [click to open](#)

Review of Operations, pages 8-20,
[click to open](#)

D.2.2

Does the company's annual report disclose the following: financial performance indicators?

Response

YES. The company's financial performance indicators such as EBITDA, Net Income, Earnings per Share and Ratios are presented in the annual reports.

Sources:

SEC 17-A 2016 (Annual Report)

Part III. Financial Information, Item 6.2. Results of Operations and Key Performance Indicators,
page 34 [click to open](#)

Consolidated Financial Statements, Consolidated Statements of Income, [click to open](#)

Supplementary Schedules, Financial Soundness Indicators, S14 [click to open](#)

Annual Report (glossy)

Management's Discussion and Analysis or Plan of Operations, Results of Operations and Key Performance Indicators, page 34
[click to open](#)

D.2.3

Does the company's annual report disclose the following: non-financial performance indicators?

Response

YES. The annual reports disclose certain non-financial performance indicators which include gross moves per hour per crane, crane availability and berth utilization.

Sources:

Annual Report (glossy)

Management's Discussion and Analysis or Plan of Operations, Key Performance Indicators, page 34

[click to open](#)

SEC 17-A 2016 (Annual Report)

Part 3, Item 6.2.2

Management's Discussion and Analysis or Plan of Operations, Key Performance Indicators, page 35

[click to open](#)

D.2.4

Does the company's annual report disclose the following: dividend policy?

Response

YES. The annual reports disclose the declaration of dividends and its dividend policy.

ICTSI has a track record of shareholder returns.

Since 2013 to 2017, ICTSI was able to declare dividends from PhP 0.75 - PhP 2.47, which is based on the company's unrestricted retained earnings.

Dividends are payable to all common stockholders, on the basis of outstanding shares held by them, each share being entitled to the same unit of dividend as any other share.

Dividends are payable to stockholders whose names are recorded in the stock and transfer book as of the record date fixed by the Board. Preferred A shareholders are entitled to dividends at rates fixed by the Board.

Sources:

SEC 17-A 2016 (Annual Report)

Part II, Item 5.3 Dividends and Dividend Policy,

page 28 [click to open](#)

Annual Report (glossy)

Dividends and Dividend Policy, page 30
[click to open](#)

D.2.5

Does the company's annual report disclose the following: biographical details (at least age, academic qualifications, date of first appointment, relevant experience, and any other directorships of listed companies) of all directors/commissioners?

Response

YES. Detailed information including age, qualifications, date of first appointment, relevant experience, and any other directorships of listed companies of all the directors are disclosed in the annual reports.

Sources:

SEC 17-A 2016 (Annual Report)

Part IV, Item 9 Directors and Executive Officers
page 60 [click to open](#)

Annual Report (glossy)

Directors Profile, page 27
[click to open](#)

D.2.6

Does the company's annual report disclose the following: attendance details of each director/commissioner in all directors/commissioners meetings held during the year?

Response

YES. The company's annual report discloses the details of the attendance of the Board for both regular and special meetings.

Sources:

Annual Report (glossy)

Board of Directors' Attendance, page 28
[click to open](#)

D.2.7

Does the company's annual report disclose the following: total remuneration of each member of the board of directors/commissioners?

Response

YES. The company discloses its remuneration (fees, allowances, benefit-in-kind and other emoluments) policy/practices (i.e. the use of short term and long term incentives and performance measures) for its executive directors and CEO.

Sources:

SEC 17-A 2016 (Annual Report)

Item 10 Executive Compensation page 72 [click to open](#)

Annual Report (glossy)

Remuneration of the Board, page 29 [click to open](#)

D.2.8

Does the Annual Report contain a statement confirming the company's full compliance with the code of corporate governance and where there is non-compliance, identify and explain reasons for each such issue?

Response

YES. The company states its compliance with the code of corporate governance in its annual report.

In the 2016 Annual Report (glossy), it was stated that:

"...ICTSI guarantees that the rights and equal treatment to the shareholders are constantly attained. The Company likewise maintains that the Board has adequately and satisfactorily performs its responsibilities in catering the needs of all the stakeholders through transparency and proper disclosure of information about ICTSI. Last July 30, 2014, ICTSI has submitted its latest Corporate Governance(CG) Manual. **The Company submitted a Certificate last January 5, 2017 which states that the Company is in full compliance thereof.** The Company likewise submitted Annual Corporate Governance Report last May 30, 2017, pursuant to SEC Memorandum Circular 20 - 2016."

"ICTSI's CG Manual has adopted in full SEC's Code of Corporate Governance. Thus, ICTSI is in full compliance with SEC mandated code of corporate governance."

See SEC's Memorandum Circular 6 - 2009 and Memorandum Circular 9 - 2014, where the entire code of corporate governance is mandated to be adopted by publicly - listed companies.

Sources:

Annual Report (glossy)

Corporate Governance Principles page 26

[click to open](#)

Annual Corporate Governance Report (ACGR)

Attestation to the company's full compliance with the SEC code of Corporate Governance, page 70

[click to open](#)

Revised Manual on Corporate Governance

[click to open](#)

D.3.1

Does the company disclose its policy covering the review and approval of material RPTs?

Response

YES. The annual report disclosed the policy covering the review and approval of material/significant RPTs.

The Board through its Audit Committee, formulates, implements policies and procedures that would ensure the integrity and transparency of RPTs. The Audit Committee reviews the Company's related party transactions and ensures that these are conducted in a fair and arm's length manner.

Sources:

Annual Report (glossy)

Related Party Transactions, 29

[click to open](#)

SEC 17-A 2016 (Annual Report)

Part IV, Item 12, Certain Relationships and Related Transactions, page 75 [click to open](#)

D.3.2

Does the company disclose the name, relationship, nature and value for each material RPTs?

Response

YES. The annual reports disclose the names of the related party, the relationships, the nature of transaction and the outstanding receivable or payable balance of each.

Sources:

SEC 17-A 2016 (Annual Report)

Part IV, Item 12, Certain Relationships and Related Transactions, page 75 [click to open](#)

Notes to Consolidated Financial Statements,
Note 23. Related Party Transactions, page 86
[click to open](#)

D.4.1

Does the company disclose trading in the company's shares by insiders?

Response

YES. The buying and selling of company's shares by insiders (incl. directors and officers) are promptly disclosed using the form "Statement of Changes in Beneficial Ownership and Securities" or "SEC Form 23-B" to the Philippine Stock Exchange (PSE) and Securities and Exchange Commission (SEC).

These forms are available in the PSE Edge portal and in the company's website.

Sources:

ICTSI website

Investor Relations, Disclosures, SEC Filings, SEC Form 23-A/B (Statement of Changes in Beneficial Ownership of Securities) [click to open](#)

PSE Edge Portal

Statement of Changes of Beneficial Ownership of Securities - submitted to the Philippine Stock Exchange [click to open](#)

Annual Report (glossy)

Dealings with Company's shares, 29
[click to open](#)

D.5.1

Are the audit and non-audit fees disclosed?

Response

YES. The Audit and Audit-Related Fees, Tax Fees and Other Fees are disclosed in the Annual Report and 20-IS.

Sources:

SEC 17-A 2016 (Annual Report)

Part II, Item 8.2 External Audit Fees and Services page 59

[click to open](#)

Annual Report (glossy)

External Auditor, page 30 [click to open](#)

SEC 20-IS (Definitive Information Statement)

Management Report, Item 7 External Audit Fees, page 24 [click to open](#)

D.5.2

Does the non-audit fee exceed the audit fees?

Response

NO. The Tax Fees and Other Fees did not exceed the Audit and Audit-Related Fees.

Sources:

SEC 17-A 2016 (Annual Report)

Part II, Item 8.2 External Audit Fees and Services page 59 [click to open](#)

Annual Report (glossy)

External Auditor, page 30 [click to open](#)

SEC 20-IS (Definitive Information Statement)

Management Report, Item 7 External Audit Fees, page 24 [click to open](#)

D.6.1

Does the company use the following mode of communication: quarterly reporting?

Response

YES. The company's quarterly reports are promptly submitted to the Philippine Stock Exchange (PSE) and the Securities and Exchange Commission (SEC).

These reports are clearly presented in the company's website and in the PSE Edge portal. Link to the latest quarterly report (1st Quarter 2017) is also available below.

Sources:

ICTSI website

Investor Relations, Disclosures, SEC Filings, SEC Form 17-Q (Quarterly Reports) [click to open](#)

Latest Quarterly Report - SEC Form 17-Q 1st Quarter 2017 [click to open](#)

PSE Edge Portal

Quarterly Reports submitted to the Philippine Stock Exchange via PSE Edge, ICT, Financial Reports [click to open](#)

Latest Quarterly Report - SEC Form 17-Q 1st Quarter 2017 [click to open](#)

D.6.2

Does the company use the following mode of communication: company website?

Response

YES. The company uses its website in presenting the detailed financial and operational information and its major events to the public.

Source:

ICTSI website - www.ictsi.com

D.6.3

Does the company use the following mode of communication: analyst's briefing?

Response

YES. The company communicates through various methods including quarterly analysts'/investors'/media briefings.

The notice to the briefing is disclosed to the Philippine Stock Exchange (PSE) and Securities and Exchange Commission (SEC) at least five days before the event. The notice is also sent to all analysts and investors through email and a copy is uploaded in the website.

There is also a recording of the teleconference briefing which is available until 3 days after the briefing.

The presentation used and the news articles regarding the briefing are also disclosed in the company's website.

Links to the latest briefing are also available below.

Sources:

ICTSI website

Investors' Briefing Notice

Investor Relations, Disclosures, SEC Form 17-C Latest - 1Q 2017 Investors' Briefing Notice - May 2, 2017 [click to open](#)

Investors' Briefing Presentation

Investor Relations, Investor Presentation and Program
Latest -1Q 2017 Investors' Briefing Presentation- May 9, 2017 [click to open](#)

News Articles re: 1Q 2017 Investor Briefing Teleconference

Investor Relations, Investor Presentation and Program
Latest - 1Q 2017 News Articles re: 1Q 2017 Investor Briefing Teleconference [click to open](#)

D.6.4

Does the company use the following mode of communication: media briefings/press conferences?

Response

YES. Media briefings are held after the Annual Stockholders' Meetings. Other media briefings are conducted when there are new developments in the Company's emerging businesses and when major announcements are made.

Sources:

ICTSI website

SEC Form 17-C (Current Reports) [click to open](#)

PSE Edge Portal

Press releases submitted to the Philippine Stock Exchange via PSE Edge, ICT, Disclosures, Press Releases [click to open](#)

ICTSI website

Investors' Briefing Presentation

Investor Relations, Investor Presentation and Program

Latest Presentation- May 9, 2017 [click to open](#)

News Articles re: 1Q 2017 Investor Briefing Teleconference

Investor Relations, Investor Presentation and Program

Latest - 1Q 2017 News Articles re: 1Q 2017 Investor Briefing Teleconference [click to open](#)

D.7.1

Are the audited annual financial report / statement released within 120 days from the financial year end?

Response

YES. The company's audited annual financial reports were released within 120 days from the financial year end.

The 2016 ICTSI Audited Annual Financial Report was released/disclosed last March 13, 2017 which is 72 days after the financial year end.

Sources:

PSE Edge Portal

Annual Reports submitted to the Philippine Stock Exchange

PSE Edge, ICT, Disclosures, Annual Report

Latest - 2016 Annual Report - released March 13, 2017 with PSE Circular No. CR01410-2017 [click to open](#)

ICTSI website

Investor Relations, Disclosures, SEC Filings,

SEC Form 17-A

Latest - **SEC 17-A 2016** released last March 13, 2017 [click to open](#)

D.7.2

Is the annual report released within 120 days from the financial year end?

Response

YES. The company's annual reports were released within 120 days from the financial year end.

The 2016 ICTSI Annual Report was disclosed last March 13, 2017 which is 72 days after the financial year end.

Sources:

PSE Edge Portal

Annual Reports submitted to the Philippine Stock Exchange

PSE Edge, ICT, Disclosures, Annual Report

Latest - 2016 Annual Report - released March 13, 2017 with PSE Circular No. CR01410-2017 [click to open](#)

ICTSI website

Investor Relations, Disclosures, SEC Filings,

SEC Form 17-A

Latest - **SEC 17-A 2016** released last March 13, 2017 [click to open](#)

D.7.3

Is the true and fairness/fair representation of the annual financial statement/reports affirmed by the board of directors/commissioners and/or the relevant officers of the company?

Response

YES. The Statement of Management's Responsibility for Consolidated Financial Statements was issued by the company's Chairman and President, Senior Vice President and Chief Financial Officer and the Senior Vice President - Finance.

The Board of Directors reviews and approves the consolidated financial statements and submits the same to the stockholders.

Sycip Gorres Velayo & Co., the independent auditors, appointed by the stockholders have examined the consolidated financial statements of the Company in accordance with

Philippine Standards on Auditing, and in their report to the stockholders have expressed their opinion on the fairness of presentation upon completion of such examination.

Sources:

SEC 17-A 2016 (Annual Report)

Latest SEC Form 17-A - Statement of Management's Responsibility for Consolidated Financial Statements, page F1 [click to open](#)

Annual Report (glossy)

Latest - 2016 Annual Report - Statement of Management's Responsibility for Consolidated Financial Statements, page 49 [click to open](#)

D.8.1

Does the company have a website disclosing up-to-date information on the following: financial statements/reports (latest quarterly)?

Response

YES. The company's website discloses up-to-date information on its financial statements through the annual and quarterly reports.

Source:

ICTSI website

Investor Relations, Disclosures, SEC Filings,
SEC Form 17-A (Annual Report)

Latest - **SEC 17-A 2016** [click to open](#)

Investor Relations, Annual Reports (glossy) [click to open](#) Latest - **2016 Annual Report (glossy)** [click to open](#)

Investor Relations, Disclosures, SEC Filings,
SEC Form 17-Q (Quarterly Report)

Latest - **SEC 17-Q 1Q 2017** [click to open](#)

D.8.2

Does the company have a website disclosing up-to-date information on the following: materials provided in briefings to analysts and media?

Response

YES. The company's website discloses updated information on the materials provided in briefings.

The notice/invitation to the briefing, which includes the teleconference details is uploaded in the website.

The presentation to be used is also uploaded in the company's website.

Links to the materials provided in the latest briefing are available below.

Sources:

ICTSI website

Investors' Briefing Notice

Investor Relations, Disclosures, SEC Form 17-C Latest - 1Q 2017 Investors' Briefing Notice - May 2, 2017 [click to open](#)

Investors' Briefing Presentation

Investor Relations, Investor Presentation and Program
Latest - 1Q 2017 Investors' Briefing Presentation- May 9, 2017 [click to open](#)

D.8.3

Does the company have a website disclosing up-to-date information on the following: downloadable annual report?

Response

YES. Downloadable annual reports are easily accessed in the website under "Disclosures" and "Annual Reports" of the Investor Relations tab.

Sources:

ICTSI website

Investor Relations, Disclosures, SEC Filings -
SEC Form 17-A (Annual Reports 2009-2016)

[click to open](#)

Here's the latest SEC Form 17-A (Annual Report 2016) - [click to open](#)

Investor Relations, Annual Reports
(Glossy Annual Reports 2008-2016) [click to open](#)

Here's the latest glossy Annual Report 2016 [click to open](#)

D.8.4

Does the company have a website disclosing up-to-date information on the following: notice of AGM and/or EGM?

Response

YES. The company's website discloses up-to-date information on the notice of the Annual Stockholders' Meeting.

Source:

ICTSI website

Investor Relations, Disclosures, Notice of Annual Stockholders' Meetings (2010- present 2017) [click to open](#)
2017 Notice of Annual Stockholders' Meeting [click to open](#)

D.8.5

Does the company have a website disclosing up-to-date information on the following: minutes of AGM and/or EGM?

Response

YES. The Minutes of Annual Stockholders' Meeting are disclose immediately after the meeting through the Investor Relations tab of the company's website.

Sources:

ICTSI website

Investor Relations, Disclosures, Minutes of Annual Stockholders' Meeting (2010- 2017) [click to open](#)
Latest - 2017 Minutes of ASM [click to open](#)

D.8.6

Does the company have a website disclosing up-to-date information on the following: company's constitution (company's by-laws, memorandum and articles of association)?

Response

YES. Updated information on the Company's Articles of Incorporation and By-Laws are uploaded in the website under the ""About Us"" tab.

Sources:

ICTSI website

About Us, Articles of Incorporation and By-Laws
[click to open](#)

D.9.1

Does the company disclose the contact details (e.g. telephone, fax, and email) of the officer / office responsible for investor relations?

Response

YES. The complete contact details responsible for investor relations are disclosed in the company's website under "IR Contacts" of the Investor Relations tab.

Sources:

ICTSI website

Investor Relations, IR Contacts
[click to open](#)