

ACGS Level 2 PENALTIES CGS SECTIONS

A. Rights of Shareholders

A.1.1

Did the company fail or neglect to offer equal treatment for share repurchases to all shareholders?

Response

No. ICTSI did not fail or neglect to offer equal treatment for share repurchases to all shareholders.

Sources:

ACGR

on Equal Treatment of Shareholders

[click to open](#)

On Treatment of Minority Shareholders

[click to open](#)

A.2.1

Is there evidence of barriers that prevent shareholders from communicating or consulting with other shareholders?

Response

None. There are no barriers that prevent shareholders from communicating or consulting with other shareholders.

Sources:

See **Constitutional Documents**

[click to open](#)

Revised Manual on Corporate Governance

Section 2.6.6: Establish an Investor's Relations Office (IRO) and a policy on communicating or relating with stockholders and other stakeholders of ICTSI through an effective investors relations program. The CFO or another senior officer designated by the Board shall exercise oversight responsibility over this program. The IRO shall be present at every shareholders' meeting.

[click to open](#)

A.3.1

Did the company include any additional and unannounced agenda item into the notice of AGM/EGM?

Response

None. There was no additional and unannounced agenda item during annual stockholders meeting.

Sources:

Notice of the Annual Stockholders Meeting

[click to open](#)

Results of the Annual Stockholders Meeting

[click to open](#)

Minutes of the Annual Stockholders Meeting

[click to open](#)

A.3.2

Did the Chairman of the Board, Audit Committee Chairman and CEO attend the most recent AGM?

Response

Yes. The Chairman of the Board & the CEO, and the Audit Committee Chairman attended the ASM held on April 20, 2017.

Sources:

Minutes of the Annual Stockholders Meeting

[click to open](#)

A.4.1

Did the company fail to disclose the existence of a shareholders agreement?

Response

No. ICTSI did not fail to disclose any shareholders agreement.

A.4.2

Did the company fail to disclose the existence of a voting cap?

Response

No. The company did not fail to disclose any voting cap.

A.4.3

Did the company fail to disclose the existence of multiple voting rights?

Response

No. The company fail to disclose the existence of multiple voting rights.

A.5.1

Is a pyramid ownership structure and/ or cross holding structure apparent?

Response

No. There is no apparent pyramid ownership structure and/ or cross holding structure.

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B. Equitable Treatments of Shareholders

B.1.1

Has there been any conviction of insider trading involving directors/commissioners, management and employees in the past three years?

Response

None. There had not been any conviction of insider trading involving directors/commissioners, management and employees in the past three years.

B.2.1

Has there been any cases of non-compliance with the laws, rules and regulations pertaining to significant or material related party transactions in the past three years?

Response

None. There has not been any cases of non-compliance with the laws, rules and regulations pertaining to significant or material related party transactions in the past three years.

B.2.2

Were there any RPTs that can be classified as financial assistance (i.e not conducted at arms length) to entities other than wholly- owned subsidiary companies?

Response

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C. Role of Stakeholders

C.1.1

Have there been any violations of any laws pertaining to labour/employment/ consumer/insolvency/ commercial/competition or environmental issues?

Response

None. There haven't been any violations of any laws pertaining to labour/employment/ consumer/insolvency/ commercial/competition or environmental issues.

C.2.1

Has the company faced any sanctions by regulators for failure to make announcements within the requisite time period for material events?

Response

None. The company has not faced any sanctions by regulators for failure to make announcements within the requisite time period for material events.

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D. Disclosure and Transparency

D.1.1

Did the company receive a "qualified opinion" in its external audit report?

Response

None. The company did not receive a "qualified opinion" in its external audit report.

D.1.2

Did the company receive an "adverse opinion" in its external audit report?

Response

No.The company did not receive an "adverse opinion" in its external audit report.

D.1.3

Did the company receive a "disclaimer opinion" in its external audit report?

Response

No.The company did not receive a "disclaimer opinion" in its external audit report.

D.1.4

Has the company in the past year revised its financial statements for reasons other than changes in accounting policies?

Response

No. The company has not revised, in the past year, its financial statements.

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E. Responsibilities of the Board

E.1.1

Is there any evidence that the company has not complied with any listing rules and regulations over the past year apart from disclosure rules?

Response

The company has complied with all listing rules and regulations.

E.1.2

Have there been any instances where non-executive directors/commissioner have resigned and raised any issues of governance-related concerns?

Response

None. There haven't been any instances where non-executive directors have resigned and raised any issues of governance-related concerns.

E.2.1

Does the Company have any independent directors/commissioners who have served for more than nine years or two terms (whichever is higher) in the same capacity?

Response

E.2.2

Did the company fail to identify who are the independent director(s) / commissioner(s)?

Response

No. The company has identified who are its independent directors.

Source:

Annual Report (17-A)

[click to open](#)

E.2.3

Does the Company have any independent directors/non-executive/commissioners who serve on a total of more than five boards of publicly-listed companies?

Response

None. The Company has NO independent independent director who serves in 5 boards of publicly-listed companies.

Source:

Annual Report (17-A)

See Directorship in Other Listed Companies of Mr. Octavio Espiritu and Mr. Joseph Higdon
[click to open](#)

Annual Corporate Governance Report

See Directorships in Other Listed Companies
[click to open](#)

E.3.1

Is any of the directors or senior management a former employee or partner of the current external auditor (in the past 2 years)?

Response

None. There is no director or senior management who was a former employee of partner of the current external auditor (in the past 2 years).

E.4.1

Has the chairman been the company CEO in the last three years?

Response

E.4.2

Do independent non-executive directors/commissioners receive options, performance shares or bonuses?

Response

No. Independent non-executive directors/commissioners do not receive options, performance shares or bonuses.