

ACGS Level 1

A.1.1

Does the company pay (interim and final/annual) dividends in an equitable and timely manner; that is, all shareholders are treated equally and paid within 30 days after being (i) declared for interim dividends and (ii) approved by shareholders at general meetings for final dividends? In case the company has offered Scrip dividend, did the company paid the dividend within 60 days?

RESPONSE

YES. ICTSI paid dividends in an equitable and timely manner, thus:

Dividends Declaration Date: April 11, 2019

Date Record: April 29, 2019

Date Payment: May 7, 2019

Sources:

[Latest SEC Form 17-C \(SEC Form 17-C\)](#)

Investor Relations, Disclosures, SEC Form 17-C (Current Report), Cash Dividend Declaration [click to open](#)

A.2.1

Do shareholders have the right to participate in amendments to the company's constitution?

RESPONSE

YES. Shareholders have the right to participate in the Amendments to the company's constitution.

Sources:

[Revised Corporation Code of the Philippines](#)

All stockholders are mandated by law to vote in the Amendments to the company's constitution, among other critical matters, thus:

Section 6. Classification of Shares. -

XXX

Holders of nonvoting shares shall nevertheless be entitled to vote on the following matters: (a) **Amendment of the articles of incorporation**; (b) Adoption and amendment of by-laws; (c) Sale, lease, exchange, mortgage, pledge or other disposition of all or substantially all of the corporate property; (d) Incurring, creating or increasing bonded indebtedness; (e) Increase or decrease of capital stock; (f) Merger or consolidation of the corporation with another corporation or other corporations; (g) Investment of corporate funds in another corporation or business in accordance with this Code; and (h) Dissolution of the corporation. Except as provided in the

immediately preceding paragraph, the vote necessary to approve a particular corporate act as provided in this Code shall be deemed to refer only to stocks with voting rights.

[Latest Integrated Annual Corporate Governance Report \(“i-ACGR”\)](#)

Rights of Stockholders

[click to open](#)

[Revised Manual on Corporate Governance \(“CG Manual”\)](#)

Item 6. Stockholders' Rights and Protection of Minority Stockholders' Interest, 6.5 Appraisal Right, page 18

[click to open](#)

[Amended Articles of Incorporation](#)

Article VII, page 5

[click to open](#)

A.2.2

Do shareholders have the right to participate in the authorisation of additional shares?

RESPONSE

YES. Shareholders have the right to participate in the authorisation of additional shares.

Sources:

[Revised Corporation Code of the Philippines](#)

All stockholders are mandated by law to vote in the authorisation of additional shares, among other critical matters, thus:

Section 6. Classification of Shares. -

XXX

Holders of nonvoting shares shall nevertheless be entitled to vote on the following matters: (a) Amendment of the articles of incorporation; (b) Adoption and amendment of by-laws; (c) Sale, lease, exchange, mortgage, pledge or other disposition of all or substantially all of the corporate property; (d) Incurring, creating or increasing bonded indebtedness; (e) **Increase or decrease of capital stock**; (f) Merger or consolidation of the corporation with another corporation or other corporations; (g) Investment of corporate funds in another corporation or business in accordance with this Code; and (h) Dissolution of the corporation. Except as provided in the immediately preceding paragraph, the vote necessary to approve a particular corporate act as provided in this Code shall be deemed to refer only to stocks with voting rights.

[Latest Annual Report on Corporate Governance \(“CG Report”\)](#)

Rights of Stockholders, page 39

[click to open](#)

[CG Manual](#)

Stockholders' Rights and Protection of Minority Stockholders Interest, 6.5 Appraisal Right, page 18

[click to open](#)

[Amended Articles of Incorporation](#)

Article VII, page 5

[click to open](#)

A.2.3

Do shareholders have the right to participate in the transfer of all or substantially all assets, which in effect results in the sale of the company?

RESPONSE

YES. Shareholders have the right to participate in the transfer of all or substantially all assets.

Sources:

[Revised Corporation Code of the Philippines](#)

All stockholders are mandated by law to vote in the transfer of all or substantially all assets, among other critical matters, thus:

Section 6. Classification of shares. -

XXX

Holders of nonvoting shares shall nevertheless be entitled to vote on the following matters: (a) Amendment of the articles of incorporation; (b) Adoption and amendment of by-laws; (c) **Sale, lease, exchange, mortgage, pledge or other disposition of all or substantially all of the corporate property**; (d) Incurring, creating or increasing bonded indebtedness; (e) Increase or decrease of capital stock; (f) Merger or consolidation of the corporation with another corporation or other corporations; (g) Investment of corporate funds in another corporation or business in accordance with this Code; and (h) Dissolution of the corporation. Except as provided in the immediately preceding paragraph, the vote necessary to approve a particular corporate act as provided in this Code shall be deemed to refer only to stocks with voting rights.

[CG Report](#)

Rights of Stockholders, page 39

[click to open](#)

[CG Manual](#)

Stockholders' Rights and Protection of Minority Stockholders Interest, 6.5 Appraisal Right, page 18

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A.3.1

Do shareholders have the opportunity, evidenced by an agenda item, to approve remuneration (fees, allowances, benefit-in-kind and other emoluments) or any increases in remuneration for the non-executive directors/commissioners?

RESPONSE

YES. Shareholders have the opportunity to approve compensation or any increases in remuneration for the non-executive directors.

Last date of approval by the shareholders: April 11, 2019

Sources:

[CG Report](#)

Board Processes and Management, pages 25-26

[click to open](#)

[Latest SEC Form 17-A \(“SEC Form 17-A”\)](#)

Consolidated Financial Statement, Item 19 Share-based Payment Plan, page 89-90

[click to open](#)

A.3.2

Does the company provide non-controlling shareholders a right to nominate candidates for board of directors/commissioners?

RESPONSE

YES. The Company provides non-controlling shareholders a right to nominate candidates for board of directors.

Sources:

[Amended By-Laws](#)

Section 10, Article I, page 2: Nomination can be submitted by ANY stockholder.

[click to open](#)

[Notice of the Latest Annual Stockholders Meeting \(“ASM Notice”\)](#)

PART I.B. Control and Compensation Information

Item 4. Voting Securities and Principal Holders Thereof As of January 31, 2019, common shares issued and outstanding were 2,045,177,671 shares (including 33,604,228 treasury shares). While Preferred A and B shares outstanding as of the same date were 3,800,000 shares and 700,000,000 shares, respectively.

Only Stockholders of record at the close of business on March 11, 2019 are entitled to notice and to vote at the Annual Stockholders' Meeting. The common stock and preferred B stock will vote on matters scheduled to be taken up at the Annual Meeting with each share being entitled to cast one (1) vote.

For the election of Directors, Stockholders entitled to vote may vote such number of shares for as many persons as there are Directors to be elected, or may cumulate said shares and give one candidate as many votes as the number of Directors to be elected multiplied by the number of their shares shall equal or may distribute them on the same principle among as many candidates as they shall see fit.

[click to open](#)

[Nomination Committee Charter](#)

[click to open](#)

A.3.3

Does the company allow shareholders to elect directors/commissioners individually?

RESPONSE

YES. The company allows shareholders to elect directors individually.

Source:

[CG Report](#)

Rights of Stockholders, page 39

[click to open](#)

[Amended By-Laws](#)

Sections 8 and 10, Article I, page 2

[click to open](#)

[CG Manual](#)

Item 6. Stockholders' Rights and Protection of Minority Stockholders' Interest, 6.6 Right to Nominate Directors, page 18

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[Minutes of the Latest Annual Stockholders' Meeting \("ASM Minutes"\)](#)

Item 7. Election of Directors, page 3-4

[click to open](#)

[i-ACGR](#)

Cultivating a Synergic Relationship with Shareholders, page 83

[click to open](#)

A.3.4

Does the company disclose the voting procedures used before the start of meeting?

RESPONSE

YES. The company discloses the voting and vote tabulation procedures used, declaring both before the meeting proceeds.

Sources:

[Latest SEC Form 20-IS \(“SEC Form 20-IS”\)](#)

Part I.B. Control and Compensation Information

Item 4. Voting Securities and Principal Holders Thereof , page 3

[click to open](#)

Part I.D. Other Matters

Item 19. Voting Procedure, page 40

[click to open](#)

A.3.5

Do the minutes of the most recent AGM record that the shareholders were given the opportunity to ask questions and the questions raised by shareholders and answers given recorded?

RESPONSE

YES. The minutes of the most recent ASM record the opportunity allowing for shareholders to ask questions or raise issues.

Source:

[ASM Minutes](#)

Other Matters, page 5

[click to open](#)

A.3.6

Does the company disclose the voting results including approving, dissenting, and abstaining votes for all resolutions/each agenda item for the most recent AGM?

RESPONSE

YES. The Company discloses the voting results for each agenda item for the most recent ASM.

Sources:

[ASM Minutes](#)

pages 2,3-5

[click to open](#)

[CG Report](#)

Rights of Stockholders, pages 39-41

[click to open](#)

[Results of the Latest Annual Stockholders' Meeting](#)

[click to open](#)

A.3.7

Does the company disclose the list of board members who attended the most recent AGM?

RESPONSE

YES. The Company discloses the list of board members who attended the most recent ASM

Sources:

[ASM Minutes](#)

Page 1

[click to open](#)

A.3.8

Does the company disclose that all board members and the CEO (if he is not a board member) attended the most recent AGM?

RESPONSE

YES. The Company discloses that all board members and the CEO attended the most recent ASM.

Source:

[ASM Minutes](#)

Page 1

[click to open](#)

A.3.9

Does the company allow voting in absentia?

RESPONSE

YES. The company allows for voting in absentia, through proxies.

Sources:

[CG Report](#)

Rights of Stockholders, page 39

[click to open](#)

[SEC Form 20-IS](#)

Item 19. Voting Procedures

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[ASM Minutes](#)

page 1

[click to open](#)

[Amended By-Laws](#)

Article 1 Stockholders, Section 7, page 2

[click to open](#)

[CG Manual](#)

Item 6. Stockholders' Rights and Protection of Minority Stockholders' Interest, 6.7 Promotion of Shareholders' Rights, page 18-19

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A.3.10

Did the company vote by poll (as opposed to by show of hands) for all resolutions at the most recent AGM?

RESPONSE

YES. In the election of directors and in voting on any question on which a vote by ballot is required by law, or is demanded by any stockholder, the company is ready to conduct a poll or voting by ballot. On all other questions, the voting was done viva voce.

Sources:

[Amended By - Laws](#)

Article I, Section 8, page 2

[click to open](#)

SEC Form 20-IS

Item 19. Voting Procedures

[click to open](#)

A.3.11

Does the company disclose that it has appointed an independent party (scrutineers/inspectors) to count and/or validate the votes at the AGM?

RESPONSE

YES. The company discloses that it has appointed an independent party to count and/or validate the votes to be considered in the ASM, through the company's transfer agent, during the Proxy Validation date.

Validation of proxies is primarily conducted by the Corporate Secretary, with the stock transfer agent present, and persons designated by the Corporate Secretary who shall be under his supervision and control, in accordance with the procedure and guidelines set out in the ICTSI's By-Laws and Rule 20(11)(b) of the Amended Implementing Rules and Regulations of the Securities Regulation Code.

Source:

Amended By-Laws

Article I, Section 9, page 2

[click to open](#)

SEC Form 20-IS

Page 43

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A.3.12

Does the company make publicly available by the next working day the result of the votes taken during the most recent AGM/EGM for all resolutions?

RESPONSE

YES. Minutes of the ASM was uploaded in the website and was made publicly available on April 12, 2019, the next working day after the ASM. It includes the results of the votes taken during the most recent ASM for all resolutions.

Sources:

ASM Minutes

[click to open](#)

i-ACGR

Cultivating a Synergic Relationship with Shareholders, page 90

[click to open](#)

A.3.13

Does the company provide at least 21 days notice for all AGMs and EGMs?

RESPONSE

YES, for the latest Annual Stockholders' Meeting, the Notice and Agenda were sent out last February 15, 2019; 55 days before the Annual Stockholders' Meeting last April 11, 2019.

Source:

[ASM Notice PSE Disclosure](#)

[click to open](#)

[SEC Form 20-IS PSE Disclosure](#)

[click to open](#)

A.3.14

Does the company provide the rationale and explanation for each agenda item which require shareholders' approval in the notice of AGM/circulars and/or the accompanying statement?

RESPONSE

YES. The company provides the agenda items which require shareholders' approval in the Notice of Annual Meeting of Stockholders.

Source:

[SEC Form 20-IS](#)

ASM Notice

page 2

[click to open](#)

A.3.15

Does the company give the opportunity for shareholder to place item/s on the agenda of AGM?

RESPONSE

YES. The Company gives opportunity for shareholder to place item/s on the Agenda of the ASM.

Sources:

[CG Report](#)

Rights of Stockholders, page 39

[click to open](#)

[CG Manual](#)

Item 6. Stockholders' Rights and Protection of Minority Stockholders' Interest, page 18

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A.4.1

In cases of mergers, acquisitions and/or takeovers requiring shareholders' approval, does the board of directors/commissioners of the company appoint an independent party to evaluate the fairness of the transaction price?

RESPONSE

YES. The board of directors of the offeree company appoint an independent party to evaluate the fairness of the transaction price.

Source:

[CG Report](#)

Integrity in Management, Page 37

[click to open](#)

[i-ACGR](#)

Disclosure and Transparency, pages 58-59

[click to open](#)

A.5.1

Does the company disclose its practices to encourage shareholders to engage with the company beyond AGM?

RESPONSE

YES. The company publicly disclosed policies to encourage shareholders including institutional shareholders to attend the ASM.

Sources:

[CG Report](#)

Rights of Stockholders, page 39

[click to open](#)

[CG Manual](#)

Item 6. Stockholders' Rights and Protection of Minority Stockholders' Interest

page 17-19

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