

## 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 pays dividends in an equitable and timely manner. Accordingly, dividends are paid within 30 days after being declared by the Board of Directors and ratified by the shareholders during the Annual Stockholders Meeting.

For the dividends declared out of the unrestricted retained earnings for 2019, the intended declaration and ratification was intended to be made during the ASM originally scheduled to be on April 16, 2020, and then paid out within 30 days thereafter. However, due to regulatory restrictions brought about by the COVID-19 pandemic, the ASM has been postponed. Nonetheless, for the welfare of the shareholders and given the uncertainty of the restrictions at that time, it was decided by the Board to continue with the declaration and payment of dividends as follows:

Dividends Declaration Date: March 20, 2020

Date Record: April 3, 2020

Date Payment: April 16, 2020

When the ASM was finally carried out on June 18, 2020, the shareholders gave due ratification.

#### Sources:

#### [SEC Form 17-C \(Current Report\)](#)

Date of Report: March 20, 2020; Declaration of Cash Dividends

[click to open](#)

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

Dividend Policy: Declaration of Cash Dividends, page 44

[click to open](#)

#### [Investors Section at Company Website](#)

Reports and Presentations, Dividends

[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 amendments to the Company's constitution, or its Articles of Incorporation.

### 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

Holder 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.

#### [Articles of Incorporation](#)

Article VII, page 5  
[click to open](#)

#### [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](#)

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

Principle 13. Cultivating a Synergistic Relationship with Shareholders, pages 83-84  
[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.

Under the 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.

### Sources:

#### [Revised Corporation Code of the Philippines](#)

Section 6. Classification of Shares

#### [Articles of Incorporation](#)

Article VII, page 5

[click to open](#)

#### [CG Manual](#)

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

[click to open](#)

#### [CG Report](#)

Synergistic Relationship with Stockholders, page 43

[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 of the Company.

Under the 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.

### Sources:

#### [Revised Corporation Code of the Philippines](#)

Section 6. Classification of Shares

#### [CG Manual](#)

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

[click to open](#)

#### [CG Report](#)

Synergistic Relationship with Stockholders, page 43

[click to open](#)

## 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: June 18, 2020

### Sources:

#### [Notice of 2020 Annual Stockholders' Meeting with Virtual ASM Procedure \("2020 ASM Notice"\)](#)

SEC Form 17-C (Current Report): May 22, 2020; Agenda, page 5

[click to open](#)

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

Part I.B. Control and Compensation Information, Item 6. Compensation of Directors and Executive Officers, page 30

[click to open](#)

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

SEC Form 17-C (Current Report): June 18, 2020; List of other material resolutions, transactions, and corporate actions approved by the stockholders, pages 2-3  
[click to open](#)

### [Minutes of the 2020 Annual Stockholders' Meeting \("2020 ASM Minutes"\)](#)

Item 6. Approval/Ratification of Acts, Contracts, Investments and Resolutions of the Board of Directors and Management since the Last Annual Stockholders' Meeting, page 4  
[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 allows non-controlling shareholders a right to nominate candidates for the Board of Directors.

In accordance with the By-Laws, every stockholder may nominate the Directors to be elected in a regular or special meeting of stockholders. The nomination should be submitted in writing to the Corporate Secretary at the Company's principal office not earlier than forty (40) days nor later than twenty (20) days prior to the date of the regular or special meeting of stockholders for the election of Directors.

### **Sources:**

#### [By-Laws](#)

Section 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  
[click to open](#)

#### [ASM Minutes](#)

June 18, 2020, Item 7. Election of Directors, pages 4-5  
[click to open](#)

#### [CG Report](#)

Synergistic Relationship with Stockholders, page 43  
[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.

All stockholders of record at the close of business on May 18, 2020 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.

### Sources:

#### [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, 6.1 Voting Right, page 17  
[click to open](#)

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

Part I.B. Control and Compensation Information, Item 4. Voting Securities and Principal Holders Thereof, pages 7-8  
[click to open](#)

#### [2020 ASM Minutes](#)

Item 7. Election of Directors, pages 4-5  
[click to open](#)

#### [Latest SEC Integrated Annual Corporate Governance Report \("i-ACGR"\)](#)

Cultivating a Synergic Relationship with Shareholders, pages 79-81  
[click to open](#)

#### [CG Report](#)

Voting Mechanism, pages 43-44  
[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:

##### [2020 ASM Notice](#)

SEC Form 17-C (Current Report): May 22, 2020

With Appendix “A” – ICTSI Annual Stockholders Virtual Meeting Requirements and Procedure for Participation by Remote Communication and Voting In Absentia

[click to open](#)

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

Part I.B. Control and Compensation Information, Item 4. Voting Securities and Principal Holders Thereof, pages 7-8

[click to open](#)

Part I.D. Other Matters, Item 19. Voting Procedure, page 44

[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:

##### [2020 ASM Minutes](#)

Item IX. Other Matters, page 6

[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:

#### [2020 ASM Minutes](#)

Items III, V, VI, VII and VIII, Votes and Number of Votes Cast, pages 2, 4-6

[click to open](#)

#### [CG Report](#)

Voting Results for the 2019 ASM, page 45

[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 members of the Board of Directors who attended the 2020 Annual Stockholders Meeting.

All the Directors were present during the said ASM, as follows:

The Company's Executive Director:

Enrique K. Razon Jr.

The Company's Non-Executive Directors:

Jose C. Ibazeta

Stephen A. Paradies

Andres Soriano III

The Company's Independent Directors:

Cesar A. Buenaventura

Octavio Victor R. Espiritu

Joseph R. Higdon

### Source:

#### [2020 ASM Minutes](#)

Item II. Determination of Quorum, pages 2-3

[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 the Board members and the CEO attended the 2020 Annual Stockholders Meeting, as follows:

ICTSI's Chairman and President:  
Enrique K. Razon Jr.

The Company's Non-Executive Directors:  
Jose C. Ibazeta  
Stephen A. Paradies  
Andres Soriano III

The Company's Independent Directors:  
Cesar A. Buenaventura  
Octavio Victor R. Espiritu  
Joseph R. Higdon

**Source:**

[2020 ASM Minutes](#)

Item II. Determination of Quorum, pages 2-3  
[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:**

[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  
[click to open](#)

### [2020 ASM Notice](#)

SEC Form 17-C (Current Report): May 22, 2020

With Appendix “A” – ICTSI Annual Stockholders Virtual Meeting Requirements and Procedure for Participation by Remote Communication and Voting In Absentia

[click to open](#)

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

Part I.B. Control and Compensation Information, Item 4. Voting Securities and Principal Holders Thereof, pages 7-8

[click to open](#)

Part I.D. Other Matters, Item 19. Voting Procedure, page 44

[click to open](#)

### [2020 ASM Minutes](#)

Items III, V, VI, VII and VIII, Votes and Number of Votes Cast, pages 2, 4-6

[click to open](#)

## 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:**

#### [By - Laws](#)

Article I, Section 8, page 2

[click to open](#)

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

Part I.B. Control and Compensation Information, Item 4. Voting Securities and Principal Holders Thereof, pages 7-8

[click to open](#)

Part I.D. Other Matters, Item 19. Voting Procedure, page 44

[click to open](#)

#### [2020 ASM Minutes](#)

Items III, V, VI, VII and VIII, Votes and Number of Votes Cast, pages 2, 4-6

[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 Annual Stockholders Meeting, through the Company's stock 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 Company's By-Laws and Rule 20(11)(b) of the Amended Implementing Rules and Regulations of the Philippines' Securities Regulation Code.

#### Sources:

##### [By-Laws](#)

Article I, Section 9, page 2  
[click to open](#)

##### [2020 ASM Notice](#)

SEC Form 17-C (Current Report): May 22, 2020  
With Appendix "A" – ICTSI Annual Stockholders Virtual Meeting Requirements and Procedure for Participation by Remote Communication and Voting In Absentia, Item 6. Voting  
[click to open](#)

### 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.** The results of the votes taken for all resolutions during the 2020 Annual Stockholders Meeting was made publicly available on June 18, 2020, immediately after the said Meeting.

#### Source:

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

SEC Form 17-C (Current Report): June 18, 2020  
[click to open](#)

### A.3.13

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

#### RESPONSE

**YES.** The Notice of the 2020 Annual Stockholders' Meeting on June 18, 2020 was submitted to the Philippine Stock Exchange on May 22, 2020, 27 days before the meeting and more than the minimum 21 days recommendation.

#### Sources:

##### [PSE Disclosure for 2020 ASM Notice](#)

Notice for the ASM dated June 18, 2020  
[click to open](#)

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

Disclosure for the ASM dated June 18, 2020  
[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:

##### [2020 ASM Notice](#)

SEC Form 17-C (Current Report): May 22, 2020; Agenda, page 5  
[click to open](#)

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

Definitive Information Statement for the 2020 ASM  
[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 for the Annual Stockholders Meeting.

### Sources:

#### [CG Manual](#)

Item 6. Stockholders' Rights and Protection of Minority Stockholders' Interest, page 18  
[click to open](#)

#### [CG Report](#)

Synergistic Relationship with Stockholders, page 43  
[click to open](#)

## 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 Company appoints an independent party to evaluate the fairness of the transaction price in case of mergers, acquisitions and/or takeovers requiring shareholders' approval.

The independent party appointed by the Board to evaluate the fairness of the transaction price may vary per transaction. As in the previous years, independent parties were appointed for this kind of transactions.

### Sources:

#### [i-ACGR](#)

Principle 8. Disclosure and Transparency, pages 54-55  
[click to open](#)

#### [CG Report](#)

Disposal and Acquisition of Assets, page 30  
[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 discloses policies to encourage shareholders including institutional shareholders to engage with the Company even beyond the Annual Stockholders Meeting.

**Sources:**

[CG Manual](#)

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

page 17-19

[click to open](#)

[Investors Section at Company Website](#)

Communications

Shares and Financials

Reports and Presentations

<https://www.ictsi.com/investors>

[Governance Section at Company Website](#)

Reports and Compliance

Board Matters

Board Committees

Enterprise Risk Management

Policies

<https://www.ictsi.com/governance>