

LIFTING TODAY, UPHOLDING TOMORROW

ICTSI CORPORATE
GOVERNANCE
REPORT 2020



International
Container Terminal
Services, Inc.

10

IMPORTED TAX
AND ONLY FREE
DOLLAR PORTFOLIO

About our theme

In this ICTSI Corporate Governance Report 2020 edition, we present our Company's priorities and progress at one of history's most critical junctures: when, in the 21st century's inextricably interdependent global economy, COVID-19 has taken a tremendous toll on people, everyday activities, and the economic lifeblood of nations.

Our theme, Lifting Today, Upholding Tomorrow, speaks of our more-vital-than-ever before task: our ports' 24/7 efforts to keep supply lines open, ensuring that food, medical supplies, and mission-critical resources reach families and communities, businesses and governments, and especially medical frontliners.

With every turn of the crane, with every box lifted and precious supplies unloaded, we were determined to keep uplifting others. Equally important, we kept recalibrating goals, rethinking strategies, managing and minimizing risks, while supporting our sustainable growth goals.

We closed 2020 the same way we had opened it, the outbreak notwithstanding: lifting others each day, and upholding tomorrow.

LIFTING TODAY, UPHOLDING TOMORROW

ICTSI CORPORATE
GOVERNANCE
REPORT 2020



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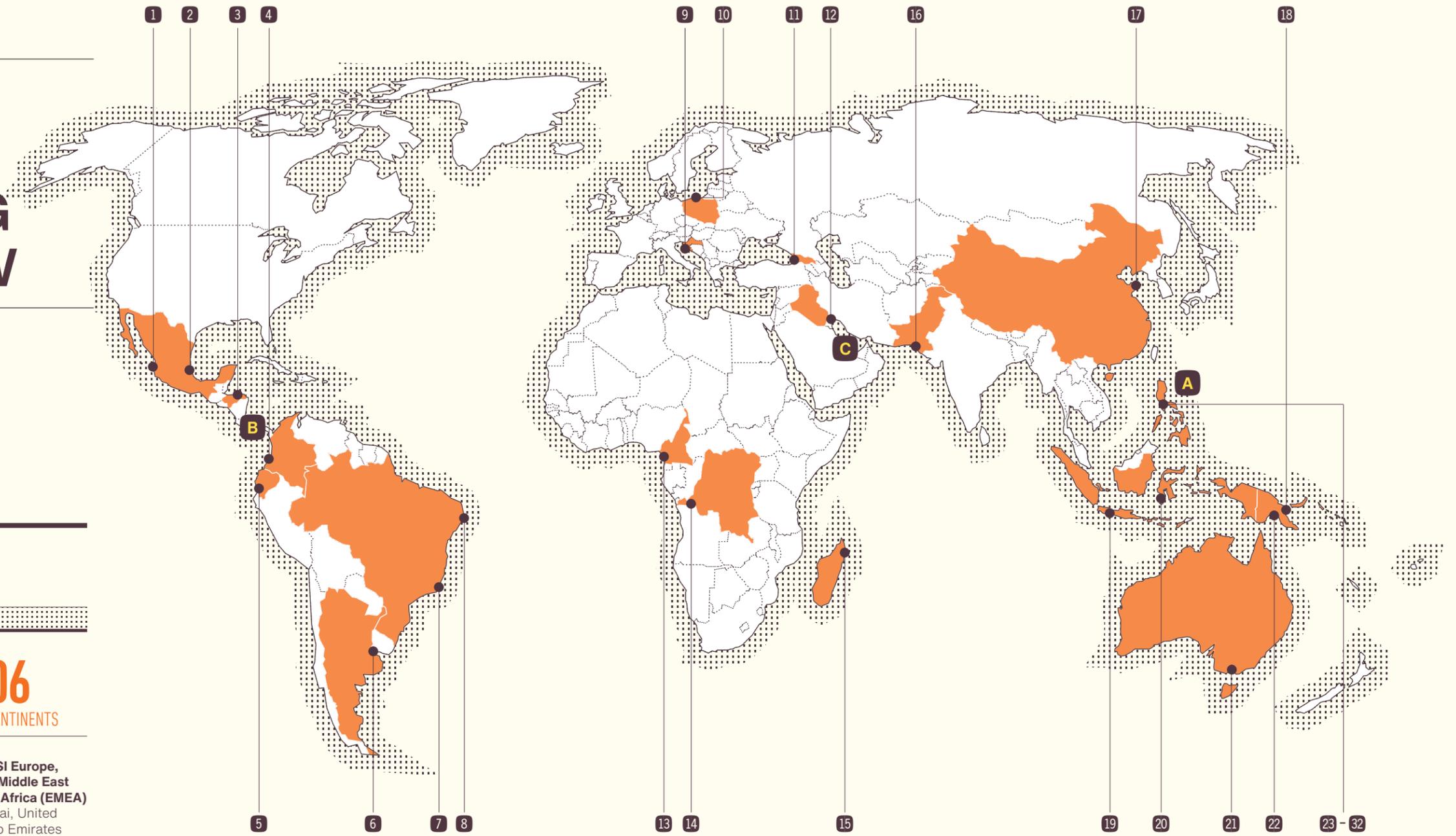
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LIFTING TODAY, UPHOLDING TOMORROW

Global Operations

32 YEARS
32 TERMINALS
19 COUNTRIES
06 CONTINENTS

- A Corporate Offices**
Manila, Philippines
ICTSI Asia Pacific
Manila, Philippines
- B ICTSI Americas**
Panama City
Panama
- C ICTSI Europe, the Middle East and Africa (EMEA)**
Dubai, United Arab Emirates



- The Americas**
- 1 Manzanillo, Mexico**
Contecon Manzanillo
 - 2 Veracruz, Mexico**
Tuxpan Maritime Terminal
 - 3 Cortés, Honduras**
Puerto Cortés
 - 4 Buenaventura, Colombia**
Puerto Aguadulce
 - 5 Guayaquil, Ecuador**
Contecon Guayaquil

- 6 Buenos Aires, Argentina**
TecPlata
 - 7 Rio de Janeiro, Brazil**
ICTSI Rio Brasil
 - 8 Pernambuco, Brazil**
Tecon Suape
- Europe, the Middle East and Africa**
- 9 Rijeka, Croatia**
Adriatic Gate Container Terminal
 - 10 Gdynia, Poland**
Baltic Container Terminal

- 11 Adjara, Georgia**
Batumi International Container Terminal
- 12 Umm Qasr, Iraq**
Basra Gateway Terminal
- 13 Kribi, Cameroon**
Kribi Multipurpose Terminal
- 14 Kongo Central, D.R. Congo**
Matadi Gateway Terminal
- 15 Toamasina, Madagascar**
Madagascar International Container Terminal

- Asia and the Pacific**
- 16 Karachi, Pakistan**
Pakistan International Container Terminal
 - 17 Yantai, China**
Yantai International Container Terminals
 - 18 Lae, Papua New Guinea**
South Pacific International Container Terminal
 - 19 Jakarta, Indonesia**
Tanjung Priok Berths 300-303

- 20 South Sulawesi, Indonesia**
Makassar Container Terminal
 - 21 Melbourne, Australia**
Victoria International Container Terminal
 - 22 Port Moresby, Papua New Guinea**
Motukea International Terminal
- Philippines**
- 23 Manila International Container Terminal**
 - 24 NorthPort**

- 25 Subic Bay International Terminals (New Container Terminals 1 & 2)**
- 26 Laguna Gateway Inland Container Terminal**
- 27 Cavite Gateway Terminal**
- 28 Bauan International Port**
- 29 Sasa Wharf**
- 30 Makar Wharf**
- 31 Mindanao Container Terminal**
- 32 Hijo International Port**

*As of 31 December 2020

2020 Awards

FEBRUARY

The Public Relations Society of the Philippines (PRSP) gives ICTSI Silver Anvils for its 2018 Sustainability Report and the ICTSI Factbook.



OCTOBER

Corporate Governance Asia recognizes ICTSI as Asia's Best CSR and among the Best Investor Relations Companies in the Philippines during the 10th Asian Excellence Awards. ICTSI Key Officers were likewise recognized, including Chairman and President Enrique K. Razon Jr. as Asia's Best CEO (Investor Relations); Senior Vice President and Chief Financial Officer Rafael D. Consing Jr. as Asia's Best CFO (Investor Relations); and Treasury Director and Head of Investor Relations Arthur R. Tabuena as Best Investor Relations Professional.



DECEMBER

ICTSI was recognized during *The Asset* Corporate Awards as one of the elite companies in Asia showing All-Round Excellence in Financial Performance, Management, Corporate Governance, Social Responsibility, Environmental Responsibility and Investor Relations, earning the Platinum citation.

ICTSI's Global Corporate Investor Relations Department was cited as among the Best Investor Relations teams; while the eco-friendly wash bays for mobile equipment at Victoria International Container Terminal was lauded as the Best Initiative in Environmental Responsibility.

Meanwhile, ICTSI's US\$300 million senior perpetual

securities and tender offer issuance in July was named the Best Liability Management Deal in the Philippines for 2020.

The *IR Magazine* likewise shortlists ICTSI for excellence in investor relations in the industrial sector.





THE BOARD'S GOVERNANCE RESPONSIBILITIES

The Board of Directors of ICTSI is responsible in promoting good corporate governance and ensures accountability, fairness, and transparency in the Company's dealings and relationships with stakeholders. The Board oversees the development of and approves the Company's business objectives and strategy, and monitors their implementation in order to sustain the Company's long-term viability and strength. The Board acts on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the Company and all our stockholders.

To achieve an appropriate mix of competence and expertise, the composition of the Board is checked against prevailing requirements. The Board is a majority of Non-Executive Directors with a right combination in age, ethnicity, culture, and knowledge to ensure diversity and

allow a healthy balance of ideas, wisdom and experience on the management and business of the Company. The competence of the Board is enhanced by the conduct of annual continuing training for all the Directors and orientation program for first-time Directors.

BOARD OF DIRECTORS 2020-2021

ENRIQUE K. RAZON JR.
Executive Director

Cesar A. Buenaventura
Non-Executive Director /
Independent Director

Jose C. Ibazeta
Non-Executive Director

Octavio Victor R. Espiritu
Non-Executive Director /
Independent Director

Stephen A. Paradies
Non-Executive Director

Joseph R. Higdon
Non-Executive Director /
Independent Director

Andres Soriano III
Non-Executive Director

Composition

The Board is composed of seven (7) Directors elected by the stockholders during the Annual Meeting in accordance with prevailing as well as the Company's By-Laws. Each member of the Board possesses wide knowledge, experience and expertise in the business industry and undergoes continuous corporate governance trainings.

Qualifications

DIRECTORS' PROFILE

NAME OF DIRECTOR	DIRECTORSHIPS
<p>ENRIQUE K. RAZON JR. Filipino, 61 years old Executive Director of ICTSI* since 1987 and its Chairman since 1995</p> <p>Member of the US-Philippine Society and the ASEAN Business Club Philippines, Inc.</p> <p>Doctor of Science in Logistics honoris causa De La Salle University</p>	<ul style="list-style-type: none"> International Container Terminal Services, Inc.* IWI Container Terminal Holdings, Inc. ICTSI Foundation, Inc. Razon Industries, Inc. Sureste Realty Corporation Quasar Holdings, Inc. Razon & Co., Inc. Achillion Holdings, Inc. Collingwood Investment Company Ltd. Bravo International Port Holdings, Inc. Provident Management Group, Inc. Bloomberry Resorts Corporation* Sureste Properties, Inc. Monte Oro Resources and Energy, Inc. Bloomberry Resorts & Hotels, Inc. Prime Strategic Holdings, Inc. Pilipinas Golf Tournaments Inc. ICTSI (Hongkong) Ltd. Australian Container Terminals, Ltd. Pentland International Holdings Ltd. CLSA Exchange Capital Xcell Property Ventures, Inc.
<p>CESAR A. BUENAVENTURA Filipino, 91 years old Non-Executive/Independent Director of ICTSI* since 2019</p> <p>Honorary Officer of the Order of the British Empire (OBE) by Her Majesty Queen Elizabeth</p> <p>Bachelor of Science in Civil Engineering University of the Philippines</p> <p>Master's degree in Civil Engineering Major in Structures Lehigh University Bethlehem</p>	<ul style="list-style-type: none"> International Container Terminal Services, Inc.* Mitsubishi Hitachi Power Systems Phils., Inc. Buenaventura Echaz and Partners, Inc. DMCI Holdings, Inc.* Semirara Mining and Power Corp.* iPeople, Inc.* Petroenergy Resources Corp.* Concepcion Industrial Corp.* Pilipinas Shell Petroleum Corp.* DM Consunji Inc. The Country Club, Inc. Pilipinas Shell Foundation, Inc. Bloomberry Cultural Foundation, Inc. ICTSI Foundation, Inc.
<p>OCTAVIO VICTOR R. ESPIRITU Filipino, 77 years old Non-Executive/Independent Director of ICTSI* since 2002</p> <p>3-term former President of the Bankers Association of the Philippines former President and Chief Executive Officer of Far East Bank and Trust Company Chairman of the Board of Trustees of the Ateneo de Manila for 14 years</p> <p>AB Economics Ateneo de Manila University</p> <p>Master's Degree in Economics Georgetown University</p>	<ul style="list-style-type: none"> International Container Terminal Services, Inc.* Bank of the Philippine Islands* Philippine Dealing System Holdings Corp. and subsidiaries Philippine Stratbase Consultancy Incorporated

JOSEPH R. HIGDON
Filipino, 79 years old
Non-Executive/Independent Director of ICTSI* since 2008

Senior Vice President of Capital Research and Management, Los Angeles (USA)-based international investment firm, until June 2006 | Joined Capital research and Management in 1974 and has covered Philippine stocks from 1989 to 2006 | Vice President of the New World Fund, which focused on companies doing business in emerging countries

Bachelor of Science Degree Major in Political Science
University of Tennessee

- International Container Terminal Services, Inc.*
- SM Investments Corporation*
- Security Bank Corporation*
- Philippine Equity Partners

JOSE C. IBAZETA
Filipino, 78 years old
Non-Executive Director of ICTSI* since 2009

Member of the Board of Trustees of Radio Veritas and St. James the Great Parish Foundation

Bachelor of Science in Economics
Ateneo de Manila University

Master's Degree in Business Administration
University of San Francisco

MBC in Banking and Finance
New York University

- International Container Terminal Services, Inc.*
- ICTSI Foundation, Inc.
- A. Soriano Corporation*
- Anscor Consolidated Corporation
- AFC Agribusiness Corporation
- Anscor Holdings, Inc.
- Minuet Realty Corp.
- Phelps Dodge Philippine Energy Products Corp.
- Seven Seas Resorts and Leisure, Inc.
- Island Aviation, Inc.
- Pamalican Resort, Inc.
- Vicinetum Holdings, Inc.
- Philippine Stratbase Consultancy Incorporated
- AGP Group Holdings, PTE, Ltd.
- AG&P Estate Management, Inc.
- Atlantic, Gulf & Pacific Company of Manila, Inc.
- AG&P FieldCOM, Inc.
- Gas Entec Co, Ltd.
- AGP Philippines Holdings, Inc.
- Radio Veritas
- St. James the Great Parish Foundation, Inc.

STEPHEN A. PARADIES
Filipino, 67 years old
Non-Executive Director of ICTSI* since 1987

Bachelor of Science Degree, Major in Business Management
The Santa Clara University, California

- International Container Terminal Services, Inc.*
- IWI Container Terminal Holdings, Inc.
- Sociedad Puerto Industrial Aguadulce S.A.
- Apex Mining Co. Inc.*
- Union Investments Corp.
- Sureste Properties Inc.
- Prime Metro BMD Corp.
- Prime Metro Power Holdings Inc.
- Prime Metro Infrastructure Holdings Inc.
- MORE Palawan Power Corp.
- Amber Electric & Power Corp.
- The Country Club Inc.
- Bloomberry Cultural Foundation Inc.
- NapaGapa Beverages, Inc.

ANDRES SORIANO III
Filipino, 69 years old
Non-Executive Director of ICTSI* since 1992

Bachelor of Science in Economics Major in Finance and International Business
Wharton School of Finance and Commerce - University of Pennsylvania

- International Container Terminal Services, Inc.*
- A. Soriano Corporation*
- Anscor Consolidated Corp.
- The Andres Soriano Foundation, Inc.
- Phelps Dodge International Philippines, Inc.
- Phelps Dodge Philippines Energy Products Corp.
- Seven Seas Resorts and Leisure, Inc.
- Pamalican Resort, Inc.

*Publicly-listed company

Executive Director

An Executive Director is an officer of the Company who performs work related to the Company's operations. Mr. Enrique K. Razon Jr. is the only Executive Director in the ICTSI Board. He serves as Director in only one publicly listed company other than ICTSI: Bloomberry Resorts Corporation, the developer of Solaire Resorts and Casino.

Non-Executive Directors

A Non-Executive Director is not an officer or head of a unit in ICTSI and does not perform any work related to the Company's operation. Of the seven (7) Directors in ICTSI, six (6) members are Non-Executive Directors.

Orientation and Training

Each ICTSI Director undergoes a minimum of at least four (4) hours of training programs, seminars, and roundtable discussions on Corporate Governance with service providers or private/government institutions accredited by the Philippine Securities and Exchange Commission to ensure that the Company complies with the adopted leading practices on good governance and recommendations by the SEC under its Memorandum Circular No. 19-2016 or the Code of Corporate Governance for Publicly Listed Companies.

Committed to enhance its Corporate Governance thrusts despite the challenges brought by the COVID-19 pandemic, the Company held the sixth in-house Advanced Corporate Governance Training last December 4, 2020, the first to be held virtually. With the pandemic still rearing its ugly head on the economy, raising unprecedented challenges for companies all over the world – the main topic centered on Risk Management in the Age of COVID-19 – and what can boards do to meet their corporate governance responsibilities and navigate uncharted and turbulent waters.

Attendance was led by the ICTSI Board of Directors together with the Chief Risk Officer, Compliance Officer, Head of Audit and Compliance and the Corporate Secretaries. In addition, the training was also participated in by the Executive Officers, Regional Heads and Investor Relations Officer. As in the past years, the in-house corporate governance training was facilitated by the Institute of Corporate Directors (ICD) with its former CEO, Mr. Ricardo Jacinto, as the main speaker.

In the event of an election or appointment of a Director new to ICTSI, the Office of the Compliance Officer through the Global Corporate Legal Affairs provides an On-Boarding Orientation Program. The module includes, among others, an introduction to the Company's business, its Articles of Incorporation, By-Laws, Vision, Mission and Values, Code of Conduct, the composition of the Board and Management teams, the Company's financial achievements and its operations growth, the Company's social responsibilities and employee engagements.

Board Diversity

The mix of Non-Executive Directors, Independent Directors and Executive Director in ICTSI ensures that no Director or small group of Directors dominates in the decision-making process. The Board is also diverse in terms of age, ethnicity, culture, and knowledge. In this way, the protection of the interest of the Company is assured to be balanced with the interest of all stakeholders.

The appointment of Ms. Carol C. Causon as Vice President, Head of Financial Planning and Budgeting on April 1, 2018 and of Ms. Gigi T. Miguel as as Vice President and Treasurer last May 2, 2018 ensures gender diversity in the ICTSI Management.

Corporate Secretary

The Office of the Corporate Secretary is responsible for assisting the Board in the fulfillment of its responsibilities. Its key roles include preparing the agenda for the Board and Board Committee Meetings; recording and safekeeping of minutes of meetings; overseeing the drafting of amendments to the Articles of Incorporation and By-Laws, if necessary; and ensuring that the Company complies with the regulatory and reportorial requirements issued by the Philippine Securities and Exchange Commission.

Atty. Rafael T. Durian has been the Company's Corporate Secretary since 1987. He earned his Bachelor of Laws from San Beda College and was a Partner at Cruz Durian Alday & Cruz-Matters Law Office.

The Assistant Corporate Secretaries share the same roles and responsibilities of the Corporate Secretary.

Atty. Silverio Benny J. Tan has been the Company's Assistant Corporate Secretary since 2011. He is a partner in and was managing partner from 2013 to 2015 in the law firm of Picazo Buyco Tan Fider & Santos. Atty. Tan holds a Bachelor of Laws, cum laude, from the University of the Philippines - College of Law and a Bachelor of Arts Major in Political Science, cum laude, from the University of the Philippines College Iloilo. Atty. Tan placed third in the 1982 Philippine Bar exams.

Atty. Benjamin M. Gorospe III has been the Company's Assistant Corporate Secretary since September 2013 and the Global Head for Tax. Atty. Gorospe joined ICTSI in 2003 as a Tax Manager. Prior to this, he worked with the Tax Department of SyCip Gorres Velayo & Co. (a member firm of Ernst & Young Global Limited) for five years and with its Audit Department for one year. Atty. Gorospe completed his law degree at the University of the Philippines, Diliman. He is also a Certified Public Accountant. He graduated from Xavier University with a degree of Bachelor of Science in Commerce, Major in Accounting.

Compliance Program

As explicitly stated in the Company's Code of Business Conduct, it is a policy of ICTSI to comply with all applicable laws and regulations in every country it operates in. To the extent that any part of the Code is inconsistent with the local laws or regulations, the latter shall prevail.

As a port/terminal operator, ICTSI complies with all the Philippine Ports Authority regulations, customs issuances, and all other laws related to port management and operations. The Company also faithfully observes the provisions of existing Collective Bargaining Agreements, the Labor Code of the Philippines and other relevant labor and social legislation. An Internal Audit Department is also active in ensuring that there is rigid compliance with all other laws and regulations.

The Company's Code of Conduct states that if a Director, Officer or employee becomes aware of any potential or actual violations of the law or the said Code, he/she is required to immediately disclose any relevant information to the Company's Compliance Officer. Any complaint or disclosure must be filed with the Compliance Officer through appropriate channels such as personal reporting, mail, electronic mail, telephone or website. It may also be filed with any responsible officer of the Global Human Resource Department. The complaint shall preferably be in writing and the whistleblower may elect to identify himself in the complaint or maintain his anonymity. The Global Human Resource Department shall make the initial evaluation of the complaint to determine its sufficiency and to determine whether the complaint pertains to an issue or matter that is within the scope of the policy. A committee shall then be formed as the formal body to conduct extensive investigation on the complaint.

2020 ADVANCED CORPORATE GOVERNANCE TRAININGS

	NAME	HOURS	TOPIC DISCUSSED	DATE
DIRECTORS	Enrique K. Razon, Jr.	4	Advanced Corporate Governance Training Program: Risk Management in the Age of COVID-19	4 December 2020
	Jose C. Ibazeta			
	Cesar A. Buenaventura			
	Andres Soriano III			
	Stephen A. Paradies			
	Joseph R. Higdon			
	Octavio Victor R. Espiritu	4	The Board Agenda 2020: The Business of Building Back Better	10 November 2020 (Also conducted by ICD)
OFFICERS	Christian R. Gonzalez Executive Vice President, Chief Risk Officer	4	Advanced Corporate Governance Training Program: Risk Management in the Age of COVID-19	4 December 2020
	Rafael D. Consing, Jr. Senior Vice President, Chief Financial Officer, Compliance Officer			
	Rafael T. Durian Corporate Secretary			
	Silverio Benny J. Tan Assistant Corporate Secretary			
	Benjamin M. Gorospe III Assistant Corporate Secretary			
	Catherine R. Castro Head of Internal Audit			



The committee shall ensure that reporting of all complaints, investigations and resolutions are conducted in conformity with existing company procedures, laws and regulations. It shall submit to the VP, Head of Global Human Resources a comprehensive written report of its findings, together with all the evidence gathered and submitted, its conclusions based on its assessment of facts presented and the recommendation on further actions to take against the respondent within thirty (30) days from the time all the relevant and material evidence and documents necessary for the resolution of the case are submitted. In case of any violation, the Compliance Officer shall report the matter to the Board and will recommend the imposition of appropriate disciplinary action on the responsible parties and the adoption of measures to avoid a similar infraction

Mr. Rafael D. Consing, Jr. has been the Company's Compliance Officer since February 2016. As Compliance Officer, he is responsible in ensuring that the Company is in full compliance with its Manual of Corporate Governance and the rules, circulars, and administrative orders of regulatory agencies.

On January 29, 2021, Mr. Consing submitted to the Philippine Securities and Exchange Commission (SEC) and the Philippines Stock Exchange (PSE) a Certification for the year 2020 that ICTSI fully complied with its Manual on Corporate Governance. This Certification may be viewed at Other SEC Forms, Reports and Requirements (pse.com.ph)

Fiduciary Roles and Accountabilities

It is the Board's responsibility to foster ICTSI's long-term success, and to sustain its competitiveness and profitability in a manner consistent with its business objectives and the best interests of its stockholders and other stakeholders.

Throughout the year, our Directors stood by their duty to make informed decisions and carry out actions in good faith and with reasonable diligence, care and prudence.

Company Principles

The Board is mandated by the Manual on Corporate Governance to oversee the development of and approve the Company's business objectives and strategy, including its vision, mission and

core values, and monitor their implementation in order to sustain the Company's long-term viability and strength. Hence, the Board reviews these Company Principles at least once a year and made the latest revision on October 10, 2019.

Business Objectives and Strategy

Focused and Expansive.

We are singularly focused on our core competencies: port development, operations and management.

We are actively exploring new opportunities in strategically located ports, in both developed and developing economies, diversifying geographically across the world's continents. Specifically, we seek to develop, acquire, own and operate common user container terminals in markets.

terminals now extend across six continents and are anchored around many of the same founding values that have underpinned our sustainable approach to growing our business and our host economies. Our five values guide our behavior and form the foundation of our purpose:

- ➔ **Respect for all.** We place the utmost importance on safety, community, and diversity. The well-being and health of all our stakeholders is our number one priority. We strive to have the highest standards in place to ensure that our people and stakeholders are safe, respected, and treated fairly.
- ➔ **Trust.** We lead with integrity, respect, and compassion for our people, partners, communities, and our environment. We take great pride in working responsibly to earn trust and keep it.
- ➔ **Collaboration.** We are a diverse and inclusive company working together and exploring new ways of doing things to deliver the best possible outcome for all stakeholders. As a responsible business, we embrace equality of opportunity and empower all our people to adapt, collaborate, and innovate across borders.
- ➔ **Tenacity.** Our people work tirelessly with utmost determination to achieve their goals and deliver on commitments to partners, shareholders, host communities, and the environment.
- ➔ **Passion.** We are pioneers in an industry with deep linkages to the host economies and communities in which we operate. Our people relish the challenge of exploring new opportunities, operating terminals, creating sustainable benefits for our host communities, protecting the environment while also delivering returns to our shareholders.

Our Purpose

To make ports around the world a driver for positive and sustainable growth.

At ICTSI, we work tirelessly to develop and operate efficient and sustainable port facilities and deliver the highest possible benefits to our customers, partners, people, shareholders, and to the communities we serve.

Our Values

ICTSI's commitment to our partners and communities began more than three decades ago in the Philippines. Our projects and

Competent Chairman

The Chairman of the Board presides during all meetings of the stockholders and of the Board of Directors; has general supervision, administration and management of the business of the Company; and maintains qualitative and timely lines of communication and information between the Board and Management.

The Company finds it practicable and more efficient to unify the positions of the Chairman of the Board and the President considering the nature of its business. Pursuant to ICTSI's Manual on Corporate Governance, given that these positions are unified, the proper checks and balances are put in place and the respective duties and responsibilities of the Chairman and the President are clearly defined to ensure that the Board of Directors gets the benefit of independent views and perspective.

Mr. Enrique K. Razon Jr. is the Chairman of the Board and the President of ICTSI. He belongs to the third generation of a family involved in the business of marine cargo handling. The Razon Group has a long-standing reputation of being pioneers and innovators in the management and development of ports, terminals and related facilities. The Razon Group's proven track record stems from more than 90 years' experience in integrated cargo handling, stevedoring and other port services in the Philippines and abroad.

In 1987, the Razon Group and the Soriano Group incorporated ICTSI, initially to bid for the Manila International Container Terminal (MICT) in the Philippines. After winning the MICT contract in 1988, Mr. Razon spearheaded MICT's development program. The MICT today is the country's premier international trading gateway. ICTSI also operates nine other ports and terminals in the Philippines.

After consolidating and strengthening its base and flagship operation at the MICT, ICTSI launched an international and domestic expansion program in 1994. Today, the Company is recognized as a world-leading operator, innovator and pioneer in the field of port management, operating 32 terminals in 19 countries.

Mr. Razon sits on the board of most ICTSI subsidiaries worldwide and of several leading foreign and Philippine corporations. Mr. Razon also chairs the ICTSI Foundation, Inc., which oversees and implements the corporate social

responsibility advocacies of ICTSI and its subsidiaries ("ICTSI Group"). He is also chairman of Pilipinas Golf Tournaments, Inc., which stages the Philippine Golf Tour, Southeast Asia's largest professional golfing circuit, a women's circuit, the Ladies PGT, and a regional circuit called PGT Asia.

Mr. Razon's other investments are in power, mining, water, oil and gas exploration, and leisure facilities. Mr. Razon is a member of the Management Association of the Philippines, the US Philippines Society, ASEAN Business Club, and Philippines, Inc.

The De La Salle University in the Philippines has conferred on Mr. Razon the degree of Doctor of Science in Logistics *honoris causa*.

Succession Planning and Retirement

In accordance with the Manual on Corporate Governance, part of the Board's responsibility is to ensure that the Company has an effective succession planning program and retirement policy for the Directors and Key Officers to ensure growth and continued increase in stockholders' value. These programs and policies are regularly reviewed by the Audit Committee and the ICTSI Audit & Compliance Group.

Board and Executive Remuneration

ICTSI has established a formal and transparent procedure for developing a policy on Board and Executive remuneration for purposes of fixing the remuneration packages of the individual Directors and Executive Officers.

For 2020, the members of the Board of Directors received Directors' Fees as compensation in accordance with the Company's By-Laws. There are no material terms of any other arrangements or contracts where any Director of ICTSI was compensated or is to be compensated, directly or indirectly, in 2018 and 2019, or even for 2020, for any service provided as a Director.

Named Executive Officers are covered by Letters of Appointment with the Company stating their respective terms of employment. There are no existing compensatory plans or arrangements, including payments to be received from ICTSI by any named Executive Officer from a change-in-control in the Company, except for the automatic vesting of awarded shares under the Company's Stock Incentive Plan.

The aggregate compensation paid to the Chairman of the Board and President, and four (4) highest paid executive officers named below, as a group, for 2020 amounted to USD2.6 million (2019: USD 2.5 million). The estimated amount of

compensation expected to be paid in 2021 to the Chairman of the Board and President and four (4) highest paid executive officers as a group, amounted to US\$2.7 million.

NAME AND PRINCIPAL POSITION	YEAR	SALARY	BONUS AND OTHERS ²	TOTAL ³
Enrique K. Razon Jr. <i>Chairman of the Board and President</i>				
Christian R. Gonzalez⁴ <i>Executive Vice President & Chief Risk Officer</i>				
Rafael D. Consing, Jr. <i>Senior Vice-President, Chief Financial Officer and Compliance Officer</i>				
Jose Joel M. Sebastian⁵ <i>Senior Vice-President, Finance</i>				
Sandy A. Alipio⁶ <i>Vice-President, Global Financial Controller</i>				
Gigi Iuminada T. Miguel <i>Vice-President and Treasurer</i>				
Chairman of the Board and President and four (4) highest paid executive officers, as a group	2021 (Estimate)	US\$0.4M	US\$2.3M	US\$2.7M
	2020 (Actual)	0.4M	2.2M	2.6M
	2019 (Actual)	0.4M	2.1M	2.5M
All officers and Directors, as a group, Unnamed ¹	2021 (Estimate)	1.4M	8.4M	9.8M
	2020 (Actual)	1.6M	8.4M	10.0M
	2019 (Actual)	1.6M	8.0M	9.6M

¹Including four (4) highest paid executive officers

²Mainly includes non-cash compensation based on Stock Incentive Plan paid out of the allocated Treasury Shares of ICTSI

³Includes total compensation paid in the Philippines by the registrant and its subsidiaries

⁴Promoted as Executive Vice President of ICTSI effective March 20, 2020

⁵Retired effective October 1, 2020

⁶Appointed to the new position effective October 1, 2020

On December 16, 2020, the Board approved the Board and Executives Remuneration for the Year 2021 as endorsed by the Remuneration Committee. The estimated amount of compensation expected to be paid in 2021 to the Chairman of the Board and President and four (4) highest paid Executive Officers as a group, amounts to US\$2.7 million.

Nomination and Election Policy

ICTSI's Nomination Sub-Committee reviews and evaluates the qualifications of all individuals nominated to its Board of Directors and other appointments that require Board approval. The Committee has the following functions that focus in determining the qualifications of the Board of Directors being nominated and elected:

- Recommend the appropriate size and composition of the Board, the number of independent directors and the committee structure;
- Undertake the process of identifying the quality of the Directors aligned with ICTSI's strategic direction;
- Assess that Directors have the appropriate mix of competencies to enable the Board to discharge its responsibilities effectively;
- Develop board succession plans so that an appropriate balance of skills, experience, expertise and diversity is maintained;
- Oversee due diligence as to candidates for nomination or re-nomination as Board members;
- Recommend to the Board relating to the appointment, re-election and retirement of Directors;

Sec. 10, Article I of ICTSI By-Laws:

"All nominations for directors to be elected by the stockholders of the corporation shall be submitted in writing to the corporate secretary of the corporation at the principal office of the corporation not earlier than forty (4) days not later than twenty (20) days prior to the date of the regular or special meeting of the stockholders for the election of directors. Nominations which are not submitted within such nomination period shall be valid. Only stockholder of record entitled to notice of and to vote at the regular or special meeting of stockholders for the election of directors shall be qualified to be nominated and elected a director of the corporation."

- Recommend candidates for new directors who have the appropriate range of skills, experience and expertise that will best complement the other members of the Board; and
- Recommend to the Board definitions of “independence” and “conflicts of interest” for Board members, as well as guidance on time commitments and other directorships.

Related Party Transaction Policy

It is the policy of ICTSI that all transactions with Related Parties are done in "fair and at arm's length" basis to the best interest of ICTSI and its stockholders.

In accordance with the revised Philippine Securities and Exchange Commission Code of Corporate Governance, the Board of Directors, together with the Related Party Transaction Committee, exercise the function of formulating and implementing policies and procedures that would ensure the integrity and transparency of related party transactions (RPTs).

A Material Related Party Transaction Policy is also adopted as reference for the Directors, Officers and employees of the Company.

In compliance with SEC Memorandum Circular No. 10-2019, the Company submitted its Material Related Party Transaction (MRPT) Policy to the Philippine Securities and Exchange Commission on October 23, 2019. A copy of the MRPT Policy is also made available in the ICTSI website: <https://www.ictsi.com/governance/policies>.

Management Oversight

Performance Management Framework

The Manual on Corporate Governance mandates that the Board shall select and appoint the President, Chief Finance Officer and other senior officers of ICTSI, such as the heads of the other control functions, namely, the Compliance Officer, Chief Risk Officer, and Chief Audit Executive. The Board further ensures that the performance of Management and those of the ICTSI personnel are at par with the standards set by the Board.

The ICTSI Group Management team, including its corporate officers in its Regional Operating Headquarters, is comprised of the following officers:



Enrique K. Razon Jr.
President



Christian Martin R. Gonzalez
EVP, Global Corporate Head

SENIOR VICE PRESIDENTS



Rafael D. Consing, Jr.
SVP, Chief Financial Officer



Anders Kjeldsen
SVP, Regional Head - The Americas



Hans-Ole Madsen
SVP, Regional Head - Europe, Middle East and Africa



Humberto Godfried Wieske
SVP, Head of Global Commercial

VICE PRESIDENTS



Sandy A. Alipio
VP, Global Financial Controller



Nathan Clarke
VP, Head Global Engineering - Infrastructure and Project Delivery



Brian Mark Hibbert
VP, Chief Information Officer



Johan Swart
VP, Head Global Engineering - Equipment Maintenance



Caroline C. Causon
VP, Head Financial Management and Budget



Robin Cruickshanks
VP, Head Global Corporate Human Resources



Gigi Iluminada T. Miguel
VP, Treasurer

For a thorough and effective assessment, the Board has established a Performance Management Framework for assessing the performance of the Management and its personnel.

The Performance Management Framework for Management and Personnel mandates annual assessment by the ICTSI Group's senior Key Officers in which the performance of the Company and the performance of individual employees are utilized to determine the incentives of the personnel.

Oversight Responsibility on Internal Control

The control environment of ICTSI consists of:

- The Board, which ensures that ICTSI is properly and effectively managed and supervised;
- The Management, which actively manages and operates ICTSI in a sound and prudent manner;
- The organizational and procedural controls supported by effective management information and risk management reporting systems; and
- An independent audit mechanism to monitor the adequacy and effectiveness of ICTSI's governance, operations and information systems.

The internal control mechanism for the Board's oversight responsibility include:

- Defining the duties and responsibilities of the President;
- Selecting or approving an individual with appropriate competence, vision, integrity and experience to fill the President's role;
- Reviewing proposed senior management appointments;
- Ensuring that the selection, appointment and retention of qualified and competent management and officers holding control functions; and
- Reviewing ICTSI's personnel and human resource policies and its sufficiency, conflict of interest situations, changes to the compensation plan for employees and officers and management succession plans.

The Company's Internal Audit Charter, which sets the framework within which the Audit & Compliance Group will function to achieve its objectives, is reviewed and updated at least once every three (3) years or as often as necessary. The latest revision was approved by the Board and the Audit Committee on November 3, 2020.

Oversight Responsibility on Enterprise Risk Management

The Board of Directors is committed to establishing an organization that ensures Enterprise Risk Management (ERM) as an integral part of all its activities and a core capability. The senior management of ICTSI fully supports the implementation of ERM Policy as approved by the Board and is responsible for the development of ERM processes and the implementation of risk reduction strategies.

ICTSI established the ERM Committee consisting of the Chief Risk Officer, who is also the Committee Chairman, and members of the senior management; and provided for the responsibilities of the ERM Committee. In addition, there is the Board Risk Oversight Committee (BROC) primarily overseeing the overall risk management activities of ICTSI.

ICTSI has a formal ERM Policy that was approved and released in May 2016. Further revisions were made in May 2018, May 2019 and in May 2020 and accordingly approved by the BROC. As of February 2021, the ERM Policy is being considered for another review.

Board Charter

The ICTSI Board of Directors strictly abides by and adheres to its Board Charter wherein its roles, responsibilities and accountabilities in carrying out its fiduciary roles are clearly set forth.

The Manual of Corporate Governance serves as ICTSI's Board Charter and is made publicly available through the ICTSI website: <https://www.ictsi.com/governance>.

Insider Trading Policy

ICTSI complies with laws, rules and regulations on Insider Trading. In particular, ICTSI's policy is to ensure that that directors, officers and employees of the Company who are aware of any material, non-public information concerning the Company or a third party with whom the Company does business, shall not engage in any transaction in the Company's or such third party's securities through observance of a Blackout Period, which commences from the date when the material non-public information is obtained or is known and up to two full trading days after the price sensitive information is disclosed.

Board Committees

In accordance with the ICTSI Manual on Corporate Governance and as a Governance Support Structure, the Board of Directors has established Board Committees to respectively focus on certain functions of the Board. This Governance Support Structure ensures effective and optimal performance by the Board, particularly, in the areas of audit, risk management, related party transactions and other key corporate governance concerns.

Each Board Committee has adopted a Committee Charter which lays down the committee purpose, composition, functions, and processes. These Charters are made available in the Company website.

Related to ICTSI's continuous effort to uphold the principles of sustainable development in its operations, and its thrusts, the Board of Directors of the Company, at its regular meeting held on March 20, 2020, approved the recommendation of the Corporate Governance Committee to create an **Environmental, Social and Governance (ESG) Sub-Committee**. The Sub-Committee shall focus on the Sustainability Report that also works in relation to ICTSI's underpinning principle Good Global Citizenship.

Audit Committee

The Audit Committee is responsible for assisting the Board in fulfilling its oversight responsibilities to ICTSI's stakeholders relating to the Company's financial statements and financial reporting process, governance, and internal control systems, the internal and external audit process, and the Company's process for monitoring compliance with contracts, laws and regulations and the ICTSI Code of Business Conduct.

The Audit Committee is composed of majority of Independent Directors who maintains independence from Management and the controlling stockholder. It is required to meet at least four (4) times in a calendar year. Further, the Chairman of the Audit Committee is not a Chairman of the Board or any other Board Committee.

Corporate Governance Committee

The Corporate Governance Committee is responsible in ensuring that ICTSI fully complies with corporate governance principles and practices. The corporate governance framework is periodically reviewed by the Corporate

Governance Committee to ensure that the framework remains appropriate in light of material changes in the Company's size, complexity and business strategy, as well as its business and regulatory environments. In measuring compliance with corporate governance, this Committee recommends and plans relevant continuing education and training programs for the members of the Board of Directors.

The Corporate Governance Committee is entirely composed of Independent Directors who meet at least twice a year to oversee the implementation of the corporate governance framework.

Nomination Sub-Committee

The Nomination Sub-Committee is responsible in reviewing and evaluating the qualifications of all persons nominated to the Board. It determines the nomination and election process and has the special duty of defining the general profile of members of the Board which the Company may need. The Nomination Sub-Committee ensures that appropriate knowledge, competencies and expertise of new Directors complement the existing skills of the Board.

This Sub-Committee is composed of two Non-Executive Directors and one Independent Director who meet at least twice a year to assess the Board and its Committees, as well as the Senior Management of the Company.

Remuneration Sub-Committee

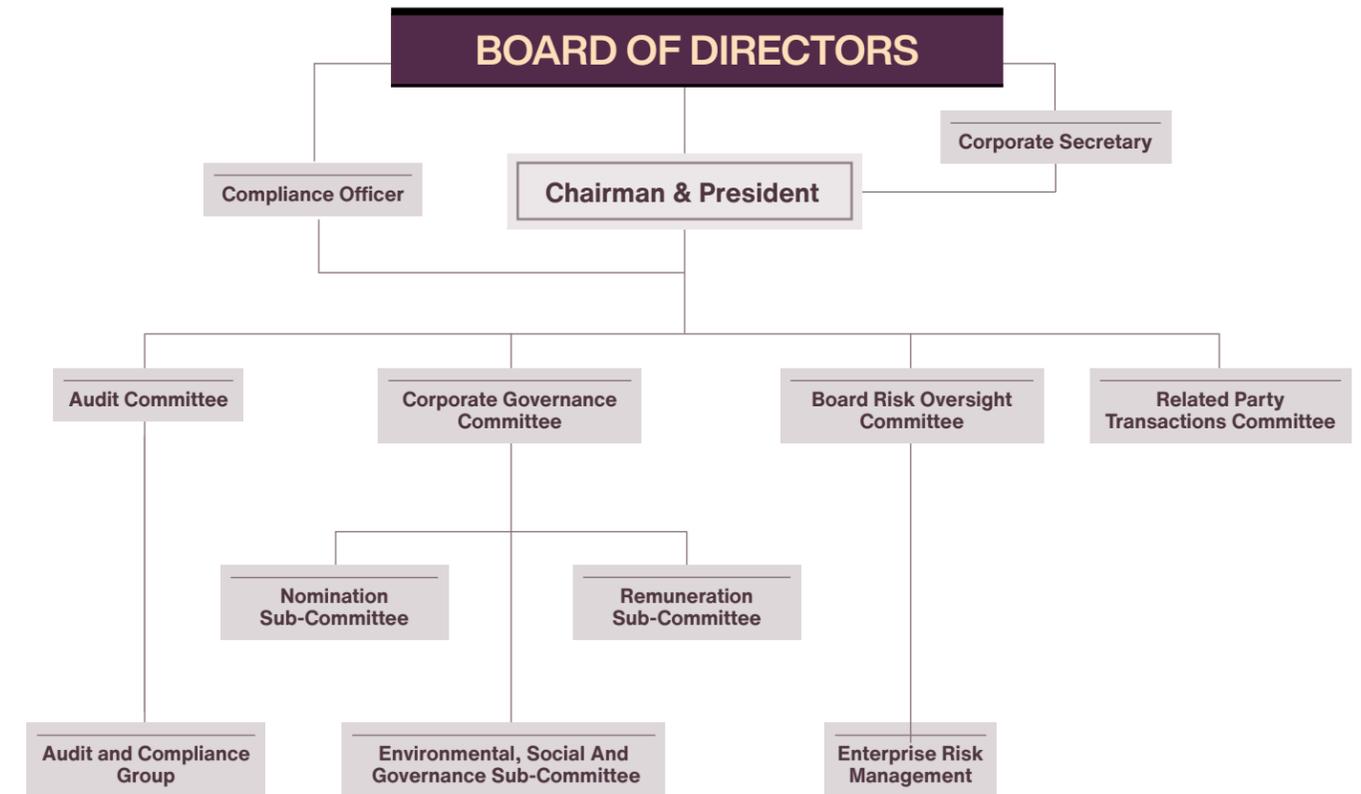
The Remuneration Sub-Committee was organized to establish a formal and transparent procedure for developing a policy on remuneration of the Directors and Key Officers to ensure that their compensation is consistent with the Company's culture, strategy and the business environment in which it operates.

This Sub-Committee is composed of two Non-Executive Directors and one Independent Director who meet at least twice a year to ensure that the remuneration levels are competitively set to attract and retain the most qualified and experienced executives.

Environmental, Social and Governance (ESG) Sub-Committee

In line with its Purpose "to make ports around the world a driver for positive and sustainable growth," the Company established in 2020 an Environmental, Social and Governance (ESG) Sub-Committee under the Corporate

Governance Support Structure



Board Committee Membership

	Audit Committee	Corporate Governance Committee	Nomination Sub-Committee	Remuneration Sub-Committee	Environmental, Social and Governance Sub-Committee	Board Risk Oversight Committee	Related Party Transaction Committee
Jose C. Ibazeta	-	-	C	-	-	-	-
Stephen A. Paradies	M	-	M	M	M	C	-
Andres Soriano III	-	-	-	C	-	-	-
Octavio Victor R. Espiritu	C Independent	M Independent	M Independent	M Independent	-	M Independent	M Independent
Joseph R. Higdon	-	M Independent	-	-	C Independent	M Independent	M Independent
Cesar A. Buenaventura	M Independent	C Independent	-	-	M Independent	M Independent	C Independent

Governance Committee. The ESG Sub-Committee is responsible for formulating policies and implementing programs which aim to develop and operate efficient and sustainable port facilities and deliver the highest possible benefits to Company's customers, partners, people, shareholders, and to the communities it serves.

Board Risk Oversight Committee

The Board Risk Oversight Committee (BROC) is responsible for the oversight of ICTSI's risk management framework, including key strategic and operational risks, as well as the adequacy and effectiveness of its risk management system. Risk appetite levels and risk tolerance limits are annually reviewed by the Committee based on changes and development in the business, regulatory framework, external economic and business environment and when major events occur that are considered to have significant impact on the Company. The Committee also provides oversight over Management's activities in overseeing credit, market, liquidity, operational, legal and other risk exposures of the Company.

The BROC is composed of majority of Independent Directors. In accordance with its Committee Charter, it meets at least once every quarter, or as required by its Chairperson, preferably in conjunction with regular Board meetings, to discuss the Company's prioritized and residual risk exposures based on periodic management reports and to assess how the concerned units or officers are addressing and managing these risks.

Related Party Transaction Committee

The Related Party Transaction Committee (RPTC) is responsible in assisting the Board to ensure the integrity and transparency of related party transactions between and among ICTSI and its joint ventures, subsidiaries, associates, affiliates, major stockholders, officers and directors including their spouses, children and dependent siblings and parents, as well as interlocking director relationships by members of the Board to protect ICTSI's interest.

The RPTC ensures that appropriate disclosure is made, and/or information is provided to regulators and government authorities in connection with the Company's related party transactions exposures, and policies on conflicts of interest or potential conflicts of interest. Such transactions with related parties, including write-off of exposures, are subject to a periodic independent review or audit process.

The RPTC is composed of a majority of Independent Directors, including the Committee Chairman who meet periodically to ensure that related party transactions are not undertaken on more favorable economic terms to such related parties than similar transactions with non-related parties of the Company, and to determine any potential reputational risk issues which may arise as a result of, or in connection with, the transactions.

Attendance and Participation

The Board of Directors hold regular meetings on every third week of each month, and special meetings as may be allowed by the Company's By-Laws. The regular meetings are scheduled before the start of the calendar year. The Regular Board Meetings for 2020 were scheduled and approved by the Board last December 9, 2019. On the other hand, for the Regular Board Meetings for 2021, these were scheduled and approved last December 16, 2020.

Directors are always enjoined to render active participation in each Board meeting. The agenda and materials are sent in advance to the members of the Board to ensure that the Board has accurate and complete information which will enable the Directors to make appropriate and sound decisions. The Office of the Corporate Secretary provides the agenda and materials for a Board meeting at least five (5) workings days in advance.

In compliance with Section 52 of Revised Corporation Code and SEC Memorandum Circular No. 06-2020, the Company has adopted a policy on the attendance and participation of Directors and stockholders in regular and special meetings through teleconferencing, videoconferencing and other remote or electronic means of communication. On June 18, 2020, the Company held its first virtual Annual Stockholders Meeting through <https://ictsi.com/2020asm>.



ICTSI's Board of Directors during the 2020 Annual Stockholders' Virtual Meeting last 18 June.

Also, the Non-Executive Directors conduct separate periodic meetings without the presence of any Executive to evaluate the performance of the Board and the Management and may call on the external auditor and/or heads of internal audit, compliance and risk as resource persons.

On the Regular Board Meeting held on January 21, 2021 each member of the Board gave notice of their respective intent to accept directorships in other companies. This is to ensure the capacity of each Director to diligently and efficiently perform duties and responsibilities.

The Executive Director, Mr. Enrique K. Razon Jr., does not serve in more than two boards of listed companies outside of ICTSI. Beside the ICTSI Board, Mr. Razon sits only in the Board of Bloomberry Resorts Corporation, the operator of Solaire Resort and Casino.

2020 Board Committee Meetings

BOARD COMMITTEE	DATE OF MEETINGS
Audit Committee	<ul style="list-style-type: none"> ▪ March 3, 2020 ▪ May 5, 2020 ▪ August 4, 2020 ▪ November 3, 2020
Corporate Governance Committee	<ul style="list-style-type: none"> ▪ March 3, 2020 ▪ June 18, 2020
Nomination Sub-Committee	<ul style="list-style-type: none"> ▪ March 3, 2020 ▪ June 18, 2020
Remuneration Sub-Committee	<ul style="list-style-type: none"> ▪ June 18, 2020 ▪ December 16, 2020
Board Risk Oversight Committee	<ul style="list-style-type: none"> ▪ February 27, 2020 ▪ May 5, 2020 ▪ August 4, 2020 ▪ November 3, 2020
Related Party Transaction Committee	<ul style="list-style-type: none"> ▪ November 3, 2020

2020 Board Meetings Attendance

DIRECTORS	DAYS PRESENT/ TOTAL NO. OF MEETINGS HELD*	% OF ATTENDANCE
Enrique K. Razon, Jr.	20/20	100%
Stephen A. Paradies	20/20	100%
Andres Soriano III	20/20	100%
Jose C. Ibazeta	16/20	80%
Joseph R. Higdon	20/20	100%
Octavio Victor R. Espiritu	20/20	100%
Cesar A. Buenaventura	20/20	100%

Independence

As provided by law, the Independent Directors of the Company must constitute at least 20% of the membership of the Board, or two of the seven seats in the ICTSI Board. As a continuing effort to comply not only with the minimum requirements of law but also with the best practices in good corporate governance, the Board has elected last February 2019 its third Independent Director.

The current Independent Directors are:

- Mr. Octavio Victor R. Espiritu;
- Mr. Joseph R. Higdon; and
- Mr. Cesar A. Buenaventura.

Pursuant to SEC Memorandum Circular No. 4-2017, Independent Directors serve a maximum cumulative term of nine years and are barred from re-election but may continue to be qualified as a non-Independent Director. This term imposition is reckoned from 2012. In the instance that the Company wants to retain an Independent Director who has served the maximum term, the Board must provide meritorious justifications and seek stockholders' approval during the Annual Stockholders' Meeting.

Each Independent Director is independent of management and free from any business or other relationship which could reasonably be perceived to materially interfere with his/her exercise of independent judgment in carrying out the responsibilities as a Director.

ICTSI has no By-Laws provisions, stockholder agreements, or other arrangements that will constrain the Independent Directors' ability to vote independently.

Assessment Process

To determine and measure compliance by the Board with the Manual on Corporate Governance, the Board has adopted a standard Board Self-Assessment System to ensure effectiveness and identify the areas of improvement of governance practices. The evaluation and assessment include the performance of the Board, the Chairman of the Board, of each Director, and of each Board Committee.

The Assessment System is based on a Criteria and Rating for Board/Committee Appraisal and Individual Assessment as established by the Board in 2018. Its Criteria for governance aspects is divided into three Parts.

- I. Board Appraisal
 - A. Structure and Composition
 - B. Responsibilities and Accountabilities
 - C. Board Processes
 - D. Corporate Ethics and Disclosures
 - E. Internal Control and ERM Framework
 - F. Rights of Shareholders
 - G. Engagement with Employees and Stakeholders
- II. Committee Appraisal
 - A. Structure and Composition
 - B. Responsibilities and Accountabilities
- III. Individual Director Appraisal
 - A. Qualifications and Performance

For the Rating System, rates follow a scale of 1 to 4, 1 being the lowest and 4 being the highest. Questionnaires for all Assessment Parts are provided to each of the Directors wherein they check for each Criterion the Rating that corresponds to their personal assessment. An additional portion for comments and/or suggestions is also allotted at the end of Part I and of Part II.

The Assessment is done annually and, following the recommendation both under the SEC IACGR and the ACGS, the Company commits to engage the services of an external facilitator every three years to evaluate and support the results of the self-assessments. For this purpose, in 2020, the Company engaged the services of the Good Governance Advocates and Practitioners (GGAP) to perform the evaluation.

A Stockholders' Feedback mechanism is also included in the Assessment System. Comments and concerns on Board performance are collected during the Annual Stockholders Meeting.

Code of Business Conduct

The Code of Business Conduct serves as the framework of all the business values and principles of the Company which sets out what is expected of every employee, officer, director, consultant, contractors, business partners and other external

third parties working with or acting with, for or on behalf of ICTSI. This Code is implemented and rolled out to all Directors, Senior Management, employees, and all covered personnel, and is monitored by the Compliance Officer. Business partners and other external third parties of ICTSI including agents, consultants, distributors, contractors and certain vendors are required to familiarize themselves with the said Code to be able to conduct business with the Company in accordance with ICTSI's fundamental values and principles.

The Code of Business Conduct discusses numerous topics, including Employee Relations, Honest and Ethical Business Practices, Accuracy of Books and Records, Conflict of Interest, Insider Information and Securities Trading, Fair Business Practices and Anti-Trust, Confidential Information and Data Privacy, and Compliance with Local Laws.

ICTSI takes violations of the Code seriously whether on the part of its employees and other covered personnel or on the part of covered external third parties. Appropriate sanctions for violations is correspondingly imposed in cases of transgressions. Any act which may constitute a violation of local laws and/or regulations is reported to appropriate governmental authorities.

The Code of Business Conduct is posted in the Company website and were cascaded to the ICTSI Group's subsidiaries.

Highlight of Transactions Approved by the Board of Directors in 2020

- 1 Availment, amendment, and renewal of credit, risk and term loan facilities with various banks
- 2 Guarantees loan facilities of subsidiaries in various banks
- 3 Appointment of Attorneys-in-Fact for various transactions
- 4 Adoption of Policy on Stockholders and Board meetings through teleconferencing, videoconferencing and other remote or electronic means of communication
- 5 Creation of Environmental, Social and Governance Sub-Committee
- 6 Approval of the 2020 Governance Support Structure
- 7 Change in issued and/or outstanding shares
- 8 Additional disclosure on share buy-back transactions
- 9 Appointment of Deal Managers for Senior Note Fund Raising Exercise
- 10 Approval of the terms and conditions of senior notes
- 11 Approval of the terms and conditions of new senior notes offer relating to Tender Offer Relating to Senior Guaranteed Perpetual Securities of Royal Capital B.V. (an ICTSI subsidiary) and Guarantee of New Senior Perpetual Securities
- 12 Appointment of external facilitator for Self Board Assessment System
- 13 Setting of 2021 Board Meeting schedules
- 14 Review and approval of the Board and Executives Remuneration for 2021





DISCLOSURE AND TRANSPARENCY

The Board establishes corporate disclosure policies and procedures to ensure a comprehensive, accurate, reliable and timely report to all stockholders and other stakeholders on ICTSI's financial condition, results and business operations. The Company, through full, fair, timely and accurate disclosures, complies with all disclosure requirements under the law. ICTSI promptly makes available in the Company's website all information disclosed to the Philippine Stock Exchange and the Securities and Exchange Commission.

Corporate Disclosure Policies

ICTSI believes that the essence of corporate governance is transparency. The Company ensures that its internal workings are transparent as assurance to all stakeholders that the Management is leading the Company and appropriating its assets properly and effectively.

The Company, through full, fair, timely and accurate disclosures, complies with all disclosure requirements under the law. ICTSI promptly makes available in the Company's website (under Investor Relations/Disclosures section) all information disclosed to the PSE and the SEC.

Further, ICTSI requires all dealings of all Directors, Key Officers and controlling stockholders in the Company's shares to be disclosed to the PSE and the SEC within three (3) trading days from the date of transaction. The transactions include any acquisition, disposal or change in shareholdings.

All material information, i.e. anything that could potentially affect share price, and which could adversely affect its viability or the interest of

its stockholders and other stakeholders are publicly and timely disclosed in the manner provided by law. Such information would include earnings results, acquisition or disposal of major asset, board changes, related party transactions, shareholdings of directors and changes to ownership. Other information that should be disclosed includes remuneration of all Directors and Key Officers as provided in applicable disclosure rules, corporate strategy, and off-balance sheet transactions.

All disclosed information are released via the approved stock exchange procedure for company announcements or through the annual report and other structured or unstructured report provided by law.

Annual and Quarterly Reports

ICTSI's Annual and Quarterly Consolidated Reports, cash flow statements, and special audit revisions are made available through the Company's website within ninety (90) days from the end of the fiscal year, while interim reports are published within forty-five (45) days from the end of the reporting period.

Report	Disclosed and Published Dates	Days from the End of Reporting Period
2019 Annual Report and Audited FS	05-Mar-20	65
1Q 2020 (For quarter period ended Mar 31, 2020)	07-May-20	37
2Q 2020 (For quarter period ended June 30, 2020)	06-Aug-20	37
3Q 2020 (For quarter period ended Sept 30, 2020)	04-Nov-20	35

Dealings in Company Shares

Directors, Officers, and controlling stockholders are required to report their dealings in Company shares within three (3) business days from the date of the ICTSI share-related transactions. ICTSI discloses to the PSE and SEC the ownership (direct and indirect) and any acquisition or disposal of ICTSI securities by ICTSI Directors, Officers and controlling stockholders pursuant to the PSE Revised Disclosures and the Securities Regulations Code. ICTSI Directors and Key Officers are likewise prohibited from buying or selling ICTSI securities during the period within which material non-public information is known or obtained and up to two (2) full trading days after the price sensitive information is disclosed. The Company also discloses purchases of its shares from the market within the same day or before the start of the next trading day.

Conflict of Interest

ICTSI has implemented a Conflict of Interest Policy to guide all ICTSI Group personnel to conduct business in a manner where undue personal or financial interests do not influence their business judgment and decision making. The Policy defines a Conflict of Interest situation and requires all personnel to read, understand, and comply with the Policy. The Policy details how to disclose a Conflict of Interest and how to appropriately address such situations.

ICTSI Group personnel are also required to fill out a Conflict of Interest Disclosure Form and an Undertaking prior to their assumption of their roles.

Corporate Disclosures provides transparency to actual, potential, or perceived Conflict of Interest risks to the ICTSI Group. ICTSI discloses all relevant and material information on individual board members and key executives to evaluate their experience and qualifications, and assess any potential conflicts of interest that might affect their judgment (i.e. academic qualifications, share ownership in the Company, membership in other boards, other executive positions, professional experiences, expertise and relevant trainings attended).

Violations and breaches of this Policy shall not be tolerated and may lead to disciplinary and other actions up to, and including, termination of employment.

The ICTSI Global Corporate Human Resources is responsible for ensuring Conflict of Interest Disclosure Forms and Undertakings are completed

by new hires prior to the start of their employment. The Conflict of Interest Policy was rolled out anew in 2018.

Policies for Board and Executive Remuneration

The Board and Executive Remuneration Policy aims to ensure that ICTSI can attract, retain, incentivize and motivate key executives across the globe by providing clear and guiding principles that will safeguard fair, competitive and transparent pay for the markets in which ICTSI operates. To achieve its business objectives, ICTSI offers competitive base pay, broad use of equity with a competitive vesting schedule, innovative cash incentive plans and executive benefit plans reviewed and approved by the Remuneration Committee.

The Remuneration Committee, supported by the Global Corporate Human Resources and independent external advice as may be required, adopts an integrated and stakeholder-inclusive approach to reward and corporate governance in the best interest of the Company, taking into account its Purpose and Values.

During the Regular Board Meeting held on December 9, 2019, the Board aligned the remuneration of Directors and Key Officers with the long-term interests of the Company. In determining the proper compensation, the Board ensured that (i) the level of remuneration is commensurate to the responsibilities of the role, (ii) no Director participated in the deliberation involving his own remuneration, and (iii) the remuneration pay-out schedules is sensitive to the overall risk profile of the Company. For those with control functions, their remuneration was based principally on the achievement of their objectives and independent of any business line they oversee.

Related Party Transactions

For the year 2020, no material related party transactions (RPT) were reviewed and approved by the Related Party Transaction Committee.

All RPTs were done in "fair and at arm's length" basis and to the best interest of ICTSI and its stockholders. RPTs do not meet the threshold for Material Related Party Transaction (MRPT).

Under the Rules on Material Related Party Transactions for Publicly Listed Companies (PLCs) as embodied in Memorandum Circular No. 10-2019 of the Philippine Securities and Exchange Commission (SEC), RPTs amounting to ten percent

(10%) or higher of a company's total assets are considered as MRPT and must be reported to the SEC through an Advisement Report within three (3) calendar days after the execution date of the transaction.

For the year 2020, ICTSI did not enter into any Material Related Party Transaction.

Disposal and Acquisition of Assets

The Board appoints an independent party to evaluate the fairness of the transaction price on the acquisition or disposal of assets.

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.

Manual on Corporate Governance

ICTSI adopted a Manual on Corporate Governance ("Manual") to serve as the framework of rules, systems and processes that governs the performance of the Board of Directors and Management. The Manual outlines the Directors' and Management's duties and responsibilities to the ICTSI stockholders. The most recent updates and revisions on the Manual were made on May 16, 2017 and duly submitted to the Philippine Securities and Exchange Commission and the Philippine Stock Exchange.

The Manual serves as a guide for ICTSI, its Board of Directors, officers and employees to enhance

ICTSI's value and optimize, over time, the returns to its stockholders by:

- a. Sound, prudent, and effective management;
- b. Implementing efficient and effective management information systems;
- c. Effective risk management;
- d. Preparing reliable financial and operational information;
- e. Cost effective and profitable business operations; and
- f. Compliance with laws, rules, regulations and contracts.

External Audit

The principal external auditors of ICTSI is the firm **Sycip Gorres Velayo & Co. (SGV)**. ICTSI has engaged **Mr. Roel E. Lucas**, partner of SGV, for the audit of the ICTSI's books and accounts in 2020. The reappointment of SGV as the Company's external auditors was approved by the stockholders during their Annual Meeting held on 18 June 2020.

The Audit Committee makes recommendations to the Board of Directors concerning the external auditors and pre-approves audit plans, scope and frequency before the conduct of the external audit. It also reviews the nature of the non-audit related services rendered by the external auditors and the appropriate fees paid for these services.

Section 2.8, Manual on Corporate Governance:

Internal Control Responsibilities of the Board

"The control environment of ICTSI consists of xxx and (d) an independent audit mechanism to monitor the adequacy and effectiveness of ICTSI's governance, operations, and information systems, including the reliability and integrity of financial and operational information, the effectiveness and efficiency of operations, the safeguarding of assets, and compliance with laws, rules, regulations and contracts."

2020 FEES FOR EXTERNAL AUDITORS

FEES	DESCRIPTION	AMOUNT*
Audit Fees	These include the audit of the ICTSI Group's annual financial statements.	USD 1,458.0
Audit-Related Fees	These include the review of interim financial statements and issuance of comfort letters for the capital market raising transactions of the Group.	572.5
Tax Fees	These are for tax compliance, tax advisory services and transfer-pricing studies. There is an increase on these fees in 2019 mainly due to increased number of engagements on tax advisory and on tax planning for the restructuring of the subsidiaries.	266.0
Other Fees	Other fees mainly include due diligence services related to business development, sustainability reporting and other various one-time engagements. The increase in 2019 was mainly due to the Group's initiatives to seek for new project opportunities.	227.8

*in thousands

Environmental, Social and Governance (ESG)

ICTSI is committed to a principled Corporate Stewardship of its people, customers, corporate resources, and the environment. ICTSI is also committed to substantive development partnerships, where both communities and sectors are empowered. The long-term and overarching vision remains fixed: ensuring that the broadening impact of genuine Good Global Citizenship is squarely apace with ICTSI's expanding corporate footprint.

Beginning with fiscal year 2017, ICTSI began documenting its sustainability journey with the

launch of its Annual Sustainability Report. The initial report in 2017 focused on the flagship operations of Manila International Container Terminal and has broadened its scope in 2018 and 2019 covering the eight major terminals in the ICTSI Portfolio.

This commitment has been further deepened and cascaded to all its stakeholders through ICTSI's reshaped Purpose and Values which moves the Company, particularly the leadership, as it reaches 32 years of operations and embark on the next goal for the years to come: the goal to make ports around the world a driver for positive and sustainable growth. Hence in its fourth issue for 2020, the report presents the Company's



ICTSI signs the concession contract for the operation and development of the Kribi Multipurpose Terminal in Cameroon. Photo shows officers of the Port Autonome de Kribi listening to Hans-Ole Madsen, ICTSI senior vice president and regional head for Europe, Middle East and Africa, deliver his message.

OUR SUSTAINABILITY REPORTING JOURNEY

	2017	2018	2019	2020
Edition Covered	2017	2018	2019	2020
Published	2018	2019	2020	2021
Coverage:	<ul style="list-style-type: none"> Selected metrics: Group wide For performance in Environment, Governance, Economy, Employees, Customers, and Society: MICT, as the first venture for ICTSI, and the flagship operation in the entire ICTSI Group 	<ul style="list-style-type: none"> Selected metrics: Group-wide For performance in Environment, Governance, Employees, Customers, and Society: 8 major terminals <ul style="list-style-type: none"> MICT TSSA CGSA MICTSL PICT BGT CMSA OPC 	<ul style="list-style-type: none"> Selected metrics: Group-wide For performance in Environment, Governance, Employees, Customers, and Society: 8 major terminals <ul style="list-style-type: none"> MICT TSSA CGSA MICTSL PICT BGT CMSA OPC 	<ul style="list-style-type: none"> Selected metrics: Group-wide For performance in Environment, Governance, Employees, Customers, and Society: 24 terminals <ul style="list-style-type: none"> MICT MNHPI SBITC BIPI CGT LGICT SCIPSI DIPSSCOR MCT HIPSI SPICTL MITL PICT VICT MICTSL MGT BGT BICT BCT AGCT OPC CGSA CMSA TSSA
Operation				
Coverage:	<ul style="list-style-type: none"> Environment, Governance, Economy, Employees, Customers, and Society 	<ul style="list-style-type: none"> Environment, Governance, Economy, Employees, Customers, and Society 	<ul style="list-style-type: none"> Environment, Governance, Economy, Employees, Customers, and Society 	<ul style="list-style-type: none"> Environment, Governance, Economy, Employees, Customers, and Society
Main Performance Areas				

full-speed-ahead commitment. ICTSI is building on lessons learned and gains made in 2019, covering the sustainability progress of its eight major terminals for the second consecutive year. Thus, for 2020, ICTSI has cast a much wider net and covered 24 of the 32 terminals in its global portfolio.

These 24 terminals were chosen on the following basis: their current status (operational at the time of reporting, whereas other terminals may be greenfields in varying stages of development); their size or scope of operations; strategic value to the nation and/or region where they operate; level of performance in key sustainability metrics such as impacts on the environment, on society, on the economy, and governance; and, their contribution to the overall business performance (i.e., ICTSI Group).

ICTSI has been supporting communities and sectors towards accomplishment of the United Nations Sustainable Development Goals. As such, in the Company's Sustainability Reports, initiatives (featured in the Sustainability Stories) are clearly identified in terms of which UN SDGs they contribute towards. These sustainability stories may feature initiatives launched or implemented on a Group-wide basis, or as led by a specific Corporate Office or subsidiary terminal, or with the ICTSI Foundation as proponent.

Channels of Communication

ICTSI communicates to its stockholders through various methods for effective information dissemination and encourage engagement with the Company beyond the Annual Stockholders'

Meeting. The Company utilizes various activities as well as all form of available media to achieve this purpose.

Company announcements

- Emails (such as Investor Relations email distribution list)
- Press and photo releases and/or media advisories
- Magazine publication
- Print materials (such as Annual Reports, company newsletters)
- Corporate disclosures with regulatory agencies

Meetings

- Face-to-face and virtual meetings with key investors and analysts
- Investment conferences (roadshow and the non-deal roadshows) arranged by banks/ investment houses
- Site visits by stakeholders
- Meetings with the media (group of reporters in a beat or individually)

Website

- ICTSI's official website is www.ictsi.com. The Company website is utilized to provide information on ICTSI's corporate governance and all other important and relevant company matters, such as financial, operational and share information; downloadable annual reports, corporate documents and disclosures; notices, minutes and reference materials of the Company's major events; news and other reports. It also serves as a channel for stakeholders to voice their concerns and suggestions, or to submit complaints for possible violation of their rights and other grievances.



INTEGRITY IN MANAGEMENT

ICTSI adheres to the principles of integrity, transparency and proper governance in the conduct of our Company affairs. In relation to this, the Company implements an efficient enterprise risk management framework and internal control system. For 2018, the Board ratified and approved the actions of the Audit Committee and the Board Risk Oversight Committee regarding the adequacy of the Company's material controls and risk management system.

Internal Control

The Audit & Compliance Group works to improve ICTSI's operations by providing timely feedback and appropriate recommendations for the improvement of risk management, control and governance processes.

As of March 2, 2021, the Board of Directors and the Audit Committee have reviewed ICTSI's internal control, as Management have determined as necessary, to enable the preparation of the Company's consolidated financial statements free from material misstatement, whether due to fraud or error.

Sycip Gorres Velayo & Co., ICTSI's independent auditors, have audited the consolidated financial statements 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 audit.

Chief Internal Auditor

Last June 9, 2020, the Board of Directors, pursuant to the Audit Committee's recommendation, appointed **Mr. Sandy A. Alipio** as Head of Internal Audit, ad interim, to temporarily replace Ms. Tricianne M. Zingapan, concurrent with his role as the Company's Chief Risk Officer. His profile is provided under the Enterprise Risk Management section of this Report.

Effective October 1, 2020, **Ms. Catherine R. Castro** was appointed as Head of Internal Audit. Ms. Castro joined ICTSI's Audit and Compliance Group in September 2014. Prior to this, she worked with the Financial Assurance Services of SyCip Gorres Velayo & Co. (a member firm of Ernst & Young Global Limited) for more than 12 years. She has extensive experience in auditing variety of clients ranging from local companies to major publicly listed companies and multinational conglomerates, with exposure to various industries including media and entertainment, real estate, construction, manufacturing, business process outsourcing, pharmaceuticals, and non-profit organizations.

Ms. Castro is a Certified Public Accountant. She graduated from Saint Louis University, Baguio City, in 2001 with a degree in Bachelor of Science in Accountancy (*cum laude*).

IT Governance and Cyber Resilience

ICTSI recognizes that it operates in a world where Cyber Risks are considerable and present a clear and present danger in terms of both data security and system resilience to cyber-attacks. As such, the Company, through the Office of the VP - Chief Information Officer, takes a leading approach to its information and cyber security on multiple levels.

Our People

In most organizations, the employees themselves present the highest cyber security risk not through malicious behavior but through targeted phishing and business email compromise attacks. Hence, ICTSI seeks to provide a cyber-safe environment through the following ways:

- Artificial Intelligence (AI) driven real-time end point protection on all company servers and end user computing devices;
- Multi-Factor Authentication required for all employees accessing ICTSI services;
- Quarterly cyber security awareness training mandated for all employees and with completion and success rate tracked;
- Internal phishing campaigns to assess awareness effectiveness; and
- Policies covering all aspects of information technology deployment and use within ICTSI including:
 - Security Awareness Training Policy
 - Workstation Policy
 - Mobile Device Security Policy
 - Acceptable Use Policy
 - Email Protection Policy
 - Password Policy
 - Access Control Policy

Furthermore, recognizing that exposure to an incident despite all measures of protection is likely, the Company has developed a global Incident Response Plan along with Business Continuity and Disaster Recovery Plans.

Our Processes

Financial governance has been further strengthened in 2019 with the deployment of a digital sourcing and procure-to-pay platform. Using SAP Ariba, the Company is able to trace all stages of sourcing, purchasing, goods receipt and payment and ensure that our processes are also an integral part of our resilience to business email compromise and spear-phishing attacks.

Information Technology Landscape

ICTSI has outsourced data center operations with stringent security services and service level agreements included, thereby, leveraging the scale of operations at a world class data center.

In addition, the Company has also taken best practice measures to manage the threat landscape including:

- Real-time vulnerability scanning across all networks and devices globally driving global, regional and local business unit vulnerability assessments and remediation support; and
- Global log collection across all devices feeding an outsourced 24/7 Security Operations Center and Security Incident and Event Management service, which real-time monitoring provides instant and early threat detection and response.

As a port operator, ICTSI is often identified as a provider of "National Critical Infrastructure". In multiple cases, this has resulted in ICTSI being required to meet certain minimum standards. The Company has been able to meet or even exceed these requirements based on its own proactive and existing cyber security approach.

Enterprise Risk Management

ICTSI and its subsidiaries' geographically diverse operations expose the ICTSI Group to various business risks, particularly competition, commercial, economic, political and foreign exchange risks, which movements may materially impact the financial results of the Group. ICTSI established the Enterprise Risk Management (ERM) System to be readily responsive to the dynamic business environment in which we operate.

The ERM System helps identify and manage the ICTSI Group's key risks in support of ICTSI's Purpose to achieve its overall strategy and business objectives. Effective last August 2018, ICTSI's ERM Methodology follows the Committee of Sponsoring Organizations of the Treadway Commission's 2017 ERM Framework: Enterprise Risk Management - Integrating with Strategy and Performance.



Chief Risk Officer

The Chief Risk Officer (CRO) is the ultimate champion of ERM in ICTSI and reports directly to the President. The CRO has the following responsibilities:

- Approves the ERM Policy and related guidance.
- Approves ERM priorities, tolerance, measures, strategies and action plans.
- Supervises the entire risk management function and spearheads the development, implementation, maintenance and continuous improvement of ERM processes and tools.
- Ascertains the sufficiency and effectiveness of the components of the risk infrastructure that are in place for managing risk, which includes policies, processes, people, management reports, methodologies, systems and data.
- Communicates the top risks and the status of implementation of risk management strategies and action plans to the Board Risk Oversight Committee.
- Collaborates with the President in updating and making recommendations to the BROC.
- Conducts targeted risk analysis outside routine risk management and reporting process as advised.
- Ensures that a sufficient resource of the organization is allocated in pursuing ERM initiatives, strategies and action plans.
- Reports to the BROC on a regular basis about ERM.

On March 6, 2019, **Mr. Sandy Alipio** was appointed as CRO for ICTSI. His past credentials include a decade working for the San Francisco-based, Elan Pharmaceuticals, holding several positions such as Internal Control, Senior Director, R&D Finance, Vice President of BioNeurology Finance and the Vice President of Internal Audit & SOX. From 2000 to 2004, Mr. Alipio was a Senior Manager for Audits and Business Advisory at KPMG LLP in San Francisco. He was with Makati-based SGV and Co. from 1994 and was seconded in Chicago back in 1997. He was also a Manager for Assurance and Business Advisory Services in 2000. A Certified Internal Auditor and a Certified Public Accountant, Mr. Alipio is a graduate of the University of the Philippines - Diliman.

Effective October 1, 2020, **Mr. Christian R. Gonzalez** was appointed by the Board of Directors as CRO concurrent to his role as Executive Vice President. Prior to his current role, he served as the Director General and Chief Executive Officer (CEO) of Madagascar International Container Terminal Services Ltd. (MICTSL), which operates the port in Toamasina, Madagascar, and thereafter, appointed as the Vice President and Head of Asia Pacific Region & Manila International Container Terminal. When he first joined the ICTSI Group in 1997, he worked in various Operations departments before he was appointed as the Assistant Manager for Special Projects of ICTSI Ltd. He was named MICT Operations Manager in 2003. In 2006, he was designated as the Chief Operating Officer and later CEO of MICTSL in 2009. In 2010, he was designated as a Director



Eight new hybrid rubber-tired gantries were commissioned at the Manila International Container Terminal last October 2020. Seen to reduce carbon emissions by 40 percent and noise levels at the container yard, and up to 60 percent better fuel economy—these hybrids reaffirm the Company's efforts in minimizing the impact of port operations at its flagship.

of Bloomberry Resorts and Hotels, Inc. and The Country Club. In 2012, he was appointed as the Head of ICTSI's Business Development for Asia region. He was also appointed as the President of ICTSI Foundation, Inc. on April 15, 2016. He is currently the Chairman, President and Director of various ICTSI Subsidiaries.

Mr. Gonzalez is a graduate of Instituto de Estudios Superiores de la Empresa (IESE) Business School, the graduate school of management of the University of Navarra, in Barcelona, Spain, where he received his Bilingual Masters in Business Administration. He is also a graduate of Business Administration from Pepperdine University in California.

The ERM Process

ICTSI is performing the ERM Process by following these key steps:

- Establish risk management context, goals and objectives and risk oversight structure
- Assess business risks
- Develop risk treatment strategies
- Develop and implement risk management action plans
- Monitor and report on the ERM Process
- Continuously improve the ERM Process

Semi-annually, the corporate functions, business development/regional offices and business units performs risk assessment based on the Key Business Risks as identified in ICTSI's risk profile applicable to each of the respective business functions and areas.

The ERM system is quarterly reviewed by the ERM Committee and Board Risk Oversight Committee. The importance of managing key business risks has significantly increased considering the heightened volatility in both the Philippine and international financial markets.

Risks Relating to the ICTSI Group's Business

The ICTSI Group' geographically diverse operations expose it to various risks which may materially impact its financial results. The importance of managing these risks has significantly increased in light of the heightened volatility in both the Philippine and international financial markets. With a view to managing these risks, the ICTSI Group has incorporated a financial risk management function in its organization, particularly in the Treasury operations.

The ICTSI Group's business is highly dependent on regional and global economic trends.

The volume of containers the Company handles, and the usage of other port-related services are influenced by the performance and growth of regional and international trading economies. The Company has a substantial port operations business within the Philippines as well as an international portfolio of ports and terminals. Its core business consists of the management, operation and development of container terminals and the provision of cargo handling and other port-related services. Such services are required by the Company's shipping line customers for the transportation of containerized goods by sea within the global and regional marketplace. As a result, there is a correlation between the condition of global and regional economies and the volume of container throughput the Company handles. Because the Company tends to operate small- to medium-sized end-destination terminals, the Company's results of operations are highly influenced by specific conditions in the local markets where it operates. Furthermore, the global markets have experienced, and may continue to experience, economic downturn and political instability in several areas of the world, which may result in increased fuel prices, lower trade volumes, interruptions of the continuity of operations, decreases in imports and exports or reduced trading partners, which may adversely affect the Group's business and results of operations.

The ICTSI Group operates in a number of emerging markets that have experienced economic and political instability.

The ICTSI Group operates mainly in emerging markets, many of which have experienced political and economic instability in the past and may be continuing up to the present. Many of the countries where the ICTSI Group operates or may operate in the future continue to face significant budget deficits, limited foreign currency reserves, volatile exchange rates, and highly regulated and less sophisticated banking sectors. Furthermore, many of ICTSI's subsidiaries, including the Philippines, have experienced frequent changes in governments, political scandals, terrorist attacks and civil strife. There is no assurance that the future political environment in these countries will become stable or that current or future governments will be able to adopt economic policies that will sustain economic growth.

The ICTSI Group is dependent on concessions and other key contracts to conduct its business.

The conduct of the ICTSI Group's business is restricted within the terms of the concession and other key contracts that put a limit to its operational and strategic options. ICTSI and subsidiaries usually only obtain the right, subject to certain conditions, to operate, manage and develop terminals for a set period of time. These contracts contain provisions that allow the relevant port authority to suspend, cancel or terminate the contract on specified grounds, including noncompliance with the terms of the contract and, in certain instances, the occurrence of a "change in control" of ICTSI without the consent of the relevant port authority or if the relevant port authority determines that the public interest may be better served by the cancellation of the contract in accordance with its regulations. Hence, there can be no assurance that further challenges in the ICTSI Group's operations will not be raised or that its concessions will not be terminated for public policy reason. Also, these concessions and key contracts may limit the ability of the ICTSI Group to raise tariffs that it charges to customers.

The ICTSI Group is limited in its ability to raise the tariffs billable to customers in most terminals.

The aforementioned contracts and agreements may prescribe maximum tariffs that the ICTSI Group can charge or bill shipping lines and customers and either prohibit any changes in those tariffs without prior approval of the relevant port authority or subject the tariffs to an automatic adjustment mechanism. At certain terminals, tariff increases have recently been implemented in phases causing timing differences when the Company petitioned for an increase and the actual increase in tariff. In countries in which tariffs are not prescribed, such as Poland, Brazil, Australia and DR Congo, the ICTSI Group is still limited in its ability to raise tariffs by market norms, competition and/or local demand.



The ICTSI Group faces competition at its domestic and international terminals on factors such as location, facilities, supporting infrastructure, service and price.

Competition is heightened at domestic and international terminals on factors such as location, facilities, supporting infrastructure, service and price. The ICTSI Group's competitors may offer lower tariffs than what its own terminal offers in a certain location; or have greater financial resources with which to develop the ports that they operate to provide better access and improved facilities, structure and services. One of the strategies that the ICTSI Group employs is to acquire terminals in emerging markets, then improve operations and grow volume organically. If trading volume increase, competitors may begin to target these same markets. Increased competition from existing and future competitors may result in a reduction in the ICTSI Group's market share in locations where it operates, a decrease in volume of containers it handles, or increased price competition which could result in possible declines in the ICTSI Group's cash flows, operating margins and profitability.

The ICTSI Group's failure to effectively manage its existing container terminal operations and growth as a result of rapid expansion and development may adversely impact the ICTSI Group's business.

The ICTSI Group is rapidly expanding its container terminal operations, particularly those located overseas. This rapid expansion into new markets diminishes the ICTSI Group's management resources to effectively govern its existing container terminal operations and more ambitious growth. It has presented and will continue to present significant challenges for the ICTSI Group's management, operational and administrative systems and its ability to maintain effective systems of internal controls. The ICTSI Group may not successfully integrate new acquisitions to meet its efficiency and performance standards, nor keep existing facilities up to those same standards. The ICTSI Group needs to constantly develop and adjust management and administrative responsibilities to match market conditions and its growth and expansion strategies. The ICTSI Group's continued development into a global terminal operator requires it to identify new qualified personnel with widespread knowledge of its industry and the countries in which it operates. Failure to identify suitable personnel for these management and administrative positions may adversely affect the ICTSI Group's ability to manage its growth and continue to pursue its growth strategy and eventually impact its business, results of operations and financial condition.

The ICTSI Group's results of operations and financial condition may be adversely affected by exchange rate fluctuations.

Because of the geographic diversity of the ICTSI Group's business, it receives revenue and incurs expenses in a variety of currencies. Its revenues are primarily in U.S. dollars, Philippine pesos, Brazilian real, Mexican Pesos and Euros, while its expenses are generally in local currencies. The ICTSI Group attempts to operationally hedge its foreign exchange exposure by matching its revenues and expenses whenever possible and, from time to time, engages in hedging activities to mitigate residual foreign exchange cash flow exposures. ICTSI is subject to translation risks whereby changes in exchange rates impact its reported revenues in U.S. dollar terms. Because ICTSI reports its financial statements in U.S. dollars, increases in the value of the U.S. dollar against the currencies in which it receives revenues in its international operations, such as Philippine pesos, Brazilian real, Mexican Pesos and Euros, could restrict its revenue growth in U.S. dollar terms and vice versa. Continued fluctuations in the value of the U.S. dollar against its other subsidiaries' functional currencies could cause ICTSI's revenues to decrease in U.S. dollar terms and distort comparisons of its results of operations and financial condition across periods.

The ICTSI Group's business has high dependence upon key personnel with special skills that are not readily available in the market.

In order for the ICTSI Group to maintain its operating and performance standards, it highly leverages on the continued service of key personnel. The ICTSI Group has a relatively small management team which makes it more dependent on senior personnel than some of its larger competitors. With the rapid growth of the container terminal industry, competition for skilled senior employees becomes intense and there are limited numbers of qualified candidates. The ICTSI Group's business and results of operations may be adversely affected if any of the existing key personnel leaves their position and the ICTSI Group fails to find a similarly competent replacement.

The ICTSI Group is subject to the risk of system failures and/or cyber-attacks.

The ICTSI Group's business is highly reliant on complex information technology and automated systems to handle its terminal operations for high productivity and efficient handling of containers. Any systems failure and/or cyber-attacks may result in delayed or hindered terminal operations. These events may adversely affect the achievement of the ICTSI Group's planned business growth and results of operations.

The Group's facilities could be exposed to unforeseen catastrophic events over which it has little or no control.

The ICTSI Group's facilities could be exposed to effects of natural disasters and other potentially catastrophic events, such as major accidents, acts of God, terrorist attacks, armed conflicts and hostilities. To cite, the Philippines is vulnerable to typhoons, earthquakes and other major natural disasters, which could suspend MICT's operations temporarily or damage or destroy key equipment. Since operations at MICT have historically provided the majority of the ICTSI Group's revenues from port operations, occurrence of a catastrophic event affecting the Philippines could have a material adverse effect on the ICTSI Group's business, results of operations and financial condition. In addition, the COVID-19 pandemic in 2020 has caused toll on health, economic and social condition globally.

The ICTSI Group is subject to regulations that govern operational, environmental and safety standards.

Lastly, the ICTSI Group's terminal services are conducted under licenses, concessions, permits or certificates granted by applicable regulatory body in the countries in which it operates. Various environmental and safety standards may also be enforced by each jurisdiction in which the ICTSI Group operates. Failure to comply with relevant laws and regulations may result in financial penalties or administrative or legal proceedings against the ICTSI Group, including revocation or suspension of the Group's concessions or licenses, which may adversely impact results of operations and financial condition.



SYNERGISTIC RELATIONSHIP WITH STOCKHOLDERS

ICTSI treats all stockholders fairly and equitably, and recognize, protect and facilitate the exercise of their rights. Stockholders are accorded their rights as provided under the Corporation Code of the Philippines (the Revised Corporation Code, moving forward) and ICTSI's By-Laws, as well as other applicable laws, rules and regulations.



- Stockholders have a right to information in accordance with law. They also have the right to receive dividends, subject to Board approval.
- ICTSI shows that it is without prejudice or bias, as the minority stockholders have the same right of information as other stockholders. All stockholders may propose the holding of a meeting and propose items in the agenda of the meeting, provided the items are for legitimate business purposes.
- Appraisal rights may be exercised under any the following circumstances: (i) in case any amendment to the Articles of Incorporation has the effect of changing or restricting the rights of any stockholders or class of shares, or of authorizing preferences in any respect superior to those of outstanding shares of any class, or of extending or shortening the term of corporate existence; (ii) in case of sale, lease, exchange, transfer, mortgage, pledge or other disposition of all or substantially all of the corporate property and assets as provided in the Corporation Code; and (iii) in case of merger or consolidation.

- Lastly, 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 ICTSI's principal office not earlier than forty days nor later than twenty days prior to the date of the regular or special meeting of stockholders for the election of Directors.

Voting Mechanism

ICTSI has an effective stockholder voting mechanism which is included in the Company's By-Laws, Manual on Corporate Governance and SEC Form 20-IS. The Company's Voting Procedure is defined in Item 19 of its submitted SEC Form 20-IS.

During the 2020 Virtual Annual Shareholders' Meeting, ICTSI used the services of Lumi Global, a multinational company which provides virtual meetings to various companies worldwide. The Lumi Global system ensured that the electronic voting in absentia was done in a secure manner.

In ICTSI's Annual Stockholders' Virtual Meeting requirements and procedure for participation by remote communication and voting in absentia, ICTSI's stockholders were informed that they can register to be able to participate and vote during the 2020 Virtual Annual Stockholders' Meeting.

Only Stockholders of record 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.

The Company, through the Board of Directors, may appoint the Stock Transfer Services, Inc. (STSI) to serve as inspectors of election on the annual stockholders' meeting. STSI validates the votes during the Proxy Validation Date. Validation of proxies is done by the Corporate Secretary 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.

Minority Stockholders

The minority stockholders have the same right of information as other stockholders. They may propose the holding of a meeting in accordance with the By-Laws, and propose items in the agenda of the meeting, provided the items are for legitimate business purposes, in accordance with law.

Declaration of Cash Dividends

	2018	2019	2020
Date of Board approval	April 19, 2018	April 11, 2019	March 20, 2020
Cash dividends (regular) per share	US\$0.050 (P2.50)	US\$0.056 (P2.92)	US\$0.065 (P3.31)
Cash dividends (special) per share	-	US\$0.040 (P2.08)	-
Record date	May 4, 2018	April 29, 2019	April 3, 2020
Payment date	May 11, 2018	May 07, 2019	April 16, 2020

Dividend Policy

Dividends may be declared only out of the unrestricted retained earnings of the Company. A board resolution is required for a declaration of dividends. In addition, approval of stockholders representing at least two-thirds of the outstanding capital stock is required for the payment of stock dividends. 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 of Directors. Preferred A stockholders are entitled to dividends at rates to be fixed by the Board.

Stockholders' Meeting

The 2020 Annual Stockholders' Meeting (ASM) was held virtually last 18 June 2020 as duly approved by the Philippine Securities and Exchange Commission.

The reference to the rationale for the agenda items can be found in the Notice of Annual Stockholders' Meeting, included in the submitted SEC Form 20-IS. The Notice of the 2020 Annual Stockholders' Meeting was submitted to the Philippine Stock Exchange (PSE) on May 22, 2020, 18 days before the meeting. The Notice was also published on May 26 and 27, 2020 in print and online formats in two newspapers of general circulation in accordance with the Securities and Exchange Commission (SEC) rules, 22 days before the meeting.

Voting Results For The 2020 Annual Stockholders Meeting

APPROVAL OF THE MINUTES OF THE ANNUAL MEETING OF STOCKHOLDERS HELD ON APRIL 11, 2019

Votes	Number of Votes Cast
Approving	2,271,087,932
Dissenting	-
Abstaining	-

APPROVAL OF THE 2019 AUDITED FINANCIAL STATEMENTS

Votes	Number of Votes Cast
Approving	2,269,385,062
Dissenting	-
Abstaining	1,702,870

APPROVAL/RATIFICATION OF ACTS, CONTRACTS, INVESTMENTS AND RESOLUTIONS OF THE BOARD OF DIRECTORS AND MANAGEMENT SINCE THE 2018 ANNUAL STOCKHOLDERS' MEETING

Votes	Number of Votes Cast
Approving	2,268,696,442
Dissenting	500,880
Abstaining	1,890,610

APPOINTMENT OF EXTERNAL AUDITORS

Votes	Number of Votes Cast
Approving	2,009,888,002
Dissenting	261,199,920
Abstaining	-

ELECTION OF DIRECTORS

Director	In favor	Against	Abstain	Total Shares Voting
Enrique K. Razon Jr.	2,210,884,230	50,297,145	9,906,547	2,271,087,922
Cesar A. Buenaventura	2,008,067,948	263,017,386	2,588	2,271,087,922
Octavio Victor R. Espiritu	2,008,682,663	252,498,712	9,906,547	2,271,087,922
Joseph R. Higdon	2,256,749,993	14,337,929	-	2,271,087,922
Jose C. Ibazeta	2,129,488,909	94,845,147	46,753,866	2,271,087,922
Stephen A. Paradies	2,005,319,937	265,767,985	-	2,271,087,922
Andres Soriano III	2,158,480,724	65,853,332	46,753,866	2,271,087,922

SEC Memorandum Circular No. 15-2017 on Integrated Annual Corporate Governance Report (i-ACGR) requires that the minutes of the annual stockholders meeting shall be published in the Company website within five (5) business days.

Result of the ASM was uploaded in the website and was made publicly available on the same day as the ASM. Minutes of the Stockholders' Meeting held on June 18, 2020 and Results of the Voting were made publicly available through the Company's website on the following day, or June 19, 2020.

At the ASM, where a quorum was certified by the Assistant Corporate Secretary, the stockholders passed and approved the following matters:

- Approval of the Minutes of the Annual Stockholders' Meeting held on April 11, 2019;
- Approval of the Chairman's Report for 2019 and the 2019 Audited Financial Statements;
- Approval/ratification of acts, contracts, investments and resolutions of the Board of Directors and Management since the 2019 ASM, which are summarized in Item 15 of the Information Statement (SEC Form 20-IS) furnished by ICTSI to its stockholders and available at the Company website;
- Election of Directors; and
- Appointment of Sycip Gorres Velayo & Co. as ICTSI's external auditors.

Alternative Dispute Mechanism For Stockholders

ICTSI ensures that any dispute between the Company and our stockholders as well as with third parties, including the regulatory authorities, shall be resolved in accordance with Republic Act No. 9285, otherwise known as "Alternative Dispute Resolution Act of 2004", with the approval or consent of such other parties in compliance with law.

Investor Relations Office

ICTSI's award-winning Investor Relations Department has the responsibility of integrating finance, communication, marketing and securities law compliance, and aims to ensure constant engagement and build understanding and relationships of trust with media, financial analysts and stockholders, increase transparency and achieve an appropriate valuation of ICTSI's stock and liabilities in the capital market. It works to provide transparent, continuous, and targeted dialog with all stakeholders, and aims to build understanding and trust with the financial media, analysts, and stockholders.

ICTSI was hailed as *One of the Best Investor Relations Companies in the Philippines* in **Corporate Governance Asia's Asian Excellence Awards** consistently for the period of 2013-

2020; recognized by **Alpha Southeast Asia Awards 2019** as the *Most Organized Investor Relations Company* and second best in having the *Best Senior Management Support* in Southeast Asia and *Best Investor Relations Team* by **The Asset ESG Corporate Awards 2019-2020**. ICTSI was also shortlisted by the *IR Magazine* for excellence in investor relations in the industrials sector.

Quarterly Investor Briefing Teleconferences

ICTSI conducts quarterly analysts/investors' briefing teleconference calls where Management presents and discusses the financial and operational performance of the Company. A Q&A segment commences immediately after the presentation where participants are given the opportunity to raise questions about ICTSI and its interim performance.

An international dial-in facility, with lines in the Philippines, Hong Kong, Singapore, United Kingdom, United States and Australia, are made available for the conference call. A recording of the conference call is also available up to three days after the event.

Notice of analysts'/investors' briefings, including the dial-in numbers to access the briefing calls and the recording, is made available at least five days before the conference. The Notice is uploaded in the Company's website, under the Disclosures tab of Investor Relations section, immediately after filing with the Philippine Stock Exchange and the Securities and Exchange Commission.

Earnings results and presentation materials for the briefing calls are also available at the Company's website, under Investors' Briefing tab of the Investor Relations section. All materials – notices, earnings results, and presentation materials – are also distributed to all investors and analysts through e-mail from the Investor Relations Department. Schedule of the briefing calls for the past years can be viewed under the Investor Relations section of the Company's website.

Investor Relations Officer

ICTSI's Investor Relations Officer is **Mr. Arthur R. Tabuena**, the Director for Treasury and Investor Relations. Formerly, he was the Manager for Corporate & Project Finance of ING Barings. Mr. Tabuena holds an MBA from the Claremont Graduate University – Peter F. Drucker and Masatoshi Ito Graduate School of Management, and a Bachelor's Degree in Industrial Management Engineering, Minor in Mechanical Engineering from the De La Salle University.

The Investor Relations Officer is always present during the stockholders' meeting. He is responsible for the necessary disclosures to the PSE and SEC.

As a testament to his credible and effective performance, Mr. Tabuena was again recognized as one of the *Best Investor Relations Professionals in the Philippines* by **Corporate Governance Asia** during the 10th Asian Excellence Recognition Awards 2020, and *Best Investor Relations Team* by **The Asset ESG Corporate Awards for 2019-2020**.



Anti-Takeover Measures

ICTSI avoids anti-takeover measures or similar devices that may entrench ineffective management or the existing controlling stockholder group.

To ensure good governance of ICTSI, the Board establishes ICTSI's Purpose, strategic objectives, policies and procedures that guide and direct the business and corporate activities of ICTSI, the means to attain the same, and the mechanism for monitoring management's performance.

Public Float

The Philippine Securities and Exchange Commission through its Memorandum Circular No. 13-2017 requires that a publicly listed company maintain a public float of 20% and recommends through its Memorandum Circular 13-2017 a 30% benchmark. On the other hand, the Philippine Stock Exchange through its Memorandum Circular No. CN - No. 2020-0076 requires a 20% public ownership.

ICTSI has more than the prescribed or recommended public float to increase liquidity in the market. As of December 31, 2020, the public ownership level of the Company is at 51.21% based only on common shares. The public ownership level of the Company is at 38.14% if both common and Preferred B voting shares are considered.



DUTIES TO STAKEHOLDERS

ICTSI believes in giving high value to the relationships it has with its various stakeholders. As a facilitator of global containerized trade, the Company serves several groups such as, among many other, the primary port users (commercial clients such as the shipping lines and landside/hinterland logistics players); public sector partners, especially port authorities; employees and industry organizations; providers of capital; suppliers; and the various communities that serve as port hosts. This is fostering respect for rights as established by law, by contractual relations and through voluntary commitments.



OPC employees continue to provide excellent services to port stakeholders despite the pandemic.

Rights of Stakeholders

Part of the duties and responsibilities of the Board of Directors is bridging a relevant interaction with the Company's stakeholders. As mandated by the Manual on Corporate Governance, the Board must take a lead on the following:

- Identification of the Company's stakeholders in the community in which the Company operates or is directly affected by the operations;
- Formulation of a clear policy of accurate, timely and effective communication with these stakeholders;
- Maintenance of a meaningful corporate social responsibility program; and

- Adoption of a policy on the disclosure of non-financial information, with emphasis on the management of economic, environmental, social and governance (EESG) issues of the Company's business, which underpin sustainability.

The Company's capacity to effectively serve the interests of these stakeholders rests on the capacity to accurately and continually glean insights into their goals, needs and concerns. Continuing engagement takes many forms – and, for ICTSI, has long been an ongoing commitment.

Stakeholders Engagement Map

	APPROACHES	KEY TOPICS & CONCERNS RAISED
PUBLIC SECTOR	<ul style="list-style-type: none"> Website Direct communication Annual audited financial statements Annual corporate governance report Annual sustainability report Annual, quarterly, and monthly reports Disclosures and other required reports 	<ul style="list-style-type: none"> Concession matters Regulatory and reportorial requirements
PORT USERS	<ul style="list-style-type: none"> Website Client online dashboard ICTSI mobile app 24/7 web-based communication systems Quarterly customer satisfaction survey Customer care local hotline Weekly client visits and virtual tours (priority customers and other stakeholders) Monthly association meetings Quarterly trainings and seminars Annual customer appreciation/thanksgiving events 	<ul style="list-style-type: none"> Customer satisfaction System issues Billing issues Operational issues Health and safety protocols related to COVID-19 pandemic Digitization of port processes
EMPLOYEES	<ul style="list-style-type: none"> Direct meetings Website Ad hoc correspondence Quarterly <i>Ugnayan sa Pantalan</i> Annual employee relations activities CBA (every five years) Volunteering activities in coordination with ICTSI Foundation Other employment engagement activities 	<ul style="list-style-type: none"> Performance management Employee welfare Labor-management relations Health and safety protocols related to COVID-19 pandemic
SHAREHOLDERS	<ul style="list-style-type: none"> Website Quarterly Investors' Briefing Investor (Equity) Conferences Annual Shareholders Meeting Annual Audited Financial statements Annual Corporate Governance Report Interim Quarterly Unaudited Financial Statements 	<ul style="list-style-type: none"> Quarterly and year-to-date consolidated financial and operational performance of existing portfolio Performance of existing/organic terminals Status of new projects Prospects and projects in the pipeline
CREDITORS	<ul style="list-style-type: none"> Website Investor (Debt) Conferences Direct communication/Regular discussions with credit risk officers of relationship banks Annual Shareholders' Meeting Annual Audited Financial Statements Annual Corporate Governance Report Interim Quarterly Unaudited Financial Statements 	<ul style="list-style-type: none"> Liquidity management Quarterly and year-to-date consolidated financial and operational performance of existing portfolio Performance of existing/organic terminals Status of new projects Prospects and projects in the pipeline
SUPPLIERS	<ul style="list-style-type: none"> Website Direct communication New supplier accreditation and annual supplier reassessment 	<ul style="list-style-type: none"> Supplier performance Contract requirements Health and safety protocols related to COVID-19 pandemic Company direction/priorities Supplier-related memos Proper use of supplier systems
COMMUNITIES AND PEOPLE GROUPS	<ul style="list-style-type: none"> Monthly newsletter Quarterly consultation with concerned government agencies, communities, and partners Annual ICTSI Foundation Accomplishment Report Forum with partners Direct communication with the communities Participation in events Leadership trainings Government-coordinated projects Volunteerism through local community projects Assessment after every project Annual scoping in all communities Monthly meeting with EcoPatrols Quarterly meeting with different clusters Ad hoc discussion with stakeholders 	<ul style="list-style-type: none"> Health Education Shelter Livelihood/Job creation Community development Volunteering activities Environmental management
TRADE UNIONS AND INDUSTRY ASSOCIATIONS	<ul style="list-style-type: none"> Direct communication Ad-hoc get-togethers Monthly Labor-Management Council meeting Quarterly <i>Ugnayan sa Pantalan</i> 	<ul style="list-style-type: none"> Employee welfare New policies or programs about to be implemented Individual concerns

Whistleblowing Policy for Stakeholders

Pursuant to its policy to conduct its business with the highest ethical standards of honesty and integrity and to maintain its reputation in whichever country it operates, every stakeholder of ICTSI is committed to ensure compliance with all applicable laws, rules and regulations and established company policies. Through the Policy on Fraud Reporting, Handling of Disclosures and Complaints on Violations of Code of Business Conduct, every stakeholder is mandated to immediately report any concern and/or known or suspected violations and/or complaints on:

- a. Violation of ICTSI Code of Business Conduct
- b. Violation of ICTSI Anti-Bribery Compliance Policy and Procedure
- c. Violation of the Policy on Conflict of Interest
- d. Violation of company's Code of Discipline and other company issued employee related rules and regulations
- e. Fraudulent reporting of accounting/auditing practices
- f. Unauthorized use of company funds
- g. Health and Safety risks
- h. Any illegal or unethical act
- i. Any other cases involving violation of other company policies.

The policy establishes a formal mechanism to encourage stakeholders to raise serious concerns or malpractice involving ICTSI. It also serves as an opportunity to disclose potential and possible violations which have come to their knowledge which may adversely affect or may constitute risk against ICTSI. The policy likewise provides full assurance that the informant's identity shall be treated with utmost confidentiality and that he/she shall be protected from any reprisal, retaliation and other forms of harassment.

Alternative Dispute Resolution for Stakeholders

In accordance with its policy on alternative dispute resolutions, ICTSI ensures that any dispute between the Company and its stakeholders shall be resolved in accordance with Republic Act No. 9285, otherwise known as "Alternative Dispute Resolution Act of 2004", so that conflicts and differences with key stakeholders are settled in a fair and expeditious manner.

Intellectual Property

ICTSI complies with all laws, regulations and contract exacting adherence to intellectual property rights. The Company has not violated any intellectual property law as demonstrated by the fact that it has not pending cases against it for any violation of intellectual property laws.

Customer's Welfare

As the business continues to grow, ICTSI aims to develop more products and solutions for its valued customers. Through its Commercial arm, particularly its Philippines Commercial Team, it continues to engage its customers through weekly client calls, 24/7 customer care service, regular conferences, and industry association meetings.

With the launch of the Cavite Gateway Terminal, the success of the Laguna Gateway Inland Container Terminal, and the acquisition of North Port (domestic terminal), solid efforts have been deployed to promote the Intermodal and Inter-Terminal solutions to our import and export customers. These solutions offer to provide a more streamlined and a more efficient way of moving goods to their end destination, whether this be in Luzon, Visayas, or Mindanao.

Online platforms, such as the Transparency Tools in the Company website and mobile app, the ACTS Online Payment System, and the Terminal Appointment Booking System, are continually made available and enhanced. This is to further promote visibility and provide access to the port and terminal services 24 hours a day and without customers having to leave their offices. For the onsite services, the renovation of the Unionbank - ICTSI Branch is ongoing, and this is envisioned to improve the quality and efficiency of payment transactions at the port once completed. Additional modes of payment are also presently being explored for our customers who still prefer paying onsite.

A simple loyalty program for brokers, forwarders, and truckers was also rolled out, and this program is an avenue for ICTSI to reward these customers for their continuous patronage. This loyalty program will soon be translated into an online application platform to make the rewards easier to achieve and distribute.

Part of the Terminal Health Check implemented in 2020 is the conduct of online training on Employee Discipline and Administrative Due Process wherein employees from various terminal are educated on the importance of due process in handling cases. It also served to refresh employees on existing company policies and procedures.

Suppliers and Contractors

In the selection of suppliers, ICTSI, specifically in its flagship operations in the Manila International Container Terminal (MICT), ensures that suppliers are selected based on their ability to meet contract requirements including quality system and any specific quality assurance requirements. The procedure in supplier accreditation for the MICT is strictly observed through the following:

1. Initial interview of potential suppliers;
2. Submission of the required accreditation documents;
3. Pre-visit activities which include:
 - a. Checking the correctness and completeness of the required documents;
 - b. Interviewing other customers referred by the supplier; and
 - c. Reviewing financial statements submitted by the supplier;
4. Conduct of plant visit if applicable;
5. Preparation of final report; and
6. Issuance of certificate of accreditation and updating of directory.

In April 2018, ICTSI has implemented the use of its e-Sourcing System – Ariba Sourcing – as a medium to send requests for quotations and for suppliers to submit their quotations accordingly. This means that suppliers shall send quotes through this system instead of via e-mail, fax, hard copy, phone call, etc. Ariba Sourcing provides a more systematic process of submitting quotations for a single requirement and promotes transparency and fairness amongst vendors.

In September 2019, ICTSI also upgraded its previous e-Procurement system, Ariba On-Premise, to an improved and more digitized one, Ariba Buying - Cloud, which includes Ariba Network (AN). The AN aims to realize three main objectives of Procurement in this implementation:

- Improved Partnership – Ariba Network enables both ICTSI and suppliers to form assured relationship while executing transactions electronically. With the use of the collaboration function of AN, buyers and suppliers can continuously perform their tasks, but with minimized manual interactions and processes.
- Compliance – Ariba Network's standards comply with ICTSI's policies and global best practices of different industries. All transactions are logged in the system.

- Efficiency – Ariba Network provides the venue to connect related procure-to-pay processes and notifies all related parties of essential activities per transaction electronically.

Overall, Ariba Network enhances supplier, buyers and user experience by bringing in a digital transformation to the supply chain process.

Creditors' Rights

ICTSI manages its liquidity profile to be able to finance its working capital and capital expenditure requirements, including the timely servicing of debt, payment to regulators and suppliers, and other corporate payables.

As part of liquidity risk management, ICTSI maintains strict control of its cash and ensures that excess cash held by ICTSI subsidiaries are up streamed timely to ICTSI, the Parent Company. In line with this objective, ICTSI subsidiaries are allowed to maintain cash at a maximum equivalent to its working capital requirement. ICTSI monitors its receivables and payables to ensure positive position and optimize cash conversion cycle. In addition, it regularly updates and evaluates its projected versus actual cash flow information and continually assesses the conditions in the financial market to pursue fund raising initiatives when needed.

To further mitigate liquidity risk, ICTSI ensures that it has sufficient credit lines from a broad list of local and foreign banks and it has diverse funding sources such as the capital market and loan market. The loan agreements are in a form recommended by the Asia Pacific Loan Market Association. The issued bonds are Reg S offering and listed with the Singapore Exchange Securities Trading Limited (SGX-ST). The bonds' terms and conditions, covenants, undertakings, representations and warranties and events of default that safeguards the position of creditor are embodied in the offering circulars that are disclosed to SGX-ST. In compliance with the disclosure of annual and quarterly financial reports, ICTSI discloses information on compliance with loan and bond covenants.



To safeguard those manning operations along with other stakeholders, ICTSI quickly mobilized resources to implement health and safety measures to comply and even go beyond mandated protocols. Employees were given PPEs, health and food aid, aside from expanded wage and bonus programs, and provisions for mental health support.

Aside from constant communication and reminders, ICTSI continues to monitor the health of employees, aside from regular testing.

Employee Participation

Employee involvement and participation in a company leads to good outcomes for the organization. ICTSI values its employees and is committed to providing them with tools to accomplish what they set out for themselves. Empowering our employees means that they no longer act as mere implements of production but actual stakeholders of the business. Employee participation provides our employees the opportunity to contribute to the improvement of present processes, development of talent and the advancement of employees' health, safety and welfare. It adds dynamism to the employer-employee relationship by giving workers not only a voice in decision-making on matters that affect their interest and welfare but also an opportunity to contribute creative and innovative ideas to achieve enhanced product or service quality and productivity.

Active Participation

ICTSI employee engagement activities are always well participated by our staff. The Company hosts physical, social, emotional and financial wellness online trainings and webinars to address the well-being of the employees, which trainings are an integral part in attracting and retaining employees.

ICTSI believes that a harmonious employee relationship promotes a positive environment at work and also helps the employees to achieve their goals and targets at a much faster rate. Employees are more focused, can concentrate better in their assignments and hence the output increases. The

Management and the employees are not engaged in constant conflict, are eager to help each other to build industrial peace.

Communication plays a crucial role in the workplace and in industrial relations. The Company ensures and maintains that the channels of communication are provided to employees to enhance open communication between them and the management. Employees are given the right or freedom of association, self-organization and collective bargaining. The right of employees to self-organization is given much reverence and importance. The Management does not interfere with the legal activities of the union and respects its employees' right to associate freely and form organizations of their own choosing. ICTSI fully respects this right wherein employees are given the avenue to express their desires on items affecting their terms and conditions of employment. Moreover, good faith is observed from the time of negotiation up to the implementation and carrying out of the agreed provisions.

Labor Management/Workplace Cooperation mechanism is also established in the workplace. Through this mechanism, harmonious relationship between the Management and the union is maintained which resulted to industrial peace, quality and productivity in the workplace. In turn, the union recognizes certain management prerogatives and rights. On the other hand, the Management recognizes the indispensable role of the union in crafting certain policies as well

as in implementing the same. Problems affecting workers are jointly solved through the different committees and task forces created under the Workplace Cooperation mechanism.

The Grievance Machinery mechanism under the Collective Bargaining Agreement is likewise religiously observed. Any difference of opinion, controversy or dispute between the company and the union, or between the company and any employee or worker covered by the CBA, arising from the interpretation and/or implementation of any provisions of the CBA and enforcement of company personnel policies are resolved under the procedure set forth under the agreed grievance machinery mechanism.

Rewards Policy

Monthly Incentive programs are established for core Operations employees to support drive for efficient and highly productive terminal operations. The program gives incentives to ranks, including supervisors and superintendents based on set targets and criteria with the objective of improving overall productivity and job performance and consequently meet the set targets for the year.

Individual Operator Incentive is to incentivize operators on their contribution to meet the identified individual equipment productivity target based on the average performance every quarter. This incentive is subject to computation per level, table for payout per day and other criteria.

Checker Incentive is to incentivize checkers and other identified positions on their contribution to meet the identified individual equipment productivity target based on the average performance every quarter. It is subject to computation per working day and other criteria.

GPW Incentive is to incentivize General Purpose Workers (GPW) on their contribution in meeting the overall target in productivity based on set operations criteria.

Other annual incentive program recognizes employees who kept themselves healthy and fit, and thus, did not avail of any sick leaves, leaves without pay and should be no IR and Safety violation. These are the ranks including supervisors to Department managers who can be awarded as Iron Man of the year.

There is an annual incentive program for the management team based on their contribution to the org-wide growth and performance. For now,

Employee Stock Ownership Plan (ESOP) is only given to the management committee members of the company.

These incentive programs reward deserving employees for their contribution to the growth and performance of the company.

Health and Safety

The well-being and health of all its stakeholders is ICTSI's number one priority. The ICTSI Group continues to deploy and execute various Health and Safety (H&S) policies and programs as part of its commitment to consistently provide a safe and healthy working environment for its employees, contractors and other port users and to promote a positive safety culture in its business operations.

As a demonstration of this commitment, the ICTSI Group through its various ports and terminals has established programs to address key H&S risks and achieve its overall objective of zero harm to people. The programs are designed to reinforce the following:

Health & Safety Leadership & Accountability

Leadership and Accountability drives the ICTSI Group's overall health & safety management strategy. Management is responsible to ensure that the well-being and safety of all its stakeholders is the leading priority and that terminals plan, execute, verify and validate the effectiveness of controls aimed at eliminating or minimizing risks associated with its operational activities.

Management roles are now being clarified towards developing a culture that promotes injury prevention and health education by influencing employee behavior. Trainings and workshops are conducted to help line managers and supervisors develop / enhance a consistent, positive and visible leadership approach towards health and safety. Line managers are encouraged to lead regular walk-about inspections around the terminal, observe employee and contractor personnel perform work activities and appropriately engage or coach them to help them carry out their tasks in a safer and more efficient manner.

Health & Wellness Programs

In 2020, ICTSI felt the urgent need to respond to the upcoming threat, COVID-19. As economic frontliners, ICTSI faced the pandemic head on and created several protocols and guidelines to help the employees deal with this present problem.

Small group discussions, electronic posters, email blasts and rapid antibody testing was done to alleviate the worries of the employees and keep them informed of the latest updates on COVID-19. Our Medical Clinic promoted telemedicine and phone consultations to respond to employee concerns 24/7. The management also thought of helping the employees boost their immune system by providing free Vitamin C supplements daily. With strict implementation of health protocols and all policies mentioned above, we were able to keep the COVID-19 count down to a minimum.

Concurrently, a Health and Wellness section was established by ICTSI. This section deals with the holistic well-being of all employees. Different health programs were rolled out to address the top conditions that plagues every employee. The Hypertension and Diabetes program focused on each individual suffering from these conditions. Daily monitoring, consultations and free maintenance medicines are provided to participants to help improve their blood pressure and blood sugar levels. They are also given advises on how to improve their lifestyles, eating habits and physical activities. The Arthritis program focuses mainly on individuals that suffer from different types of musculoskeletal pains. Aside from giving free pain medications, the program also teaches proper ergonomics, diet restrictions and alternative treatments. The free Eye check-up and Eyeglasses program addressed the visual problems of employees suffering from refractory conditions. Eye experts was invited to do tests and prescribe appropriate corrective lenses to all participants. This will help them in their daily work and will also lead to a safer working environment. Lastly, a Mental Health program is in the works to help employees in need of psychiatric support.

Additionally, the following initiatives and employee assistance were undertaken to ensure that productivity will continue despite the lockdown in Metro Manila:

- Issuance of IATF IDs for employees working in the terminal.
- Streamlining of roles and functions to ensure business continuity and maximize manpower resources.
- Implementation of new roster to efficiently manage overtime and maximize manpower resources.
- Facilitation and administration of employee stay-in with corresponding complete food complements.
- Facilitation and administration of special bus routes for employees residing inside and outside of Metro Manila Cities.



Prioritizing employees' safety, health, and overall wellbeing, the MICT Health and Wellness Team promoted disease management and prevention in 2020, with its program covering hypertension and diabetes, free eye examinations and prescription glasses, and free monthly supplies of Vitamin C.

- Facilitation and administration of relief good package distribution for all employees.
- Providing laptops and mobile plans to employees working at home.
- Implementation of digital measures to lessen customer traffic at the terminal (online payment for clients, proposed online examination in warehouse)
- Improved Christmas package for employees, in lieu of Christmas party, and inclusion of wellness items for the employees' families.
- Accommodation of employees loans to include expenses related to online schooling of employees' children, or loss of income of their family members.
- Implementation of new safety procedures for administrative and grievance hearing to strictly comply with the new safety protocols in order to continuously instill discipline on our employees. It is imperative that immediate and more serious corrective sanction are imposed for non-compliance to the COVID-19 Preventive Measures and protocols.
- Disciplinary sanctions to committed violations such as late, AWOL and parking violations, etc. was suspended for humanitarian reasons.
- Facilitation and administration of the new procedures on canteen operations wherein only take-out meals were allowed, and necessary safety protocols has been established in compliance with rules set by the government.
- Implementation of a special transportation service in coordination with the Union group for commuting employees who need to be with their family due to emergency situations.

Risk Management

Management of risk is a continual process and is a foundation of ICTSI's Health & Safety Management System. Constant efforts are being done to identify hazards and assess the risk associated with the Group's business activities. Line managers are expected to carry out risk assessments and take appropriate actions to manage the risk and prevent or reduce the impact of potential incidents. A key aspect of the risk management process is to mitigate the risk using the "hierarchy of controls". Hence, where reasonably practicable, Management requires that all risks are controlled at source by an engineered solution and other more effective but pragmatic controls rather than relying on Personal Protective Equipment (PPE).

Workforce Engagement

ICTSI believes that commitment to health and safety is not something that can be just switched on and off. Employees are expected to be committed to health and safety both on and off the job, as well as proud and passionate in sharing it with colleagues, family, and friends. Health & Safety training sessions, accident prevention seminars and other H&S promotional activities (newsletters, safety videos, H&S committee meetings, toolbox meetings, etc.) are regularly carried out not only for ICTSI employees and contractors but for all port users to promote H&S awareness and help instill in them safe working behaviors.

Traffic Safety Management

Most of the hazards in the terminals occur when mobile equipment / vehicles interact with each other or mobile equipment / vehicles with pedestrians. To mitigate the risks associated with these hazards, terminals carry out regular risk assessments to cover all aspects of its operations. The risk assessments consider the location of the gates, vehicle and pedestrian traffic routes, storage areas, handling areas, cranes, and gantries to help ensure that there is an effective and safe flow of traffic around the terminal.

Site rules for pedestrians and drivers, which include among others the use of Personal Protective Equipment (PPE), use of flashing beacons, speed limits, seatbelt use, using the correct route and crossings, no entry, parking, etc. are documented and are shared to all port users during H&S Inductions. Access to operational areas are strictly controlled and only authorized personnel are allowed on site.

Signage and markings are also in place and areas for queuing, loading and unloading, operating twist locks, and securing of loads are properly designated. All drivers of road going vehicles (e.g. 3rd party trucks) undergo H&S inductions to be familiarized with the terminal and traffic lay-out.

Contractor Safety Management

Contractors provide valuable services for ICTSI and their services are either engaged on a regular basis or on an infrequent basis. Oftentimes, work carried out by contracted personnel is non-routine and involves varying degrees of risk. Regardless of the contract, the Group is committed to ensuring that contractors have equal priority as employees in respect of health and safety and perform their tasks safely. Hence, procurement protocols and processes are now being reviewed and enhanced to include assessment of the contractors' capabilities and competencies and monitoring of the contractors' performance to help ensure that local legal requirements and ICTSI H&S standards are fully complied with.

Incident Reporting & Root Cause Investigation

To help prevent recurrence and improve performance, all health and safety related incidents including near misses and hazards, are openly reported, investigated, analyzed and documented. Line management is responsible in ensuring that incident investigations are carried out to identify root and system causes and its corresponding corrective actions and preventive measures are implemented to reduce future injuries and incidents. For major incidents such as those resulting to fatalities multiple serious injuries, a comprehensive investigation is being performed by a cross-functional team with action plans formally reviewed by Senior Leadership.

Key information gathered from incident investigations are carefully analyzed to identify and monitor trends and develop both global and terminal-specific Health & Safety Improvement Action Plans. Key learning points from investigations (especially for major incidents) are shared across ICTSI ports and terminals so that the concerned personnel can take appropriate action as necessary to help prevent a similar occurrence in their site.

Emergency Management

Each port and terminal has developed site-specific emergency response plans, which contains among others, the structure and membership of the emergency response teams, the necessary tools

and equipment, the appropriate training and drills for all personnel and the specific procedures / guidelines (based on a risk assessment) to carry out a response to any type of possible incident and protect employees, contractors, visitors and the public.

Management Review & Continual Improvement

Because the company recognizes that there are many opportunities to improve, Management has established key performance indicators (e.g. H&S Training Hours, Number of Near-misses and Hazard Alerts, Health Surveillance, Lost Time Injury Frequency Rate, Total Recordable Injury Rate, Lost Time Injury Severity Rate) and has set goals (e.g. zero fatalities, LTIFR % reduction, etc.) as a demonstration of its commitment to prevent injury and ill-health, comply with applicable legal requirements and to continually raise the health and safety standards across all of its terminal operations. Global and terminal-specific indicators are measured, analyzed and progress is regularly monitored and reviewed by Terminal Management and Senior Leaders.

Implementation of Good Practices

As part of its continual improvement efforts, the Group is fostering collaboration amongst ports and terminals whereby sharing of good practices is highly encouraged. The implementation of these various good practices into its operations aims to eliminate serious injuries and fatalities and reduce risk to its employees, visitors, contractors and others who may be affected by its business activities.

Moreover, several of its ports and terminals have also secured and maintained external certification on international H&S management system standards to help ensure they engage in a continuous cycle of evaluation, correction and improvement of operations and processes.

Training and Development

ICTSI has formalized its training arm through the MICT Academy. The working Framework of MICT Academy is to develop successful MICT employees which is characterized by the following:

- a. Technical competence
- b. Knowledgeable on Terminal Fundamentals and Management
- c. Leadership capabilities
- d. Safety champion
- e. Customer service mindset

Port/Terminal	Certifications
MICT	ISO 45001:2018 Occupational Health and Safety Management Systems
MTS	OHSAS 18001:2007 Occupational Health and Safety Management Systems
PICT	ISO 45001:2018 Occupational Health and Safety Management Systems
SCIPSI	OHSAS 18001:2007 Occupational Health and Safety Management Systems
YICT	ISO 45001:2018 Occupational Health and Safety Management Systems
BCT	ISO 22000:2005 Food Safety Management Systems ISO 22301:2014 Business Continuity Management Systems
ICTSI IRAQ (BGT)	OHSAS 18001:2007 Occupational Health and Safety Management Systems
CGSA	OHSAS 18001:2007 Occupational Health and Safety Management Systems
CMSA	OHSAS 18001:2007 Occupational Health and Safety Management Systems
OPC	ISO 45001:2018 Occupational Health and Safety Management Systems

Due to the pandemic and health protocols, most planned training programs related to leadership and behavioral trainings were postponed. Small group sessions or online learning were the key platforms for 2020. Focus for technical upskilling was also done to ensure that our employees who continue to work despite the lockdown will be capable to do so safely. Highlights of trainings conducted in 2020:

- New Operators Training & Refresher Courses for Port Equipment – these are trainings for new operators for the following port equipment: Prime Movers, Reach Stacker and Side Lifter. This is a combination of classroom discussion and practical hands-on training. To sustain their abilities to safely operate a particular port equipment, refresher courses were also conducted to existing operators. The refresher courses for operators aim to accelerate knowledge and skills to keep abreast with the latest trends and practices especially when familiarizing themselves with the new equipment along with its safety features and operability.

- New Employee Orientation for Onboarding of Employees – designed to orient new employees before they are deployed. The Human Resources Department in collaboration with Health Safety and Environment, Operations and Information Technology Systems and Service (ITSS) provide lectures on Employee Discipline, Safety Orientation, ITSS-Computer Awareness Program and Operations for Non-operations. This is to give better understanding of the company’s processes and standard operating procedures.
- Manual Handling Training for GPW – to ensure GPW safety and to correct bad habits related to manual handling, this program was set up for our GPWs who are most exposed to possible safety-related incidents.
- Safety-Related Training Programs – including but not limited to Earthquake and Fire Drills intended to provide knowledge on what to do during emergency situations such as fire and earthquake. Briefing and debriefing sessions among employees were provided led by HSE team in collaboration with Philippine Red Cross and National Disaster and Risk Reduction Management Office.
- Administrative Due Process seminars – these are for supervisory and up positions, to update and guide them on the internal process related to this and in general, their roles as leaders in shaping the behavior of their team members.
- Systems Training for Berth Planners and NAVIS users – this is an online training and digital operational services for ports. NCOS online is designed from the ground up to integrate smoothly with existing port systems and services such as berth planning systems, Portable Pilotage Units (PPU), and real-time data feeds. The system is entirely modular and scalable to provide fit-for-purpose to optimize water side activities across the navigational planning, design, and operational spheres.
- Systems Training for NAVIS users – initial assessment of Navis users were conducted in preparation for formal training on the system.
- Udemy Training – MICT Academy provides online learning platform to address the need for behavioral and other specialized programs

for Information Technology and Safety through Udemy, a self-paced learning approach, which is a timely and relevant solution due to restrictions of face-to-face training brought by the pandemic.

locally and internationally. ICTSI complies with the relevant anti-corruption legislations in all the countries where it has a presence, such as the US Foreign Corrupt Practices Act and the UK Bribery Act.

Despite the disruption of the pandemic, training programs were still deployed to the different levels of employees within the company.

MICT Academy will continue to focus on training programs specifically for ICTSI terminals to support the company’s growth and expansion.

Overall, these are the training programs conducted in 2020:

Anti-Corruption Policy

Pursuant to the Code of Business Conduct, ICTSI continues to strengthen its Anti-Bribery Compliance Policy and Procedure. This provides guidance to all ICTSI employees, suppliers, and third parties acting on its behalf. This Policy sets out procedures specifically targeted at addressing corruption risks.

To promote anti-corruption and transparency in dealings with suppliers, ICTSI implemented in April 2018 the use of an e-sourcing system as a medium to send requests for quotations and for suppliers to submit their quotations accordingly. This means that suppliers shall send quotes through this system instead of via e-mail, fax, hard copy, phone call, etc. This provides a more systematic process of submitting quotations for a single requirement and promotes transparency and fairness amongst vendors.

Employee Whistleblowing Policy

ICTSI conducts its business with the highest ethical standards of honesty and integrity with the goal to maintain its reputation in whichever country it operates. Every stakeholder, most especially, employees of ICTSI are committed to ensure compliance with all applicable laws, rules and regulations and established company policies. The Policy on Fraud Reporting, Handling of Disclosures and Complaints on Violations of Code of Business Conduct and Discipline was established wherein employees of ICTSI are mandated to immediately report any concern and/or known or suspected violations of the code and other company policies. Employees have direct access to the company’s Compliance Officer and/or Global Human Resource Department to report any violations.

The policy establishes a formal mechanism to encourage officers, directors, employees to raise serious concerns or malpractice involving ICTSI. It also serves as an opportunity to disclose potential and possible violations which have come to their knowledge which may adversely affect or may constitute risk against ICTSI. The policy likewise provides for the procedure from lodging of complaints through appropriate reporting channels, gathering of evidence, conduct of investigation, submission of recommendation up to imposition of disciplinary action against erring individuals. It likewise provides full assurance that the informant’s identity shall be treated with utmost confidentiality and that he/she shall be protected from any reprisal, retaliation and other forms of harassment.

ICTSI takes a zero-tolerance approach to bribery and corruption in the course of conducting our businesses. Any act of bribery, corruption or unethical practices of any kind, whether taken directly or on its behalf, that would result in the violation of our policies and/or anti-bribery laws is not tolerated. ICTSI employees are prohibited from asking for, accepting or receiving bribes, or any other personal benefit that would induce the employee to breach his/her duty to act in good faith, to act impartially or in accordance with a position of trust. ICTSI also strictly implements its programs against tipping and other similar acts. A failure to comply with these laws and/or our policies will lead to severe consequences such as termination of employment for its employees and personnel, the termination of the business relation with a Third Party Representative and other civil and/or criminal penalties. Through this Policy, ICTSI is able to embed the culture of anti-corruption practices to its personnel, as evident in its intensified campaigns done during the New Employee Orientation Programs, and through refresher courses during employee engagement programs and fora.

ICTSI holds itself to the highest ethical standards and is committed to acting with integrity in business dealings and relationships, both

Behavioral trainings which are initiated by the company as part of organization development	Udemy Training - Developing Emotional Intelligence in Teams
	Udemy Training - Promotion of WSH Culture Development
Company Orientation Programs	Operations for Non-Operations
	Commercial Claims 101
	Integrated Management System (IMS) Awareness Training
	Safety Orientation
	Employee Discipline
	ITSS-Computer Awareness Program
	Prime Mover, Reach Stacker/Sidelifter Equipment Operators' Training
	Mitsui RTG GPS Mapping and Auto-Steering Orientation
	Terberg Familiarization
	Stack Profiling Orientation
	GPW-Manual Handling
	Earthquake Drill
	Accident Reporting
	Occupational Safety & Health Seminar
	Terminal Executive Diploma
NCOS Systems Training for Berth Planners	
Technical training programs for skills enhancement	Udemy Training - Safety and Emergency Response
	Udemy Training - Information Technology (Business Application, Infrastructure and Special Projects)

Social Responsibility

For ICTSI, the long-standing adherence to corporate stewardship on one hand, and the equally long (if only more recently formalized) advocacy of development partnerships on the other hand, are two commitments anchored on the same principle: an eye towards long-term good, across borders and generations.

The matter of community impact has always been a vital concern for ICTSI, dating back to the Company's establishment and its bid for the then-newly privatized MICT.

Environmentally-Friendly Value Chain

The ICTSI Group sustains its commitment to conduct its business activities in a manner that reduces the environmental implications of its activities and protect the environment of sites and communities in which it operates.

The ICTSI Group continues to adopt best practices and relevant international standards like ISO 14001 and World Bank/IFC guidelines for ports, harbors and terminals and ensures that it complies fully with local environmental laws and regulations.

The following table shows some current ICTSI external certifications, a demonstration of the Company's efforts to carry out its operational activities in an environmentally responsible and sustainable manner:

International certifications

<p>ISO 14001:2015 ENVIRONMENTAL MANAGEMENT SYSTEM</p>	<ul style="list-style-type: none"> Manila International Container Terminal (Philippines) South Cotabato Integrated Port Services, Inc. (Philippines) Pakistan International Container Terminal Ltd. (Pakistan) Contecon Guayaquil SA (Ecuador) Tecon Suape SA (Brazil) Baltic Container Terminal (Poland) Yantai International Container Terminals (China) Contecon Manzanillo SA (Mexico) Operadora Portuaria Centroamericana SA (Honduras) Madagascar International Container Terminal Services Ltd. (Madagascar) Basra Gateway Terminal / ICTSI (ME) DMCC (Iraq) ICTSI Rio Brasil 1 / Libra Terminal Rio SA (Brazil)
<p>ISO 50001 ENERGY MANAGEMENT SYSTEM</p>	<ul style="list-style-type: none"> Baltic Container Terminal (Poland)
<p>ISO 14064-3:2006 GREENHOUSE GASES</p>	<ul style="list-style-type: none"> Contecon Guayaquil SA (Ecuador)



In December, Contecon Guayaquil (CGSA) handled the world's first carbon neutral-certified container shipment.

With or without an external certification, each of the ICTSI Group's ports and terminals have progressed implementation of an Environmental Management System (EMS) to help ensure that a systematic and structured approach for dealing with the following environmental aspects of its operations are in place:

- CO² emissions (i.e. reduction)
- Energy use (i.e. optimal use)
- Hazardous materials
- Wastewater (i.e. reduction, proper storage, treatment and/or disposal)
- Hazardous waste management (e.g. proper handling, storage, disposal and treatment of used oil / grease, used lead acid batteries or ULAB, fluorescent lamps, waste electrical and electronic equipment or WEEE)
- Non-hazardous waste management (reduction, reusing and/or recycling of waste)

The ICTSI Group's global environmental program, driven by strong senior management support, mandates all terminals to measure key metrics such as fuel consumption, electricity consumption, waste and wastewater generation, and CO₂ emissions. Based on measurements, annual targets are set for reduction of environmentally harmful factors.

Aside from the regular air and water surface quality monitoring programs, environmental-related campaigns and awareness sessions (on resource management, waste management, etc.), coastal clean-up and tree-planting activities being conducted by the ICTSI Group's port and terminals, other innovative environmental

initiatives were also carried out in 2019 boosting its sustainability efforts:

- As part of a group-wide commitment towards carbon-neutral operations, additional hybrid and next generation energy-efficient cargo handling equipment were rolled out in Manila International Container Terminal (MICT), which is ICTSI's flagship terminal. Aside from further lessening the terminal's carbon footprint, which supports the undertaking to attain carbon neutrality at the flagship, the new quay cranes and rubber tyred gantries pushed a notch higher MICT's already efficient turn-around times both for quayside and landside.
- By significantly reducing its fuel consumption (thru electrification of cranes, by switching energy supply from power packs to reefers, reduction of lubrication use by installing automatic shutdown systems) and by sponsoring preservation of close to 15,000 hectares of mangrove and native forests, ICTSI Guayaquil (CGSA) earned a 'Carbon Neutral' certification (issued by Ecuador Ministry of Environment), the first in South America.
- ICTSI Yantai (YICT) completed last April 2019 an on-site wastewater treatment facility designed to recycle wastewater from reefer container pre-trip inspections and facilitate proper disposal of sewage sludge that results from the water treatment process. With the terminal reusing the recycled water for cleaning containers, an annual reduction of tap water use by around 5,000 m³ and sewerage discharge by 8,400 m³ are being projected.

- VICT, on the other hand, recently built an eco-friendly wash bay for the cleaning and maintenance of all portable machines on site. Designed for the safe washing of the terminal's automatic container cranes (ACCs), the facility is fully enclosed to prevent the potential overspray of cleaning materials that could contaminate the surrounding waters and vegetation. An onsite treatment plant then processes wastewater from the wash bay facility. It is equipped with a dosing system that measures and maintains the water's PH and ORP within safe levels. About 97% of the treated wastewater is recycled and stored in a tank for future use.
- ICTSI Honduras (OPC), has likewise stepped up its efforts in implementing resource use and management initiatives by installing a solar-powered water heater for its kitchen and constructing a rain-water collection & purification treatment plant.
- More of ICTSI terminals such as PICT (Pakistan) and MCT (Mindanao, Philippines) have followed suit to the flagship MICT's program on reducing electrical power consumption by replacing its conventional lighting system with energy efficient LED lighting system. Aside from the lower power consumption, the terminals also benefitted from trimmed running maintenance expenditures and higher illumination levels of the new lighting system, making nighttime work safer and more efficient.
- ICTSI Congo (MGT) partnered with a cement factory near the terminal to dispose of their waste and used oil. This initiative does not only help the terminal address its waste disposal requirements but also supports the cement factory's co-processing of industrial waste thereby reduction the dependency on fossil fuels such as coal, fuel oil, and petroleum coke.
- ICTSI Poland (BCT) deployed a "Bicycle to Work Program" for its employees, which encouraged them to choose and use a bike to commute to work. Employees active in this program received bicycle clothes from the company. The unique program did not only promote a healthy lifestyle but also made employees more aware of their capability to reduce their carbon footprint.

On top of these initiatives, a number of projects are currently in place or being put in place across the ICTSI Group to improve productivity and consequently reduce port emissions. These include among others, gate automation and gate system upgrades to reduce queueing times and utilization of machine learning and analytics to improve and automate yard strategy to reduce truck dwell times (estimated to be around 20 minutes per truck visit). Taken collectively with other process flow improvements, these are expected to have an even greater material impact on indirect emissions from ICTSI port operations.

Nurturing the Community

Establishing and maintaining good working relationships with the community is a basic tenet of the operation of ICTSI wherever it operates. In the Manila International Container Terminal (MICT) and in other ICTSI local and foreign subsidiaries, either through the ICTSI Foundation, the Sustainability and Development Unit, or designated Community Relations Officers, ICTSI seeks to contribute in the over-all effort of addressing community concerns within its area of operation. It has always worked closely with barangay leaders and other government entities, as well as with non-government-organizations (NGOs), to converge ideas and efforts in the identification, planning and execution of projects for the marginalized sector. These projects include scholarship programs, volunteerism programs, livelihood and technological education assistance, medical missions, outreach activities, support to sports programs, Christmas-related activities, construction of classrooms, donations, disaster and environment related awareness programs, relief operations and various school-based assistance, among others.

As the most adjacent community to MICT, ICTSI has given emphasis to the Parola Area by implementing several programs and services in the areas of health, education, livelihood, shelter and environment.

ICTSI Foundation

Having established its corporate footprint in over 19 countries, ICTSI Group has joined the ranks of truly global business organizations that are helping redefine standards and initiate or promote best practices in corporate social responsibility. For the Company, corporate social responsibility is seen as having positive impact through Good Global Citizenship – within the organization, ICTSI upholds the diligent practice of Corporate Stewardship; working outward, it actively promotes development partnerships.

ICTSI Foundation, Inc. was established to define the Company's vision on how it could live out its corporate philanthropy and social responsibility commitments. Initially, it was focused on the communities where ICTSI operates in the Philippines, and anchored on the 3 major programs from its inception until 2019, namely Education, Sports and Community Welfare. Today, the Foundation has led ICTSI subsidiaries across the globe in supporting these causes that directly brought benefits to their immediate host communities.

Under the leadership of its Board of Trustees and Management Team, the ICTSI Foundation has set forth a new direction for its next decade: broadening its social development horizons not

only to the port's hinterland communities, but also the society at large. This, by streamlining the Foundation's thrusts into three new program pillars: Youth Development and Environment Protection, in addition to its Host Community Welfare Assistance Program.

With sustainable development issues becoming increasingly intertwined with mitigating climate change and impact, the ICTSI Foundation works alongside with the Group in promoting environmental stewardship – particularly in conservation and sustainable practices. Renewed focus on the youth's potential are likewise emphasized through expanded programs and projects in the areas of education, sports, health, and social assistance. We continue to support our host communities and stakeholders however we can, wherever we can.

With corporate social responsibility at the very heart of ICTSI operations and of corporate governance – the ICTSI Foundation, as the Group's social responsibility arm, continues to make a difference in the lives of the people in the ports' surrounding communities, and in the process, making them lifelong partners in sustainable and inclusive development.



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Our complete Annual Reports can be viewed or downloaded at www.ictsi.com



A thorough discussion of the Company's sustainability and social responsibility efforts can be found at the 2020 ICTSI Group Sustainability Report and the ICTSI Foundation Accomplishment Report.

ICTSI
CORPORATE
GOVERNANCE
REPORT 2020

LIFTING
TODAY,
UPHOLDING
TOMORROW



International
Container Terminal
Services, Inc.

