

2022 SEC Integrated Annual Corporate Governance Report



From: [ICTD Submission](#)
To: [CorpSec](#)
Subject: Re: INTERNATIONAL CONTAINER TERMINAL SERVICES, INC._2022 I-ACGR
Date: Tuesday, 30 May 2023 1:36:45 pm

Caution: This email originated from outside of ICTSI. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Thank you for reaching out to ictdsubmission@sec.gov.ph. Your submission is subject for Verification and Review of the Quality of the Attached Document only for **Secondary Reports**. Official copy of the submitted document/report with Barcode Page (Confirmation Receipt) will be made available after 7 working days via order from receipt through the SEC Express System at <https://secexpress.ph/>. Or you may call 8737-8888 for further clarifications.

NOTICE

Please be informed that selected reports should be filed through **ELECTRONIC FILING AND SUBMISSION TOOL (EFAST)**. <https://cifss-ost.sec.gov.ph/user/login>

such as: **AFS, GIS, GFFS, LCFS, LCIF, FCFS, FCIF, IHFS, BDFS, PHFS etc. ANO, ANHAM, FS-PARENT, FS-CONSOLIDATED, OPC_AO, AFS WITH NSPO FORM 1,2,3 AND 4,5,6, AFS WITH NSPO FORM 1,2,3 (FOUNDATIONS)**

Further, pursuant to SEC Memorandum Circular No. 3, series of 2021, scanned copies of the printed reports with wet signature and proper notarization shall be filed in **PORTABLE DOCUMENT FORMAT (PDF)** Secondary Reports such as:

17-A, 17-C, 17-L, 17-Q, ICASR, ICA-QR, ICA-AR, 23-A, 23-B, I-ACGR, ACGR, Monthly Reports, Quarterly Reports, Letters, OPC(ALTERNATE NOMINEE),GIS-G, 52-AR, IHAR,AMLACF,NPM,NPAM, BP-FCLC, CHINESEWALL, 39-AR,36-AR, PNFS, MCG, S10/SEC-NTCE-EXEMPT, through email at

[**ictdsubmission@sec.gov.ph**](mailto:ictdsubmission@sec.gov.ph)

FOR **MC28**, please go to SEC website:

[**https://apps010.sec.gov.ph**](https://apps010.sec.gov.ph)

For your information and guidance.

Thank you and keep safe.



SEC FORM – I-ACGR

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT

GENERAL INSTRUCTIONS

A. Use of Form I-ACGR

This SEC Form shall be used as a tool to disclose Publicly-Listed Companies' compliance/non-compliance with the recommendations provided under the Code of Corporate Governance for Publicly-Listed Companies, which follows the "comply or explain" approach, and for harmonizing the corporate governance reportorial requirements of the SEC and the Philippine Stock Exchange (PSE).

B. Preparation of Report

These general instructions are not to be filed with the report. The report shall contain the numbers and captions of all items.

The I-ACGR has four columns, arranged as follows:

RECOMMENDED CG PRACTICE/POLICY	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
<p>Contains CG Practices/ Policies, labelled as follows:</p> <p>(1) "Recommendations" – derived from the CG Code for PLCs;</p> <p>(2) "Supplement to Recommendation" – derived from the PSE CG Guidelines for Listed Companies;</p> <p>(3) "Additional Recommendations" – CG Practices not found in the CG Code for PLCs and PSE CG Guidelines but are expected already of PLCs; and</p> <p>(4) "Optional Recommendation" – practices taken from the ASEAN Corporate Governance Scorecard</p> <p>*Items under (1) – (3) must be answered/disclosed by the PLCs following the "comply or explain" approach. Answering of items under (4) are left to the discretion of PLCs.</p>	<p>The company shall indicate compliance or non-compliance with the recommended practice.</p>	<p>The company shall provide additional information to support their compliance with the recommended CG practice</p>	<p>The PLCs shall provide the explanations for any non-compliance, pursuant to the "comply or explain" approach.</p> <p>Please note that the explanation given should describe the non-compliance and include how the overall Principle being recommended is still being achieved by the company.</p> <p>*"Not Applicable" or "None" shall not be considered as sufficient explanation</p>

C. Signature and Filing of the Report

- a. Three (3) copies of a fully accomplished I-ACGR shall be filed with the Main Office of the Commission **on or before May 30 of the following year for every year that the company remains listed in the PSE;**
- b. At least one (1) complete copy of the I-ACGR shall be duly notarized and shall bear **original and manual** signatures
- c. The I-ACGR shall be signed under oath by: (1) Chairman of the Board; (2) Chief Executive Officer or President; (3) All Independent Directors; (4) Compliance Officer; and (5) Corporate Secretary.
- d. The I-ACGR shall cover all relevant information from January to December of the given year.
- e. All reports shall comply with the full disclosure requirements of the Securities Regulation Code.



SEC FORM – I-ACGR

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT

1. For the fiscal year ended **2022**
2. SEC Identification Number **147212**
3. BIR Tax Identification No. **000-323-228**
4. Exact name of issuer as specified in its charter
International Container Terminal Services, Inc.
5. **Manila, Philippines**
Province, Country or other jurisdiction of
incorporation or organization
6. (SEC Use Only)
Industry Classification Code:
7. **ICTSI Administration Building**
Manila International Container Terminal
South Access Road, Manila City, Philippines
Address of principal office
8. **(632) 8 245-4101**
Issuer's telephone number, including area code
9. **Not applicable**
Former name, former address, and former fiscal year, if changed since last report.

1012
Postal Code

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT			
	COMPLIANT/ NON- COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
The Board's Governance Responsibilities			
Principle 1: The company should be headed by a competent, working board to foster the long- term success of the corporation, and to sustain its competitiveness and profitability in a manner consistent with its corporate objectives and the long- term best interests of its shareholders and other stakeholders.			
Recommendation 1.1			
1. Board is composed of directors with collective working knowledge, experience or expertise that is relevant to the company's industry/sector.	Compliant	<i>Provide information or link/reference to a document containing information on the following:</i> <ol style="list-style-type: none"> Academic qualifications, industry knowledge, professional experience, expertise and relevant trainings of directors. Qualification standards for directors to facilitate the selection of potential nominees and to serve as benchmark for the evaluation of its performance. Reference: Annual Report Pursuant to Sec. 17 of the Securities Regulation Code and Sec. 141 of the Corporation Code of the Phils. ("SEC Form 17-A") Directors and Executive Officers, pages 88-93 Definitive Information Statement ("SEC Form 20-IS") Directors and Executive Officers, pages 11-17 Annual Report on Corporate Governance ("Annual CG Report")	
2. Board has an appropriate mix of competence and expertise.	Compliant		

3. Directors remain qualified for their positions individually and collectively to enable them to fulfill their roles and responsibilities and respond to the needs of the organization.	Compliant	Board Composition, pages 11-15	
Recommendation 1.2			
1. Board is composed of a majority of non-executive directors.	Compliant	<p><i>Identify or provide link/reference to a document identifying the directors and the type of their directorships.</i></p> <p>Reference:</p> <p>Annual CG Report Board Composition, page 16</p>	
Recommendation 1.3			
1. Company provides in its Board Charter and Manual on Corporate Governance a policy on training of directors.	Compliant	<p><i>Provide link or reference to the company's Board Charter and Manual on Corporate Governance relating to its policy on training of directors.</i></p> <p>Reference:</p> <p>ICTSI Manual on Corporate Governance ("CG Manual") Item 9.3, Commitment to Corporate Governance, page 20</p>	
2. Company has an orientation program for first time directors.	Compliant	<i>Provide information or link/reference to a document containing information on the orientation program and trainings of directors for the previous year, including the number of hours attended and topics covered.</i>	

3. Company has relevant annual continuing training for all directors.	Compliant	Reference: Annual CG Report Training and Orientation, pages 17-18	
Recommendation 1.4			
1. Board has a policy on board diversity.	Compliant	<i>Provide information on or link/reference to a document containing information on the company's board diversity policy.</i> <i>Indicate gender composition of the board.</i> Reference: CG Manual Composition of the Board, pages 3-4 Annual CG Report Board Diversity, page 19 Response: 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. Presently, the Board is composed of male Directors.	

Optional: Recommendation 1.4			
1. Company has a policy on and discloses measurable objectives for implementing its board diversity and reports on progress in achieving its objectives.	Compliant	<p><i>Provide information on or link/reference to a document containing the company's policy and measurable objectives for implementing board diversity.</i></p> <p><i>Provide link or reference to a progress report in achieving its objectives.</i></p> <p>Reference:</p> <p>CG Manual Composition of the Board, pages 3-4</p> <p>Annual CG Report Measurable Objectives for Board Diversity, page 19</p>	
Recommendation 1.5			
1. Board is assisted by a Corporate Secretary.	Compliant	<p><i>Provide information on or link/reference to a document containing information on the Corporate Secretary, including his/her name, qualifications, duties and functions.</i></p> <p>Reference:</p> <p>CG Manual The Corporate Secretary, page 14</p> <p>Atty. Rafael T. Durian Atty. Silverio Benny J. Tan Atty. Benjamin Edison M. Gorospe III Annual CG Report Corporate Secretaries, pages 20-22</p>	
2. Corporate Secretary is a separate individual from the Compliance Officer.	Compliant		
3. Corporate Secretary is not a member of the Board of Directors.	Compliant		

4. Corporate Secretary attends training/s on corporate governance.	Compliant	<p><i>Provide information or link/reference to a document containing information on the corporate governance training attended, including number of hours and topics covered.</i></p> <p>Reference:</p> <p>Annual CG Report Annual Corporate Governance Training, pages 17-18</p>	
Optional: Recommendation 1.5			
1. Corporate Secretary distributes materials for board meetings at least five business days before scheduled meeting.	Compliant	<p><i>Provide proof that corporate secretary distributed board meeting materials at least five business days before scheduled meeting.</i></p> <p>Reference:</p> <p>Annual CG Report Directors' Attendance, pages 51-52</p>	
Recommendation 1.6			
1. Board is assisted by a Compliance Officer.	Compliant	<p><i>Provide information on or link/reference to a document containing information on the Compliance Officer, including his/her name, position, qualifications, duties and functions.</i></p> <p>Reference:</p>	
2. Compliance Officer has a rank of Senior Vice President or an equivalent position with adequate stature and authority in the corporation.	Compliant	<p>CG Manual The Compliance Officer, page 15</p>	

3. Compliance Officer is not a member of the board.	Compliant	Mr. Rafael D. Consing, Jr. Mr. Christian R. Gonzalez Annual CG Report Compliance Officer, pages 23-24	
4. Compliance Officer attends training/s on corporate governance.	Compliant	<i>Provide information on or link/reference to a document containing information on the corporate governance training attended, including number of hours and topics covered.</i> Reference: Annual CG Report Annual Corporate Governance Training, pages 17-18	

Principle 2: The fiduciary roles, responsibilities and accountabilities of the Board as provided under the law, the company's articles and by-laws, and other legal pronouncements and guidelines should be clearly made known to all directors as well as to stockholders and other stakeholders.

Recommendation 2.1

1. Directors act on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the company.	Compliant	<i>Provide information or reference to a document containing information on how the directors performed their duties (can include board resolutions, minutes of meeting).</i> Reference: Annual CG Report Duties of Care and Loyalty, page 25	
--	-----------	--	--

Recommendation 2.2

<p>1. Board oversees the development, review and approval of the company's business objectives and strategy.</p>	<p>Compliant</p>	<p><i>Provide information or link/reference to a document containing information on how the directors performed this function (can include board resolutions, minutes of meeting.)</i></p> <p><i>Indicate frequency of review of business objectives and strategy.</i></p> <p>Reference:</p> <p>Annual CG Report Oversight on Business Objectives and Strategy, pages 26-27</p> <p>Response:</p> <p>The Board makes it as part of its annual year-end checklist the regular monitoring of the implementation of the Company's business objectives and strategy and review of the same for the necessary re-alignment and update. On December 15, 2022, the Board included in its meeting the:</p> <ul style="list-style-type: none"> - Review and approval of the corporate strategies and objectives - Monitoring of the implementation and assessment of effective performance; and - Review and affirmation of the Company's Purpose and Values to be attuned to the set strategies and objectives 	
<p>2. Board oversees and monitors the implementation of the company's business objectives and strategy.</p>	<p>Compliant</p>		

Supplement to Recommendation 2.2

1. Board has a clearly defined and updated vision, mission and core values.	Compliant	<p><i>Indicate or provide link/reference to a document containing the company's vision, mission and core values.</i></p> <p><i>Indicate frequency of review of the vision, mission and core values.</i></p> <p>Reference:</p> <p>Annual CG Report Oversight on Business Objectives and Strategy, pages 26-27</p> <p>Response:</p> <p>The Board makes it as part of its annual year-end checklist the regular monitoring of the implementation of the Company's business objectives and strategy and review of the same for the necessary re-alignment and update. On December 15, 2022, the Board included in its meeting the:</p> <ul style="list-style-type: none">- Review and approval of the corporate strategies and objectives- Monitoring of the implementation and assessment of effective performance; and- Review and affirmation of the Company's Purpose and Values to be attuned to the set strategies and objectives	
---	-----------	--	--

2. Board has a strategy execution process that facilitates effective management performance and is attuned to the company's business environment, and culture.	Compliant	<p><i>Provide information on or link/reference to a document containing information on the strategy execution process.</i></p> <p>Reference:</p> <p>Annual CG Report Oversight on Business Objectives and Strategy, pages 26-27</p>	
Recommendation 2.3			
1. Board is headed by a competent and qualified Chairperson.	Compliant	<p><i>Provide information or reference to a document containing information on the Chairperson, including his/her name and qualifications.</i></p> <p>Reference:</p> <p>Mr. Enrique K. Razon Jr. Annual CG Report Competent and Qualified Chairperson, pages 27-28</p>	
Recommendation 2.4			
1. Board ensures and adopts an effective succession planning program for directors, key officers and management.	Compliant	<p><i>Disclose and provide information or link/reference to a document containing information on the company's succession planning policies and programs and its implementation.</i></p>	

2. Board adopts a policy on the retirement for directors and key officers.	Compliant	<p>Reference:</p> <p>CG Manual Duties and Functions of the Board page 8 Internal Control Responsibilities of the Board, page 10</p> <p>Annual CG Report Succession Planning and Retirement Program, page 29</p>	
Recommendation 2.5			
1. Board aligns the remuneration of key officers and board members with long-term interests of the company.	Compliant	<i>Provide information on or link/reference to a document containing information on the company's remuneration policy and its implementation, including the relationship between remuneration and performance.</i>	
2. Board adopts a policy specifying the relationship between remuneration and performance.	Compliant	<p>Reference:</p> <p>CG Manual Sec. 2.6.3 Duties and Functions of the Board, page 8 Sec. 2.8.2 (v), Internal Control Responsibilities of the Board, page 10 Sec. 2.10.2, Remuneration of Directors and Officers, page 11</p> <p>SEC Form 17-A Executive Compensation, pages 97-98</p> <p>SEC Form 20-IS Compensation of Directors and Executive Officers, pages 31-32</p>	

3. Directors do not participate in discussions or deliberations involving his/her own remuneration.	Compliant	Annual CG Report Annual Review of Compensation and Remuneration, pages 30 -31	
Optional: Recommendation 2.5			
1. Board approves the remuneration of senior executives.	Compliant	<i>Provide proof of board approval.</i> Response: Proof of board approval is provided in the SEC Form 17-A, where Executive compensation is discussed. This was approved by the Audit Committee before its submission to the SEC. Reference: SEC Form 17-A Executive Compensation, pages 97-98	
2. Company has measurable standards to align the performance-based remuneration of the executive directors and senior executives with long-term interest, such as claw back provision and deferred bonuses.	Compliant	<i>Provide information on or link/reference to a document containing measurable standards to align performance-based remuneration with the long-term interest of the company.</i> Reference: Annual CG Report Annual Review of Compensation and Remuneration, pages 30-31	
Recommendation 2.6			
1. Board has a formal and transparent board nomination and election policy.	Compliant	<i>Provide information or reference to a document containing information on the company's nomination and election policy</i>	

2. Board nomination and election policy is disclosed in the company's Manual on Corporate Governance.	Compliant	<i>and process and its implementation, including the criteria used in selecting new directors, how the shortlisted candidates and how it encourages nominations from shareholders.</i>	
3. Board nomination and election policy includes how the company accepted nominations from minority shareholders.	Compliant	<i>Provide proof if minority shareholders have a right to nominate candidates to the board</i>	
4. Board nomination and election policy includes how the board shortlists candidates.	Compliant	<i>Provide information if there was an assessment of the effectiveness of the Board's processes in the nomination, election or replacement of a director.</i>	
5. Board nomination and election policy includes an assessment of the effectiveness of the Board's processes in the nomination, election or replacement of a director.	Compliant	Reference: CG Manual Duties and Functions of the Board, page 8	
6. Board has a process for identifying the quality of directors that is aligned with the strategic direction of the company.	Compliant	Annual CG Report Board Nomination and Election Policy, page 33	

Optional: Recommendation to 2.6			
1. Company uses professional search firms or other external sources of candidates (such as director databases set up by director or shareholder bodies) when searching for candidates to the board of directors.	Compliant	<p><i>Identify the professional search firm used or other external sources of candidates.</i></p> <p>Response:</p> <p>The candidates for the Board of Directors are sourced from the business network of Board members, from shareholders, or from professional search firms, as may be necessary. The Company, through Nomination Sub Committee, has the authority to retain and terminate (within its sole authority) any search firm to assist in identifying director candidates, as necessary.</p>	
Recommendation 2.7			
1. Board has overall responsibility in ensuring that there is a group-wide policy and system governing related party transactions (RPTs) and other unusual or infrequently occurring transactions.	Compliant	<i>Provide information on or reference to a document containing the company's policy on related party transaction, including policy on review and approval of significant RPTs.</i>	
2. RPT policy includes appropriate review and approval of material RPTs, which guarantee fairness and transparency of the transactions.	Compliant	<p><i>Identify transactions that were approved pursuant to the policy.</i></p> <p>Reference:</p>	

<p>3. RPT policy encompasses all entities within the group, taking into account their size, structure, risk profile and complexity of operations.</p>	<p>Compliant</p>	<p>CG Manual Item 2.6.13, Duties and Functions of the Board, pages 9-13 Item 2.12, Other Committees, page 19</p> <p>ICTSI Related Party Transaction Policy ("RPT Policy") Item II. Definition of Terms, page 1 Item IV. Criteria for Reviewing RPTs, pages 3-4 Item VI. Review and Approval Process for Material RPTs, page 5</p> <p>Response:</p> <p>Listing and details of Related Party Transactions are found in SEC Form 17-A, Independent Auditor's Report, page 94-95</p>	
Supplement to Recommendations 2.7			
<p>1. Board clearly defines the threshold for disclosure and approval of RPTs and categorizes such transactions according to those that are considered <i>de minimis</i> or transactions that need not be reported or announced, those that need to be disclosed, and those that need prior shareholder approval. The aggregate amount of RPTs within any twelve (12) month period should be considered for purposes of applying the thresholds for disclosure and approval.</p>	<p>Compliant</p>	<p><i>Provide information on a materiality threshold for RPT disclosure and approval, if any.</i></p> <p><i>Provide information on RPT categories.</i></p> <p>Reference:</p> <p>RPT Policy Item II. Definition of Terms, page 1 Item IV. Criteria for Reviewing RPTs, pages 2-3</p>	

<p>2. Board establishes a voting system whereby a majority of non-related party shareholders approve specific types of related party transactions during shareholders' meetings.</p>	<p>Compliant</p>	<p><i>Provide information on the voting system, if any.</i></p> <p>Reference:</p> <p>RPT Policy Item VI. Review and Approval Process for Material RPTs, page 4 Item VII. Shareholder Approval pages -5</p>	
<p>Recommendation 2.8</p>			
<p>1. Board is primarily responsible for approving the selection of Management led by the Chief Executive Officer (CEO) and the heads of the other control functions (Chief Risk Officer, Chief Compliance Officer and Chief Audit Executive).</p>	<p>Compliant</p>	<p><i>Provide information on or reference to a document containing the Board's policy and responsibility for approving the selection of management.</i></p> <p><i>Identify the Management team appointed.</i></p> <p>Reference:</p> <p>SEC Form 17-C Results of Organizational Meeting, page 2</p> <p>Annual CG Report Selection and Assessment of Management and Heads of Other Control Functions, pages 35-36</p> <p>Response:</p> <p>The members of the ICTSI Senior Management Team may be viewed at the ICTSI Website.</p>	

<p>2. Board is primarily responsible for assessing the performance of Management led by the Chief Executive Officer (CEO) and the heads of the other control functions (Chief Risk Officer, Chief Compliance Officer and Chief Audit Executive).</p>	<p>Compliant</p>	<p><i>Provide information on or reference to a document containing the Board's policy and responsibility for assessing the performance of management.</i></p> <p><i>Provide information on the assessment process and indicate frequency of assessment of performance.</i></p> <p>Reference:</p> <p>CG Manual Sec. 2.5.4, Responsibility of the Board and the Directors, page 7 Secs. 2.6.3, 2.6.11 and 2.6.17, Duties and Functions of the Board, pages 8-9</p> <p>Annual CG Report Selection and Assessment of Management and Heads of Other Control Functions, page 36</p>	
Recommendation 2.9			
<p>1. Board establishes an effective performance management framework that ensures that Management's performance is at par with the standards set by the Board and Senior Management.</p>	<p>Compliant</p>	<p><i>Provide information on or link/reference to a document containing the Board's performance management framework for management and personnel.</i></p> <p>Reference:</p> <p>CG Manual Sec. 2.5.4, Responsibility of the Board and the Directors, page 7 Sec. 2.6.11, Duties and Functions of the</p>	

2. Board establishes an effective performance management framework that ensures that personnel's performance is at par with the standards set by the Board and Senior Management.	Compliant	Board, page 8 Annual CG Report Board's Performance Management Framework for Management and Personnel, page 37	
Recommendation 2.10			
1. Board oversees that an appropriate internal control system is in place.	Compliant	<i>Provide information on or link/reference to a document showing the Board's responsibility for overseeing that an appropriate internal control system is in place and what is included in the internal control system.</i>	
2. The internal control system includes a mechanism for monitoring and managing potential conflict of interest of the Management, members and shareholders.	Compliant	Reference: CG Manual Item 2.8, Internal Control Responsibilities of the Board, page 10 Annual CG Report Oversight Responsibility on Internal Control, page 38	
3. Board approves the Internal Audit Charter.	Compliant	<i>Provide reference or link to the company's Internal Audit Charter.</i> Response: The Internal Audit Charter shall be made available to the SEC (and other pertinent authorities) upon request.	

Recommendation 2.11

1. Board oversees that the company has in place a sound enterprise risk management (ERM) framework to effectively identify, monitor, assess and manage key business risks.	Compliant	<i>Provide information on or link/reference to a document showing the Board's oversight responsibility on the establishment of a sound enterprise risk management framework and how the board was guided by the framework.</i>	
2. The risk management framework guides the board in identifying units/business lines and enterprise-level risk exposures, as well as the effectiveness of risk management strategies.	Compliant	<i>Provide proof of effectiveness of risk management strategies, if any.</i> Reference: CG Manual Item 2.12, Board Risk Oversight Committee, page 13 Annual CG Report Oversight Responsibility ERM Framework, page 39	

Recommendation 2.12

1. Board has a Board Charter that formalizes and clearly states its roles, responsibilities and accountabilities in carrying out its fiduciary role.	Compliant	<i>Provide link to the company's website where the Board Charter is disclosed.</i> Response:	
2. Board Charter serves as a guide to the directors in the performance of their functions.	Compliant	The Board Charter is included in the Manual of Corporate Governance and is made publicly available.	
3. Board Charter is publicly available and posted on the company's website.	Compliant	Reference: ICTSI Website Corporate Governance, Manual on Corporate Governance	

Additional Recommendation to Principle 2

1. Board has a clear insider trading policy.	Compliant	<i>Provide information on or link/reference to a document showing company's insider trading policy.</i> Reference: SEC Form 20-IS Dealings with Company Shares, page 11 Annual CG Report Insider Trading Policy, page 40	
--	-----------	--	--

Optional: Principle 2

1. Company has a policy on granting loans to directors, either forbidding the practice or ensuring that the transaction is conducted at arm's length basis and at market rates.	Compliant	<i>Provide information on or link/reference to a document showing company's policy on granting loans to directors, if any.</i> Reference: Annual CG Report Loan to Directors, page 41	
2. Company discloses the types of decision requiring board of directors' approval.	Compliant	<i>Indicate the types of decision requiring board of directors' approval and where they are disclosed.</i> Reference: ICTSI Website Investors Site, Company Disclosures Annual CG Report Board of Directors' Approval, page 41	

Principle 3: Board committees should be set up to the extent possible to support the effective performance of the Board's functions, particularly with respect to audit, risk management, related party transactions, and other key corporate governance concerns, such as nomination and remuneration. The composition, functions and responsibilities of all committees established should be contained in a publicly available Committee Charter.

Recommendation 3.1

1. Board establishes board committees that focus on specific board functions to aid in the optimal performance of its roles and responsibilities.	Compliant	<p><i>Provide information or link/reference to a document containing information on all the board committees established by the company.</i></p> <p>Reference:</p> <p>ICTSI Website Corporate Governance, Board Committees and Charters</p> <p>Annual CG Report ICTSI Board Committees, pages 43-44</p>	
---	-----------	--	--

Recommendation 3.2

1. Board establishes an Audit Committee to enhance its oversight capability over the company's financial reporting, internal control system, internal and external audit processes, and compliance with applicable laws and regulations.	Compliant	<p><i>Provide information or link/reference to a document containing information on the Audit Committee, including its functions.</i></p> <p><i>Indicate if it is the Audit Committee's responsibility to recommend the appointment and removal of the company's external auditor.</i></p> <p>Reference:</p> <p>CG Manual Sec. 2.11, The Audit Committee, page 11</p>	
--	-----------	---	--

		<p>ICTSI Website Board Committees and Charters, Audit Committee Charter</p> <p>SEC Form 17-A External Audit Fees and Services, page 82-83</p> <p>Response:</p> <p>The Audit Committee makes recommendations to the Board concerning the external auditors and pre-approves audit plans, scope and frequency before the conduct of the external audit.</p>	
<p>Audit Committee is composed of at least three appropriately qualified non-executive directors, the majority of whom, including the Chairman is independent.</p>	Compliant	<p><i>Provide information or link/reference to a document containing information on the members of the Audit Committee, including their qualifications and type of directorship.</i></p> <p>Reference:</p> <p>Audit Committee Charter Item I, Organization, page 1</p> <p>Mr. Carlos C. Ejercito <i>Independent and Non-Executive Director</i> SEC Form 17-A Directors and Executive Officers, page 87</p> <p>Mr. Cesar A. Buenaventura <i>Independent and Non-Executive Director</i> SEC Form 17-A Directors and Executive Officers, page 86</p>	

		<p>Mr. Stephen A. Paradies Non-Executive Director SEC Form 17-A Directors and Executive Officers, page 88</p> <p>ICTSI Website Board Committees and Charters, Governance Support</p> <p>Annual CG Report Audit Committee, pages 45-46</p>	
<p>2. All the members of the committee have relevant background, knowledge, skills, and/or experience in the areas of accounting, auditing and finance.</p>	Compliant	<p><i>Provide information or link/reference to a document containing information on the background, knowledge, skills, and/or experience of the members of the Audit Committee.</i></p> <p>Reference:</p> <p>Mr. Carlos C. Ejercito Independent and Non-Executive Director SEC Form 17-A Directors and Executive Officers, page 87</p> <p>Mr. Cesar A. Buenaventura Independent and Non-Executive Director SEC Form 17-A Directors and Executive Officers, page 86</p> <p>Mr. Stephen A. Paradies Non-Executive Director SEC Form 17-A Directors and Executive Officers, page 88</p>	

3. The Chairman of the Audit Committee is not the Chairman of the Board or of any other committee.	Compliant	<p><i>Provide information or link/reference to a document containing information on the Chairman of the Audit Committee.</i></p> <p>Reference:</p> <p>Mr. Carlos C. Ejercito <i>Independent and Non-Executive Director</i></p> <p>SEC Form 17-A Directors and Executive Officers, page 87</p> <p>ICTSI Website Board Committees and Charters, Governance Support</p> <p>Annual CG Report Board Composition, pages 12-15 Board Committees, page 44</p>	
Supplement to Recommendation 3.2			
1. Audit Committee approves all non-audit services conducted by the external auditor.	Compliant	<p><i>Provide proof that the Audit Committee approved all non-audit services conducted by the external auditor.</i></p> <p>Reference:</p> <p>SEC Form 17-A External Audit Fees and Services, page 83</p> <p>Annual CG Report Audit Committee, pages 45-46</p>	
2. Audit Committee conducts regular meetings and dialogues with the external audit team without anyone from management present.	Compliant	<p><i>Provide proof that the Audit Committee conducted regular meetings and dialogues with the external audit team without anyone from management</i></p>	

		<p><i>present.</i></p> <p>Reference:</p> <p>Audit Committee Charter External Audit, page 5</p> <p>Annual CG Report Audit Committee, pages 45-46</p>	
Optional: Recommendation 3.2			
1. Audit Committee meet at least four times during the year.	Compliant	<p><i>Indicate the number of Audit Committee meetings during the year and provide proof.</i></p> <p>Response: 2022 Audit Committee Meetings: 1. March 1, 2022; 2. May 4, 2022; 3. August 2, 2022; and 4. November 4, 2022.</p> <p>Reference:</p> <p>Annual CG Report Audit Committee, pages 45-46</p>	
2. Audit Committee approves the appointment and removal of the internal auditor.	Compliant	<p><i>Provide proof that the Audit Committee approved the appointment and removal of the internal auditor.</i></p> <p>Reference:</p> <p>SEC Form 17-A External Audit Fees and Services, page 83</p> <p>Annual CG Report Audit Committee, pages 45-46</p>	

Recommendation 3.3

1. Board establishes a Corporate Governance Committee tasked to assist the Board in the performance of its corporate governance responsibilities, including the functions that were formerly assigned to a Nomination and Remuneration Committee.

Compliant

Provide information or reference to a document containing information on the Corporate Governance Committee, including its functions.

Indicate if the Committee undertook the process of identifying the quality of directors aligned with the company's strategic direction, if applicable.

Reference:

CG Manual

Item 2.12, Other Committees, [page 13](#)

ICTSI Website

Board Committees and Charters, [Corporate Governance Committee Charter](#)

Annual CG Report

Corporate Governance Committee, [pages 46-47](#)

Nomination Committee, [page 47](#)

Remuneration Committee, [page 47](#)

Environmental, Social and Governance Committee, [page 47](#)

Response:

There are subcommittees in the Corporate Governance Committee: Nomination Committee, Remuneration Committee, and Environmental, Social and Governance Committee.

		Through the Nomination Committee, the Company is able to review and evaluate the qualifications of all persons nominated to ICTSI's Board of Directors and other appointments that require Board approval, and to assess the effectiveness of the Board's processes and procedures in the election or replacement of directors.	
2. Corporate Governance Committee is composed of at least three members, all of whom should be independent directors.	Compliant	<p><i>Provide information or link/reference to a document containing information on the members of the Corporate Governance Committee, including their qualifications and type of directorship.</i></p> <p>Reference:</p> <p>Mr. Cesar A. Buenaventura Independent and Non-Executive Director SEC Form 17-A Directors and Executive Officers, page 86</p> <p>Mr. Carlos C. Ejercito Independent and Non-Executive Director SEC Form 17-A Directors and Executive Officers, page 87</p> <p>Chief Justice Diosdado M. Peralta Independent and Non-Executive Director SEC Form 17-A Directors and Executive Officers, page 87</p> <p>Annual CG Report Corporate Governance Committee, pages 46-47</p>	

<p>3. Chairman of the Corporate Governance Committee is an independent director.</p>	<p>Compliant</p>	<p><i>Provide information or link/reference to a document containing information on the Chairman of the Corporate Governance Committee.</i></p> <p>Reference:</p> <p>Mr. Cesar A. Buenaventura <i>Independent and Non-Executive Director</i></p> <p>SEC Form 17-A Directors and Executive Officers, page 86</p> <p>ICTSI Website Board Committees and Charters, Governance Support</p> <p>Annual CG Report Corporate Governance Committee, pages 46-47</p>	
--	------------------	--	--

Optional: Recommendation 3.3.			
1. Corporate Governance Committee meet at least twice during the year.	Compliant	<p><i>Indicate the number of Corporate Governance Committee meetings held during the year and provide proof thereof.</i></p> <p>Response:</p> <p>2022 Corporate Governance Committee Meetings:</p> <ol style="list-style-type: none"> 1. March 1, 2022 2. May 4, 2022 3. August 2, 2022 4. November 4, 2022 <p>Reference:</p> <p>Annual CG Report Corporate Governance Committee, page 46</p>	
Recommendation 3.4			
1. Board establishes a separate Board Risk Oversight Committee (BROC) that should be responsible for the oversight of a company's Enterprise Risk Management system to ensure its functionality and effectiveness.	Compliant	<p><i>Provide information or link/reference to a document containing information on the Board Risk Oversight Committee (BROC), including its functions.</i></p> <p>Reference:</p> <p>ICTSI Website Board Committees and Charters, Board Risk Oversight Committee Charter</p> <p>Annual CG Report Board Risk Oversight Committee, page 48</p>	

<p>2. BROC is composed of at least three members, the majority of whom should be independent directors, including the Chairman.</p>	<p>Non-Compliant</p>	<p><i>Provide information or link/reference to a document containing information on the members of the BROC, including their qualifications and type of directorship.</i></p> <p>Reference:</p> <p>Mr. Stephen A. Paradies <i>Non-Executive Director</i> SEC Form 17-A Directors and Executive Officers, page 88</p> <p>Mr. Cesar A. Buenaventura <i>Independent and Non-Executive Director</i> SEC Form 17-A Directors and Executive Officers, page 86</p> <p>Mr. Carlos C. Ejercito <i>Independent and Non-Executive Director</i> SEC Form 17-A Directors and Executive Officers, page 87</p> <p>Chief Justice Diosdado M. Peralta (ret.) <i>Independent and Non-Executive Director</i> SEC Form 17-A Directors and Executive Officers, page 87</p> <p>ICTSI Website Board Committees and Charters, Governance Support</p> <p>Annual CG Report Board Risk Oversight Committee, page 48</p>	<p>Mr. Stephen A. Paradies, the Chairman, is a Non-Executive Director and nonetheless ensures to exercise independent judgment.</p> <p>Moreover, all the three Members of the BROC are Independent Directors, namely:</p> <ol style="list-style-type: none"> 1. Cesar A. Buenaventura 2. Carlos C. Ejercito 3. Chief Justice Diosdado M. Peralta (ret.)
---	----------------------	---	--

3. The Chairman of the BROC is not the Chairman of the Board or of any other committee.	Compliant	<p><i>Provide information or link/reference to a document containing information on the Chairman of the BROC.</i></p> <p>Reference:</p> <p>Mr. Stephen A. Paradies Non-Executive Director SEC Form 17-A Directors and Executive Officers, page 88</p> <p>ICTSI Website Board Committees and Charters, Governance Support</p> <p>Annual CG Report Board Composition, pages 12-15 Board Committees, page 44</p>	
4. At least one member of the BROC has relevant thorough knowledge and experience on risk and risk management.	Compliant	<p><i>Provide information or link/reference to a document containing information on the background, skills, and/or experience of the members of the BROC.</i></p> <p>Reference:</p> <p>Mr. Cesar A. Buenaventura Independent and Non-Executive Director SEC Form 17-A Directors and Executive Officers, pages 86</p>	
Recommendation 3.5			
1. Board establishes a Related Party Transactions (RPT) Committee, which is	Compliant	<i>Provide information or link/reference to a document containing information on the</i>	

<p>tasked with reviewing all material related party transactions of the company.</p>		<p><i>Related Party Transactions (RPT) Committee, including its functions.</i></p> <p>Reference:</p> <p>ICTSI Website Board Committees and Charters, Related Party Transaction Committee Charter</p> <p>Annual CG Report Related Party Transaction Committee, page 49</p>	
<p>2. RPT Committee is composed of at least three non-executive directors, two of whom should be independent, including the Chairman.</p>	<p>Compliant</p>	<p><i>Provide information or link/reference to a document containing information on the members of the RPT Committee, including their qualifications and type of directorship.</i></p> <p>Reference:</p> <p>Mr. Cesar A. Buenaventura <i>Independent and Non-Executive Director</i> SEC Form 17-A Directors and Executive Officers, page 86</p> <p>Mr. Carlos C. Ejercito <i>Independent and Non-Executive Director</i> SEC Form 17-A Directors and Executive Officers, page 87</p> <p>Chief Justice Diosdado M. Peralta (ret.) <i>Independent and Non-Executive Director</i> SEC Form 17-A Directors and Executive Officers, page 87</p>	

Recommendation 3.6			
1. All established committees have a Committee Charter stating in plain terms their respective purposes, memberships, structures, operations, reporting process, resources and other relevant information.	Compliant	<i>Provide information on or link/reference to the company's committee charters, containing all the required information, particularly the functions of the Committee that is necessary for performance evaluation purposes.</i>	
2. Committee Charters provide standards for evaluating the performance of the Committees.	Compliant	Reference: ICTSI Website Corporate Governance, Board Committees and Charters	
3. Committee Charters were fully disclosed on the company's website.	Compliant	<i>Provide link to company's website where the Committee Charters are disclosed.</i> Reference: ICTSI Website Corporate Governance, Board Committees and Charters	

Principle 4: To show full commitment to the company, the directors should devote the time and attention necessary to properly and effectively perform their duties and responsibilities, including sufficient time to be familiar with the corporation's business.

Recommendation 4.1

1. The Directors attend and actively participate in all meetings of the Board, Committees and shareholders in person or through tele-/videoconferencing conducted in accordance with the rules and regulations of the Commission.	Compliant	<p><i>Provide information or link/reference to a document containing information on the process and procedure for tele/videoconferencing board and/or committee meetings.</i></p> <p><i>Provide information or link/reference to a document containing information on the attendance and participation of directors to Board, Committee and shareholders' meetings.</i></p> <p>Reference:</p> <p>Annual CG Report Directors' Attendance, pages 51-52</p>	
2. The directors review meeting materials for all Board and Committee meetings.	Compliant	<p>Reference:</p> <p>Annual CG Report Directors' Attendance, page 52</p>	
3. The directors ask the necessary questions or seek clarifications and explanations during the Board and Committee meetings.	Compliant	<p><i>Provide information or link/reference to a document containing information on any questions raised or clarification/explanation sought by the directors.</i></p> <p>Reference:</p> <p>Annual CG Report Directors' Attendance, page 52</p>	

Recommendation 4.2

1. Non-executive directors concurrently serve in a maximum of five publicly-listed companies to ensure that they have sufficient time to fully prepare for minutes, challenge Management's proposals/views, and oversee the long-term strategy of the company.	Non-Compliant	<p><i>Disclose if the company has a policy setting the limit of board seats that a non-executive director can hold simultaneously.</i></p> <p><i>Provide information or reference to a document containing information on the directorships of the company's directors in both listed and non-listed companies.</i></p> <p>Response:</p> <p>The Board assesses and considers the optimum number of each nominated Director's membership in other boards and determines the capacity of each director to perform his duties and responsibilities diligently and efficiently. This process applies to all independent and non-executive directors.</p> <p>Reference:</p> <p>Annual CG Report Multiple Board Seats, page 52 Board Composition, pages 12-15</p>	<p>Only Mr. Cesar A. Buenaventura exceeds the maximum number of directorships in publicly-listed companies. Mr. Buenaventura has a track record of expertise in various industries and is highly sought as a valuable member of these industries' respective board of directors.</p> <p>Over the past year, Mr. Buenaventura's attendance, performance, and contributions in the Company's Board and Board Committee meetings are impressive testaments to his outstanding devotion, time management, and industry expertise.</p>
--	---------------	--	---

Recommendation 4.3

1. The directors notify the company's board before accepting a directorship in another company.	Compliant	<p><i>Provide copy of written notification to the board or minutes of board meeting wherein the matter was discussed.</i></p> <p>Response:</p> <p>In addition to duties and responsibilities of a</p>	
---	-----------	--	--

		Director as indicated in the Company's By-Laws, Manual on Corporate Governance, and the relevant Memorandums Circular of the Securities and Exchange Commission, each Director is expected to notify the Board, through the Corporate Secretary, before accepting a directorship in other companies. Each Director provides the Company, through the Offices of Corporate Secretary and Chief Compliance Officer, an updated list of directorships in other companies, and notifies the Company for any other changes made.	
Optional: Principle 4			
1. Company does not have any executive directors who serve in more than two boards of listed companies outside of the group.	*****	*****	*****
2. Company schedules board of directors' meetings before the start of the financial year.	Compliant	<p>Response:</p> <p>In compliance with Section 3, Article III of Company's By-Laws which provides that the Board shall hold a regular meeting on the third week of each month, the Board of Directors, in its regular meeting held on 15 December 2022, approved the schedule of the meetings for the year 2023.</p> <p>Reference:</p> <p>Annual CG Report Other Matters, page 53</p>	

<p>3. Board of directors meet at least six times during the year.</p>	<p>Compliant</p>	<p><i>Indicate the number of board meetings during the year and provide proof.</i></p> <p>Response:</p> <p>In 2022, the Board of Directors conducted a total of 19 synchronous and asynchronous regular and Special Board Meetings. Furthermore, the Board have reached 100% in attendance in all the 19 meetings and unanimously approved the matters discussed and needed approval in each meeting.</p> <p>Reference:</p> <p>Annual CG Report Directors' Attendance, page 51</p>	
<p>4. Company requires as minimum quorum of at least 2/3 for board decisions.</p>	<p>Compliant</p>	<p><i>Indicate the required minimum quorum for board decisions.</i></p> <p>Response:</p> <p>In 2022, the Board of Directors conducted a total of 19 synchronous and asynchronous regular and Special Board Meetings. Furthermore, the Board have reached 100% in attendance in all the 19 meetings and unanimously approved the matters discussed and needed approval in each meeting.</p> <p>Reference:</p> <p>Annual CG Report Other Matters, page 53</p>	

Principle 5: The board should endeavor to exercise an objective and independent judgment on all corporate affairs

Recommendation 5.1

1. The Board has at least 3 independent directors or such number as to constitute one-third of the board, whichever is higher.	Compliant	<i>Provide information or link/reference to a document containing information on the number of independent directors in the board.</i> Reference: Annual CG Report Objective and Independent Judgment, page 54	
--	-----------	---	--

Recommendation 5.2

1. The independent directors possess all the qualifications and none of the disqualifications to hold the positions.	Compliant	<i>Provide information or link/reference to a document containing information on the qualifications of the independent directors.</i> Reference: Annual CG Report Qualified and Competent Independent Directors, pages 55-57	
--	-----------	---	--

Supplement to Recommendation 5.2

1. Company has no shareholder agreements, by-laws provisions, or other arrangements that constrain the directors' ability to vote independently.	Compliant	<i>Provide link/reference to a document containing information that directors are not constrained to vote independently.</i> Reference: Annual CG Report Independent Vote by All Directors, page 58	
--	-----------	--	--

Recommendation 5.3

1. The independent directors serve for a cumulative term of nine years (reckoned from 2012).	Compliant	<p><i>Provide information or link/reference to a document showing the years IDs have served as such.</i></p> <p>Reference:</p> <p>Annual CG Report Term Limit for Independent Directors, page 59</p>	
2. The company bars an independent director from serving in such capacity after the term limit of nine years.	Compliant	<p><i>Provide information or link/reference to a document containing information on the company's policy on term limits for its independent director.</i></p> <p>Reference:</p> <p>Annual CG Report Term Limit for Independent Directors, page 59</p>	
3. In the instance that the company retains an independent director in the same capacity after nine years, the board provides meritorious justification and seeks shareholders' approval during the annual shareholders' meeting.	Compliant	<p><i>Provide reference to the meritorious justification and proof of shareholders' approval during the annual shareholders' meeting.</i></p> <p>Response:</p> <p>The Company is aware that the Code of Corporate Governance for PLCs recognizes instances that a PLC may want to retain an independent director who has served the maximum term limit. In such case, the Code provides that the Board should provide meritorious justification/s and seek shareholders' approval during the annual</p>	

		shareholders' meeting. Nonetheless, ICTSI has, so far, complied with the term limit and this provision has not been necessary. There is no Independent Director of ICTSI that has served for more than the maximum prescribed term limit nor thereafter been nominated and elected as a non-independent director.	
Recommendation 5.4			
1. The positions of Chairman of the Board and Chief Executive Officer are held by separate individuals.	Non-Compliant	<p><i>Identify the company's Chairman of the Board and Chief Executive Office.</i></p> <p>Response:</p> <p>Mr. Enrique K. Razon Jr. is the Company's Chairman of the Board and President.</p>	<p>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.</p> <p>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. 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 the Chief Compliance Officer, Chief Risk Officer, and Head of Internal Audit as resource persons. Mr. Razon's performance as Chairman and as President is unparalleled. He</p>

			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
2. The Chairman of the Board and Chief Executive Officer have clearly defined responsibilities.	Compliant	<p><i>Provide information or link/reference to a document containing information on the roles and responsibilities of the Chairman of the Board and Chief Executive Officer.</i></p> <p><i>Identify the relationship of Chairman and CEO.</i></p> <p>Reference:</p> <p>By-Laws Officers, page 8</p> <p>CG Manual The Chairman and President, page 4</p> <p>Response:</p> <p>The Roles of Chairman (as presiding officer of Board meetings) and President shall, as much as practicable, be separate to foster an appropriate balance of power, increased accountability and better</p>	

		capacity for independent decision-making by the Board. A clear delineation of functions is made between the Chairman (as presiding officer of Board meetings) and President upon their election as provided under the By-Laws and the CG Manual.	
Recommendation 5.5			
1. If the Chairman of the Board is not an independent director, the board designates a lead director among the independent directors.	Non-Compliant	<p><i>Provide information or link/reference to a document containing information on a lead independent director and his roles and responsibilities, if any.</i></p> <p><i>Indicate if Chairman is independent.</i></p> <p>Reference:</p> <p>Annual CG Report Designation of Lead Independent Director, page 60</p> <p>Response:</p> <p>The Chairman of the Board is not an Independent Director.</p>	In 2019, ICTSI has increased the number of Independent Directors from two (2) to three (3) seats. The Company intends to further strengthen its compliance with the best practices in good corporate governance and consider designating a Lead Independent Director.

Recommendation 5.6			
1. Directors with material interest in a transaction affecting the corporation abstain from taking part in the deliberations on the transaction.	Compliant	<p><i>Provide proof of abstention, if this was the case.</i></p> <p>Response:</p> <p>The transactions of the Company during Fiscal Year 2022 have no material interest to any one of the members of the Board of Directors. In case there will be a transaction in which a Director has a material interest, the Board shall ensure that there will be an independent judgment of the Board and require that the affected Director abstains from its discussions.</p>	
Recommendation 5.7			
1. The non-executive directors (NEDs) have separate periodic meetings with the external auditor and heads of the internal audit, compliance and risk functions, without any executive present.	Compliant	<p><i>Provide proof and details of said meeting, if any.</i></p> <p><i>Provide information on the frequency and attendees of meetings.</i></p>	

		<p>Response:</p> <p>With Mr. Carlos C. Ejercito as presiding officer, the Company's Non-Executive Officers and Independent Directors conducted meetings without the presence of an Executive Director. The Chief Compliance Officer, Chief Risk Officer, Head of Internal Audit, and Chief Financial Officer were invited as resource persons.</p> <p>Meeting dates:</p> <ol style="list-style-type: none"> 1. March 1, 2022 2. May 4, 2022 3. August 2, 2022 4. November 4, 2022 <p>Reference:</p> <p>Annual CG Report Meetings of NEDs and IDs, page 61</p>	
2. The meetings are chaired by the lead independent director.	Non-Compliant		The meetings are chaired by Mr. Carlos C. Ejercito, an Independent Director.
Optional: Principle 5			
1. None of the directors is a former CEO of the company in the past 2 years.	*****	Provide name/s of company CEO for the past 2 years	*****

Principle 6: The best measure of the Board's effectiveness is through an assessment process. The Board should regularly carry out evaluations to appraise its performance as a body, and assess whether it possesses the right mix of backgrounds and competencies.

Recommendation 6.1

1. Board conducts an annual self-assessment of its performance as a whole.	Compliant	<i>Provide proof of self-assessments conducted for the whole board, the individual members, the Chairman and the Committees</i> Reference: Annual CG Report Annual Corporate Governance Assessment, page 62	
2. The Chairman conducts a self-assessment of his performance.	Compliant		
3. The individual members conduct a self-assessment of their performance.	Compliant		
4. Each committee conducts a self-assessment of its performance.	Compliant		
5. Every three years, the assessments are supported by an external facilitator.	Compliant	<i>Identify the external facilitator and provide proof of use of an external facilitator.</i> Response: The Company has engaged the services of an external facilitator, Good Governance Advocates & Practitioners of the Philippines ("GGAPP"), to evaluate and support the results of the 2019 ACG Assessment. Reference: Annual CG Report Annual Corporate Governance Assessment, page 62	

Recommendation 6.2

1. Board has in place a system that provides, at the minimum, criteria and process to determine the performance of the Board, individual directors and committees.	Compliant	<i>Provide information or link/reference to a document containing information on the system of the company to evaluate the performance of the board, individual directors and committees, including a feedback mechanism from shareholders.</i>	
2. The system allows for a feedback mechanism from the shareholders.	Compliant	Reference: Annual CG Report Assessment Criteria and Process, page 63	

Principle 7: Members of the Board are duty-bound to apply high ethical standards, taking into account the interests of all stakeholders.

Recommendation 7.1

1. Board adopts a Code of Business Conduct and Ethics, which provide standards for professional and ethical behavior, as well as articulate acceptable and unacceptable conduct and practices in internal and external dealings of the company.	Compliant	<i>Provide information on or link/reference to the company's Code of Business Conduct and Ethics.</i> Reference: ICTSI Website Company Policies, Code of Business Conduct	
2. The Code is properly disseminated to the Board, senior management and employees.	Compliant	<i>Provide information on or discuss how the company disseminated the Code to its Board, senior management and employees.</i> Reference: Annual CG Report Code of Business Conduct, pages 64-65	

3. The Code is disclosed and made available to the public through the company website.	Compliant	<p><i>Provide a link to the company's website where the Code of Business Conduct and Ethics is posted/ disclosed.</i></p> <p>Reference:</p> <p>ICTSI Website Company Policies , Code of Business Conduct</p>	
Supplement to Recommendation 7.1			
1. Company has clear and stringent policies and procedures on curbing and penalizing company involvement in offering, paying and receiving bribes.	Compliant	<p><i>Provide information on or link/reference to a document containing information on the company's policy and procedure on curbing and penalizing bribery</i></p> <p>Reference:</p> <p>ICTSI Website Company Policies, Code of Business Conduct and Anti-Bribery Compliance Policy</p> <p>Annual CG Report Anti-Corruption Policy, page 66</p>	
Recommendation 7.2			

<p>1. Board ensures the proper and efficient implementation and monitoring of compliance with the Code of Business Conduct and Ethics.</p>	<p>Compliant</p>	<p><i>Provide proof of implementation and monitoring of compliance with the Code of Business Conduct and Ethics and internal policies.</i> <i>Indicate who are required to comply with the Code of Business Conduct and Ethics and any findings on non-compliance.</i></p> <p>Reference:</p> <p>ICTSI Website Company Policies, Code of Business Conduct</p> <p>Annual CG Report Compliance with the Code of Business Conduct and Other Internal Policies, page 67</p> <p>Response:</p> <p>The Company has a proper and efficient implementation and monitoring of compliance with the ICTSI Code of Business Conduct. The scope and application are provided for under the Code.</p>	
<p>2. Board ensures the proper and efficient implementation and monitoring of compliance with company internal policies.</p>	<p>Compliant</p>		

Disclosure and Transparency

Principle 8: The company should establish corporate disclosure policies and procedures that are practical and in accordance with best practices and regulatory expectations.

Recommendation 8.1

<p>1. Board establishes corporate disclosure policies and procedures to ensure a comprehensive, accurate, reliable and timely report to shareholders and other stakeholders that gives a fair and complete picture of a company's financial condition, results and business operations.</p>	<p>Compliant</p>	<p><i>Provide information on or link/reference to the company's disclosure policies and procedures including reports distributed/made available to shareholders and other stockholders.</i></p> <p>Reference:</p> <p>SEC Form 17-A Corporate Governance, Full Compliance, page 104</p> <p>SEC Form 20-IS Annex A, Full Compliance, page 43</p> <p>PSE Edge ICTSI Company Disclosures</p> <p>ICTSI Website Company Disclosures</p> <p>Annual CG Report Corporate Disclosure Policies, page 69</p>	
---	------------------	--	--

Supplement to Recommendations 8.1

<p>1. Company distributes or makes available annual and quarterly consolidated reports, cash flow statements, and special audit revisions. Consolidated financial statements are published 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.</p>	<p>Compliant</p>	<p><i>Indicate the number of days within which the consolidated and interim reports were published, distributed or made available from the end of the fiscal year and end of the reporting period, respectively.</i></p> <p>Response: The Company distributes or makes available annual and quarterly consolidated reports, cash flow statements, and special audit revisions. Consolidated financial statements are published within ninety (90) days from the end of the fiscal year. The 2022 consolidated financial statements was filed and made available to the public on March 6, 2023, which is 65 days from end of fiscal year. Interim reports are published within forty-five (45) days from the end of the reporting period (35 days for 1Q 2022, 35 days for 2Q 2022 and 38 days for 3Q 2022).</p> <p>Reference:</p> <p>PSE Edge Company Disclosures, Annual Report filed March 6, 2023, 1Q Quarterly Report filed May 5, 2022, 3Q Quarterly Report filed November 7, 2022,</p>	
---	------------------	--	--

<p>2. Company discloses in its annual report the principal risks associated with the identity of the company's controlling shareholders; the degree of ownership concentration; cross-holdings among company affiliates; and any imbalances between the controlling shareholders' voting power and overall equity position in the company.</p>	<p>Compliant</p>	<p><i>Provide link or reference to the company's annual report where the following are disclosed:</i></p> <ol style="list-style-type: none"> <i>1. principal risks to minority shareholders associated with the identity of the company's controlling shareholders;</i> <i>2. cross-holdings among company affiliates; and</i> <i>3. any imbalances between the controlling shareholders' voting power and overall equity position in the company.</i> <p>Reference:</p> <p>SEC Form 17-A Risks Relating to the Group's Business, pages 21-24 Risks, pages 80-82</p> <p>SEC Form 20-IS Risks, pages 40-42</p> <p>Annual CG Report Risks Relating to the ICTSI Group's Business, page 70</p>	
--	------------------	--	--

Recommendation 8.2

1. Company has a policy requiring all directors to disclose/report to the company any dealings in the company's shares within three business days.	Compliant	<p><i>Provide information on or link/reference to the company's policy requiring directors and officers to disclose their dealings in the company's share.</i></p> <p><i>Indicate actual dealings of directors involving the corporation's shares including their nature, number/percentage and date of transaction.</i></p> <p>Reference:</p> <p>SEC Form 20-IS Dealings with Company Shares, page 11</p> <p>PSE Edge ICTSI Company Disclosures, Statement of Changes in Beneficial Ownership of Securities (PSE Form Number 17-7)</p> <p>ICTSI Website SEC Filings, Statement of Beneficial Ownership (SEC Form 23-A/B)</p> <p>Annual CG Report Dealings in Company Shares, page 71</p> <p>Response:</p> <p>Details of the actual dealings of directors involving the Company's shares are fully disclosed in the above documents.</p>	
2. Company has a policy requiring all officers to disclose/report to the company any dealings in the company's shares within three business days.	Compliant		

Supplement to Recommendation 8.2

<p>1. Company discloses the trading of the corporation's shares by directors, officers (or persons performing similar functions) and controlling shareholders. This includes the disclosure of the company's purchase of its shares from the market (e.g. share buy-back program).</p>	<p>Compliant</p>	<p><i>Provide information on or link/reference to the shareholdings of directors, management and top 100 shareholders.</i></p> <p><i>Provide link or reference to the company's Conglomerate Map.</i></p> <p>Reference:</p> <p>SEC Form 17-A Reports on SEC Form 17-C (note Share Buy-Back Transactions on 9 separate dates), page 105 Conglomerate Map, ICTSI Group - Map of Subsidiaries</p> <p>SEC Form 20-IS Security Ownership of Management, page 76</p> <p>PSE Edge Company Disclosures, See Public Ownership Report (PSE Form Number POR-1)</p> <p>ICTSI Website Other Disclosures to SEC, PSE, and Other Pertinent Agencies, Public Ownership Report dated December 31, 2022</p> <p>Annual CG Report Proper Regulatory Disclosure, page 72</p>	
--	------------------	---	--

Recommendation 8.3

1. Board fully discloses all relevant and material information on individual board members to evaluate their experience and qualifications, and assess any potential conflicts of interest that might affect their judgment.	Compliant	<p><i>Provide link or reference to the directors' academic qualifications, share ownership in the company, membership in other boards, other executive positions, professional experiences, expertise and relevant trainings attended.</i></p> <p>Reference:</p> <p>SEC Form 17-A Directors, pages 86-89 Security Ownership of Management, page 100</p> <p>SEC Form 20-IS Dealings with Company's Shares, page 11 Directors' Training, page 14 Directors and Executive Officers, pages 15-17</p>	
2. Board fully discloses all relevant and material information on key executives to evaluate their experience and qualifications, and assess any potential conflicts of interest that might affect their judgment.	Compliant	<p><i>Provide link or reference to the key officers' academic qualifications, share ownership in the company, membership in other boards, other executive positions, professional experiences, expertise and relevant trainings attended.</i></p> <p>Reference:</p> <p>SEC Form 17-A Executive Officers, pages 89-94 Security Ownership of Management, page 100</p> <p>SEC Form 20-IS Security Ownership of Management, page 10-11 Directors' Training, page 14 Directors and Executive Officers, pages 18-22</p>	

Recommendation 8.4			
1. Company provides a clear disclosure of its policies and procedure for setting Board remuneration, including the level and mix of the same.	Compliant	<p><i>Disclose or provide link/reference to the company policy and practice for setting board remuneration.</i></p> <p>Reference:</p> <p>By-Laws Article III, Section 8</p> <p>CG Manual Section 2.10, page 11</p> <p>SEC Form 17-A Executive Compensation, pages 97-98</p> <p>SEC Form 20-IS Compensation of Directors and Executive Officers, pages 31-32</p> <p>ICTSI Website Board Committees and Charters, Compensation and Remuneration Committee Charter</p> <p>Annual CG Report Remuneration Policies, pages 73-74</p>	

<p>2. Company provides a clear disclosure of its policies and procedure for setting executive remuneration, including the level and mix of the same.</p>	<p>Compliant</p>	<p><i>Disclose or provide link/reference to the company policy and practice for determining executive remuneration.</i></p> <p>Reference:</p> <p>CG Manual Section 2.10, page 11</p> <p>SEC Form 17-A Executive Compensation, pages 97-98</p> <p>SEC Form 20-IS Compensation of Directors and Executive Officers, pages 31-32</p> <p>ICTSI Website Board Committees and Charters Compensation and Remuneration Committee Charter</p> <p>Annual CG Report Remuneration Policies, pages 73-74</p>	
--	------------------	---	--

<p>3. Company discloses the remuneration on an individual basis, including termination and retirement provisions.</p>	<p>Compliant</p>	<p><i>Provide breakdown of director remuneration and executive compensation, particularly the remuneration of the CEO.</i></p> <p>Reference:</p> <p>SEC Form 17-A Executive Compensation, pages 97-98</p> <p>SEC Form 20-IS Compensation of Directors and Executive Officers, pages 31-32</p> <p>Annual CG Report Compensation of Directors and Executive Officers, page 75</p> <p>The Company discloses the aggregate board and executive compensation but mentions the individual names of the 5 executives who receive the highest compensation.</p> <p>Further, the Company disclose in an aggregate manner for confidentiality, safety and security purposes of ICTSI's executives in the SEC Form 17-A (under Executive Compensation), SEC Form 20-IS (under Compensation of Directors and Executive Officers), Annual CG Report, and Section 6.3.1 of the CG Manual.</p>	
---	------------------	---	--

Recommendation 8.5

<p>1. Company discloses its policies governing Related Party Transactions (RPTs) and other unusual or infrequently occurring transactions in their Manual on Corporate Governance.</p>	<p>Compliant</p>	<p><i>Disclose or provide reference/link to company's RPT policies.</i></p> <p><i>Indicate if the director with conflict of interest abstained from the board discussion on that particular transaction.</i></p> <p>Reference:</p> <p>CG Manual Item 2.12, Other Committees, page 19</p> <p>ICTSI Website Company Policies, RPT Policy</p> <p>Annual CG Report Abstention Against Material Interest, page 61</p> <p>Response:</p> <p>The transactions of the Company during Fiscal Year 2022 have no material interest to any one of the members of the Board of Directors.</p>	
--	------------------	--	--

2. Company discloses material or significant RPTs reviewed and approved during the year.	Compliant	<p>Provide information on all RPTs for the previous year or reference to a document containing the following information on all RPTs:</p> <ol style="list-style-type: none"> 1. name of the related counterparty; 2. relationship with the party; 3. transaction date; 4. type/nature of transaction; 5. amount or contract price; 6. terms of the transaction; 7. rationale for entering into the transaction; 8. the required approval (i.e., names of the board of directors approving, names and percentage of shareholders who approved) based on the company's policy; and 9. other terms and conditions <p>Reference:</p> <p>SEC Form 17-A Part IV, Item 12, Certain Relationships and Related Transactions, pages 94-95 Note 23, Related Party Transactions, page 101</p>	
Supplement to Recommendation 8.5			
1. Company requires directors to disclose their interests in transactions or any other conflict of interests.	Compliant	Indicate where and when directors disclose their interests in transactions or any other conflict of interests.	

		<p>Response:</p> <p>If an actual or potential conflict of interest arises on the part of the Director or Corporate Officer, he is mandated to fully and immediately disclose, and not participate in the decision process relating to the transaction.</p> <p>Reference:</p> <p>RPT Policy Item III. General Principles, page 3</p>	
Optional : Recommendation 8.5			
1. Company discloses that RPTs are conducted in such a way to ensure that they are fair and at arms' length.	Compliant	<p><i>Provide link or reference where this is disclosed, if any.</i></p> <p>Reference:</p> <p>SEC Form 17-A Part IV, Item 12, Certain Relationships and Related Transactions, pages 94-95 Note 23, Related Party Transactions, page 101</p>	
Recommendation 8.6			
1. Company makes a full, fair, accurate and timely disclosure to the public of every material fact or event that occur, particularly on the acquisition or disposal of significant assets, which could adversely affect the viability or the interest of its shareholders and other stakeholders.	Compliant	<p><i>Provide link or reference where this is disclosed.</i></p> <p>Reference:</p> <p>CG Manual Section 8.2, page 19</p> <p>Annual CG Report Acquisition or Disposal of Assets, page 77</p>	

<p>2. Board appoints an independent party to evaluate the fairness of the transaction price on the acquisition or disposal of assets.</p>	<p>Compliant</p>	<p><i>Identify independent party appointed to evaluate the fairness of the transaction price.</i></p> <p><i>Disclose the rules and procedures for evaluating the fairness of the transaction price, if any.</i></p> <p>Response:</p> <p>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.</p> <p>All disclosed pieces of information are released via the approved stock exchange procedure for company announcements or through the Annual Report and other structured or unstructured reports provided by law.</p> <p>In case of acquisition or disposal of assets, the Board of Directors appoints an independent party to evaluate the fairness of the transaction price.</p>	
---	------------------	--	--

Supplement to Recommendation 8.6			
1. Company discloses the existence, justification and details on shareholder agreements, voting trust agreements, confidentiality agreements, and such other agreements that may impact on the control, ownership, and strategic direction of the company.	Compliant	<i>Provide link or reference where these are disclosed.</i> Reference: Annual CG Report Acquisition or Disposal of Assets, page 77	
Recommendation 8.7			
1. Company's corporate governance policies, programs and procedures are contained in its Manual on Corporate Governance (MCG).	Compliant	<i>Provide link to the company's website where the Manual on Corporate Governance is posted.</i> Reference: ICTSI Website Corporate Governance, Manual on Corporate Governance	
2. Company's MCG is submitted to the SEC and PSE.	Compliant		
3. Company's MCG is posted on its company website.	Compliant		
Supplement to Recommendation 8.7			

1. Company submits to the SEC and PSE an updated MCG to disclose any changes in its corporate governance practices.	Compliant	<p><i>Provide proof of submission.</i></p> <p>Response:</p> <p>The most recent updates and revisions on the Manual were made on May 31, 2017 and duly submitted to the Philippine Securities and Exchange Commission and the Philippine Stock Exchange.</p> <p>Reference:</p> <p>ICTSI Website Corporate Governance, Manual on Corporate Governance</p>	
Optional: Principle 8			
1. Does the company's Annual Report disclose the following information:		<p><i>Provide link or reference to the company's Annual Report containing the said information.</i></p>	
a. Corporate Objectives	Compliant	<p>Reference:</p> <p>Consolidated Annual Report Annual CG Report, Oversight on Business Objectives and Strategy, pages 26-27</p> <p>SEC Form 17-A Results of Operations, pages 43-44 Key Performance Indicators, pages 44-45 Dividend and Dividend Policy, pages 40-41 Directors and Executive Officers, pages 84-89</p> <p>SEC Form 20-IS</p>	
b. Financial performance indicators	Compliant		
c. Non-financial performance indicators	Compliant		
d. Dividend Policy	Compliant		
e. Biographical details (at least age, academic qualifications, date of first appointment, relevant experience, and other directorships in listed companies) of all directors	Compliant		

f. Attendance details of each director in all directors meetings held during the year	Compliant	Election of Directors and Officers, pages 11-18 Directors' Attendance, pages 13-14	
g. Total remuneration of each member of the board of directors			
2. The Annual Report contains a statement confirming the company's full compliance with the Code of Corporate Governance and where there is non-compliance, identifies and explains reason for each such issue.	Compliant	<i>Provide link or reference to where this is contained in the Annual Report.</i> Reference: SEC Form 17-A Corporate Governance, Full Compliance, page 104	
3. The Annual Report/Annual CG Report discloses that the board of directors conducted a review of the company's material controls (including operational, financial and compliance controls) and risk management systems.	Compliant	<i>Provide link or reference to where this is contained in the Annual Report</i> Reference: Annual CG Report Review of Material Controls and Risk Management Systems, page 81	
4. The Annual Report/Annual CG Report contains a statement from the board of directors or Audit Committee commenting on the adequacy of the company's internal controls/risk management systems.	Compliant	<i>Provide link or reference to where this is contained in the Annual Report</i> Reference: Annual CG Report Review of Material Controls and Risk Management Systems, page 81	

5. The company discloses in the Annual Report the key risks to which the company is materially exposed to (i.e. financial, operational including IT, environmental, social, economic).	Compliant	<p><i>Provide link or reference to where these are contained in the Annual Report</i></p> <p>Reference:</p> <p>SEC Form 17-A Risks, pages 80-83 Annual Financial Statement Financial Risk Management Objectives and Policies, pages 120-121</p>	
--	-----------	---	--

Principle 9: The company should establish standards for the appropriate selection of an external auditor, and exercise effective oversight of the same to strengthen the external auditor's independence and enhance audit quality.

Recommendation 9.1

1. Audit Committee has a robust process for approving and recommending the appointment, reappointment, removal, and fees of the external auditors.	Compliant	<p><i>Provide information or link/reference to a document containing information on the process for approving and recommending the appointment, reappointment, removal and fees of the company's external auditor.</i></p> <p>Reference:</p> <p>SEC Form 17-A, External Audit Fees and Services, page 82-83</p> <p>ICTSI Website Minutes of All General or Special Stockholders' Meeting, Minutes of Annual Meeting of Stockholders (2022), page 6</p>	
--	-----------	---	--

<p>2. The appointment, reappointment, removal, and fees of the external auditor is recommended by the Audit Committee, approved by the Board and ratified by the shareholders.</p>	<p>Compliant</p>	<p><i>Indicate the percentage of shareholders that ratified the appointment, reappointment, removal and fees of the external auditor.</i></p> <p>Response:</p> <p>The reappointment of SyCip Gorres Velayo & Co. (SGV) as the Company's external auditor was approved by the Shareholders during the Annual Meeting held on April 21, 2022 by 99.6% (In favor 2,359,472,585; Against 9,121,851)</p> <p>Reference:</p> <p>ICTSI Website Minutes of all General or Special Meeting ICTSI ASM Minutes (21 April 2022), page 6</p>	
<p>3. For removal of the external auditor, the reasons for removal or change are disclosed to the regulators and the public through the company website and required disclosures.</p>	<p>Compliant</p>	<p><i>Provide information on or link/reference to a document containing the company's reason for removal or change of external auditor.</i></p> <p>Response:</p> <p>Should there be an instance of removal of an external auditor, it shall be disclosed to the regulators and the public and the Company shall follow the applicable process.</p>	

Supplement to Recommendation 9.1			
1. Company has a policy of rotating the lead audit partner every five years.	Compliant	<p><i>Provide information on or link/reference to a document containing the policy of rotating the lead audit partner every five years.</i></p> <p>Reference:</p> <p>Audit Committee Charter D. External Auditor, page 4</p> <p>Annual CG Report External Auditor, page 82</p>	
Recommendation 9.2			
<p>1. Audit Committee Charter includes the Audit Committee's responsibility on:</p> <ul style="list-style-type: none"> i. assessing the integrity and independence of external auditors; ii. exercising effective oversight to review and monitor the external auditor's independence and objectivity; and iii. exercising effective oversight to review and monitor the effectiveness of the audit process, taking into consideration relevant Philippine professional and regulatory requirements. 		<p><i>Provide link/reference to the company's Audit Committee Charter.</i></p> <p>Reference:</p> <p>ICTSI Website Audit Committee Charter, External Audit, pages 4-5 Compliance, page 5 Reporting, page 5</p>	

2. Audit Committee Charter contains the Committee's responsibility on reviewing and monitoring the external auditor's suitability and effectiveness on an annual basis.	Compliant	<p><i>Provide link/reference to the company's Audit Committee Charter.</i></p> <p>Reference:</p> <p>ICTSI Website Audit Committee Charter, External Audit, pages 4-5</p>	
Supplement to Recommendations 9.2			
1. Audit Committee ensures that the external auditor is credible, competent and has the ability to understand complex related party transactions, its counterparties, and valuations of such transactions.	Compliant	<p><i>Provide link/reference to the company's Audit Committee Charter</i></p> <p>Reference:</p> <p>ICTSI Website Audit Committee Charter, Financial Reporting and Disclosures, page 3 External Audit, pages 4-5</p>	
2. Audit Committee ensures that the external auditor has adequate quality control procedures.	Compliant	<p><i>Provide link/reference to the company's Audit Committee Charter.</i></p> <p>Reference:</p> <p>ICTSI Website Audit Committee Charter, Financial Reporting and Disclosures, page 3 External Audit, pages 4-5</p>	

Recommendation 9.3

1. Company discloses the nature of non-audit services performed by its external auditor in the Annual Report to deal with the potential conflict of interest.	Compliant	<i>Disclose the nature of non-audit services performed by the external auditor, if any.</i> Reference: SEC Form 17-A External Audit Fees and Services, pages 82-83 SEC Form 20-IS External Audit Fees and Services, page 33 Annual CG Report Non-Audit Services, page 85	
2. Audit Committee stays alert for any potential conflict of interest situations, given the guidelines or policies on non-audit services, which could be viewed as impairing the external auditor's objectivity.	Compliant	<i>Provide link or reference to guidelines or policies on non-audit services.</i> Reference: Audit Committee Charter 2022 External Audit, page 5 Annual CG Report Non-Audit Services, page 85	

Supplement to Recommendation 9.3

1. Fees paid for non-audit services do not outweigh the fees paid for audit services.	Compliant	<i>Provide information on audit and non-audit fees paid.</i> Reference: SEC Form 17-A External Audit Fees and Services, page 82	
---	-----------	--	--

		SEC Form 20-IS External Audit Fees and Services, page 33 Annual CG Report Non-Audit Services, page 85	
Additional Recommendation to Principle 9			
1. Company's external auditor is duly accredited by the SEC under Group A category.	Compliant	<i>Provide information on company's external auditor, such as:</i> <ol style="list-style-type: none"> <i>Name of the audit engagement partner;</i> <i>Accreditation number;</i> <i>Date Accredited;</i> <i>Expiry date of accreditation; and</i> <i>Name, address, contact number of the audit firm.</i> Response: Audit Engagement Partner: Roel E. Lucas Accreditation Number: BOA/PRC Reg. No. 0001, August 25, 2021, valid until April 15, 2024 SEC Partner Accreditation No. 98200-SEC (Group A), valid to cover audit of 2022 to 2026 Financial Statements of SEC covered institutions SEC Firm Accreditation No. 0001-SEC (Group A), valid to cover audit of 2021 to 2025 financial statements of SEC covered institutions BIR Accreditation No. 08-001998-095-2022, November 7, 2022, valid until November 6, 2025	

		<p>External Auditor SyCip Gorres Velayo & Co., 6760 Ayala Avenue, Makati City, Metro Manila, 1226. Phone. Tel: (632) 8891-0307.</p> <p>Reference:</p> <p>Annual CG Report Proper Accreditations, page 86</p> <p>SEC Form 17-A Independent Auditor's Report, page 1</p>	
<p>2. Company's external auditor agreed to be subjected to the SEC Oversight Assurance Review (SOAR) Inspection Program conducted by the SEC's Office of the General Accountant (OGA).</p>	Compliant	<p><i>Provide information on the following:</i></p> <ol style="list-style-type: none"> <i>1. Date it was subjected to SOAR inspection, if subjected;</i> <i>2. Name of the Audit firm; and</i> <i>3. Members of the engagement team inspected by the SEC.</i> <p>Response:</p> <p>The Company's duly appointed External Auditor, SGV, regularly undergoes the SEC Oversight Assurance Review (SOAR) Inspection Program. Most recently, SGV submitted to the SOAR Inspection Program on August 1-12, 2022.</p> <p>Reference:</p> <p>Annual CG Report Proper Accreditations, page 86</p>	

Principle 10: The company should ensure that the material and reportable non-financial and sustainability issues are disclosed.

Recommendation 10.1

<p>1. Board has a clear and focused policy on the disclosure of non-financial information, with emphasis on the management of economic, environmental, social and governance (EESG) issues of its business, which underpin sustainability.</p>	<p>Compliant</p>	<p><i>Disclose or provide link on the company's policies and practices on the disclosure of non-financial information, including EESG issues.</i></p> <p>Reference:</p> <p>CG Manual Section 2.6.7, Policy on Disclosure of Non-Financial Information, page 8</p> <p>ICTSI Website Sustainability</p> <p>Annual CG Report Board Policy on Disclosure of Non-Financial Information, pages 87-88</p>	
<p>2. Company adopts a globally recognized standard/framework in reporting sustainability and non-financial issues.</p>	<p>Compliant</p>	<p><i>Provide link to Sustainability Report, if any. Disclose the standards used.</i></p> <p>Reference:</p> <p>ICTSI Website Sustainability</p> <p>ICTSI Sustainability Report ("Sustainability Report") GRI Content Index, pages 122-125</p>	

Principle 11: The company should maintain a comprehensive and cost-efficient communication channel for disseminating relevant information. This channel is crucial for informed decision-making by investors, stakeholders and other interested users.

Recommendation 11.1

<p>1. Company has media and analysts' briefings as channels of communication to ensure the timely and accurate dissemination of public, material and relevant information to its shareholders and other investors.</p>	<p>Compliant</p>	<p><i>Disclose and identify the communication channels used by the company (i.e., website, Analyst's briefing, Media briefings /press conferences, Quarterly reporting, Current reporting, etc.). Provide links, if any.</i></p> <p>Reference:</p> <p>PSE Edge Company Disclosure, PSE Edge Company Disclosure Notice of Analysts'/Investors' Briefing, PSE Form 14-1</p> <p>ICTSI Website Investors' Briefing, Investors' briefing year 2022 , Investors' Briefing presentation Investors' Briefing, Investors' Briefing presentation Investors Relations, Investor Relations Investors Relations, Financial Calendar/Earnings Release News and Media, News and Media Centre</p> <p>Annual CG Report Quarterly Investor's Briefing Conference, pages 89-90</p>	
--	------------------	---	--

Supplemental to Principle 11			
1. Company has a website disclosing up-to-date information on the following:	Compliant	Provide link to company website.	
		Reference:	
a. Financial statements/reports (latest quarterly)	Compliant	ICTSI Website Main Page Corporate Governance Investors Site Company Disclosures	
b. Materials provided in briefings to analysts and media	Compliant		
c. Downloadable annual report	Compliant		
d. Notice of ASM and/or SSM	Compliant		
e. Minutes of ASM and/or SSM	Compliant		
f. Company's Articles of Incorporation and By-Laws	Compliant		
Additional Recommendation to Principle 11			
1. Company complies with SEC-prescribed website template.	Compliant	Response: The ICTSI Website fully complies with the SEC-prescribed website template as provided in its Memorandum Circular No. 18, Series of 2014. Reference: ICTSI Website ICTSI	
Internal Control System and Risk Management Framework			
Principle 12: To ensure the integrity, transparency and proper governance in the conduct of its affairs, the company should have a strong and effective internal control system and enterprise risk management framework.			

Recommendation 12.1			
1. Company has an adequate and effective internal control system in the conduct of its business.	Compliant	<p><i>List quality service programs for the internal audit functions.</i></p> <p><i>Indicate frequency of review of the internal control system.</i></p> <p>Response:</p> <ol style="list-style-type: none"> 1. Annual self-assessment 2. Independent quality assessment <p>The Company's Internal Audit adopts a risk-based approach in developing an annual audit plan for the review of internal controls.</p> <p>Reference:</p> <p>Annual CG Report Internal Control, page 93</p> <p>Audit and Compliance Group, page 97</p> <p>Attestation of Internal Control, page 101</p>	

<p>2. Company has an adequate and effective enterprise risk management framework in the conduct of its business.</p>	<p>Compliant</p>	<p><i>Identify international framework used for Enterprise Risk Management.</i></p> <p><i>Provide information or reference to a document containing information on:</i></p> <ol style="list-style-type: none"> 1. <i>Company's risk management procedures and processes</i> 2. <i>Key risks the company is currently facing</i> 3. <i>How the company manages the key risks</i> <p><i>Indicate frequency of review of the enterprise risk management framework.</i></p> <p>Response:</p> <p>Company's ERM System follows the 2017 ERM Framework: Enterprise Risk Management – Integrating with Strategy and Performance by the Committee of Sponsoring Organizations of the Treadway Commission.</p> <p>The ERM System is quarterly reviewed by the Board Risk Oversight Committee and the ERM Group.</p> <p>Reference:</p> <p>ICTSI Website Enterprise Risk Management, Identifying and Mitigating Risks to Ensure Growth and Sustainability</p> <p>Annual CG Report Enterprise Risk Management Framework, page 94</p>	
--	------------------	--	--

Supplement to Recommendations 12.1			
1. Company has a formal comprehensive enterprise-wide compliance program covering compliance with laws and relevant regulations that is annually reviewed. The program includes appropriate training and awareness initiatives to facilitate understanding, acceptance and compliance with the said issuances.	Compliant	<p><i>Provide information on or link/ reference to a document containing the company's compliance program covering compliance with laws and relevant regulations. Indicate frequency of review.</i></p> <p>Reference:</p> <p>Annual CG Report ICTSI Group Risk Assessment, page 95</p> <p>Response:</p> <p>Semi-annually, each of the Global Corporate functions, Business Development and Regional Offices, and Business Units of the ICTSI Group performs Risk Assessment based on the Key Business Risks as identified in the Company's Risk Profile.</p>	
Optional: Recommendation 12.1			
1. Company has a governance process on IT issues including disruption, cyber security, and disaster recovery, to ensure that all key risks are identified, managed and reported to the board.	Compliant	<p><i>Provide information on IT governance process.</i></p> <p>Response:</p> <p>A key corporate governance strategy on IT issues for the Company is digital security. Hence, we are always looking for ways to find and address our vulnerabilities. As part of our measures to manage the threat landscape, our Global Corporate IT has continued to bring in a proactive and existing approach to cyber security.</p> <p>Reference:</p> <p>Sustainability Report IT Governance, pages 117-121</p> <p>Annual CG Report Information Technology Governance, page 96</p>	

Recommendation 12.2			
1. Company has in place an independent internal audit function that provides an independent and objective assurance, and consulting services designed to add value and improve the company's operations.	Compliant	<p><i>Disclose if the internal audit is in-house or outsourced. If outsourced, identify external firm.</i></p> <p>Response:</p> <p>The Company has an in-house internal audit function, the Audit and Compliance Group.</p> <p>Reference:</p> <p>Annual CG Report Audit and Compliance Group, page 97</p>	
Recommendation 12.3			
1. Company has a qualified Chief Audit Executive (CAE) appointed by the Board.	Compliant	<p><i>Identify the company's Chief Audit Executive (CAE) and provide information on or reference to a document containing his/her responsibilities.</i></p> <p>Response:</p> <p>Effective October 1, 2020, Ms. Catherine R. Castro was appointed by the Board of Directors as Head of Internal Audit (HIA).</p> <p>Reference:</p> <p>Ms. Catherine R. Castro Annual CG Report Head of Internal Audit, pages 97-98</p>	

2. CAE oversees and is responsible for the internal audit activity of the organization, including that portion that is outsourced to a third party service provider.	Compliant	<p>Response:</p> <p>As HIA, Ms. Castro oversees and is responsible for the activities of the Audit and Compliance Group. She reports directly to the Audit Committee with administrative oversight from the Global Corporate Head. The HIA oversees and is responsible for the internal audit activity of the organization.</p> <p>Reference:</p> <p>Annual CG Report Head of Internal Audit, pages 97-98</p>	
3. In case of a fully outsourced internal audit activity, a qualified independent executive or senior management personnel is assigned the responsibility for managing the fully outsourced internal audit activity.	Compliant	<p><i>Identify qualified independent executive or senior management personnel, if applicable.</i></p> <p>Response:</p> <p>The Company does not outsource its internal audit activity. In the event it will engage, the Company will properly disclose in this report.</p>	
Recommendation 12.4			
1. Company has a separate risk management function to identify, assess and monitor key risk exposures.	Compliant	<p><i>Provide information on company's risk management function.</i></p> <p>Response:</p> <p>Through its ERM Department, the Company:</p>	

- Establishes the ERM Policy and related guidance.
- Supervises, supports and incorporates the ERM processes across the Company in coordination with the CRO, ERM Champions, Risk Managers and Owners.
- Gathers, examines and assesses the risks reports provided by the ERM champions, Risk Managers and Risk Owners and oversees the status of RM strategies and action plans. Provides guidance on ideas on ERM processes developed by the ERM Champions, Risk Managers and Risk Owners
- Organize the sharing of best practices across the Company.
- Supports the CRO and ERM in preparing ERM reports and materials to the BROCC.
- Leads the change management initiatives across the Company. Drives the improvement of the Company's current ERM process through benchmarking against leading standards and global best practices.

Reference:

Annual CG Report

Enterprise Risk Management Department,
[pages 98-99](#)

Supplement to Recommendation 12.4			
1. Company seeks external technical support in risk management when such competence is not available internally.	Compliant	<p><i>Identify source of external technical support, if any.</i></p> <p>Response:</p> <p>The Company has not sought external technical risk management support as of this date as the Company has established its ERM Department.</p>	
Recommendation 12.5			
1. In managing the company's Risk Management System, the company has a Chief Risk Officer (CRO), who is the ultimate champion of Enterprise Risk Management (ERM).	Compliant	<p><i>Identify the company's Chief Risk Officer (CRO) and provide information on or reference to a document containing his/her responsibilities and qualifications/background.</i></p> <p>Response:</p> <p>From October 1, 2020 until January 18, 2023, Mr. Christian R. Gonzalez was appointed by the Board of Directors as Chief Risk Officer (CRO). On January 18, 2023, Mr. Sandy A. Alipio assumed the role of CRO.</p> <p>Reference:</p> <p>Mr. Christian R. Gonzalez Mr. Sandy A. Alipio Annual CG Report, Chief Risk Officer, pages 99-100</p>	

2. CRO has adequate authority, stature, resources and support to fulfill his/her responsibilities.	Compliant	Reference: Mr. Christian R. Gonzalez Mr. Sandy A. Alipio Annual CG Report, Chief Risk Officer, pages 99-100	
Additional Recommendation to Principle 12			
1. Company's Chief Executive Officer and Chief Audit Executive attest in writing, at least annually, that a sound internal audit, control and compliance system is in place and working effectively.	Compliant	<i>Provide link to CEO and CAE's attestation.</i> Reference: ICTSI Website Enterprise Risk Management, Attestation	
Cultivating a Synergic Relationship with Shareholders			
Principle 13: The company should treat all shareholders fairly and equitably, and also recognize, protect and facilitate the exercise of their rights.			
Recommendation 13.1			
1. Board ensures that basic shareholder rights are disclosed in the Manual on Corporate Governance.	Compliant	<i>Provide link or reference to the company's Manual on Corporate Governance where shareholders' rights are disclosed.</i> Reference: CG Manual, Stockholder's Rights and Protection of Minority Stockholder's Interest, pages 17-19	
2. Board ensures that basic shareholder rights are disclosed on the company's website.	Compliant	<i>Provide link to company's website.</i> Reference: ICTSI Website Manual on Corporate Governance, pages 17-19	

Supplement to Recommendation 13.1

1. Company's common share has one vote for one share.	Compliant	<p>Response:</p> <p>The common stock will vote on matters scheduled to be taken up at the Annual Meeting with each share being entitled to cast one (1) vote.</p>	
2. Board ensures that all shareholders of the same class are treated equally with respect to voting rights, subscription rights and transfer rights.	Compliant	<p><i>Provide information on all classes of shares, including their voting rights if any.</i></p> <p>Response:</p> <p>The classes of the Company's shares are as follows:</p> <ol style="list-style-type: none"> 1. Common Shares with voting rights 2. Preferred A Shares with non-voting rights except provided by law 3. Preferred B Shares with voting rights 	
3. Board has an effective, secure, and efficient voting system.	Compliant	<p><i>Provide link to voting procedure. Indicate if voting is by poll or show of hands.</i></p> <p>Reference:</p> <p>By-Laws Article I, Stockholders, pages 1-2</p> <p>SEC Form 20-IS ICTSI Annual Stockholders' Virtual Meeting Requirements and Procedure, page 4</p> <p>Response:</p> <p>During the 2022 Virtual ASM, the Company used the services of Azeus Systems Limited (Azeus) which ensured that the electronic voting in absentia was done in a secure manner.</p>	

<p>4. Board has an effective shareholder voting mechanisms such as supermajority or "majority of minority" requirements to protect minority shareholders against actions of controlling shareholders.</p>	<p>Compliant</p>	<p><i>Provide information on shareholder voting mechanisms such as supermajority or "majority of minority", if any.</i></p> <p>Response:</p> <p>The Company has an effective stockholder voting mechanism which is laid down in its By-Laws and the Manual on Corporate Governance, where cumulative voting is allowed.</p>	
<p>5. Board allows shareholders to call a special shareholders' meeting and submit a proposal for consideration or agenda item at the AGM or special meeting.</p>	<p>Compliant</p>	<p><i>Provide information on how this was allowed by board (i.e., minutes of meeting, board resolution).</i></p> <p>Response:</p> <p>In the Company's Manual on Corporate Governance, the minority shareholders 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.</p>	
<p>6. Board clearly articulates and enforces policies with respect to treatment of minority shareholders.</p>	<p>Compliant</p>	<p><i>Provide information or link/reference to the policies on treatment of minority shareholders</i></p> <p>Response:</p> <p>The minority Shareholders have the same right of information as other Shareholders. 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.</p>	

		Reference: CG Manual VI. Stockholders' Rights and Protection of Minority Stockholder's Interest, page 17	
7. Company has a transparent and specific dividend policy.	Compliant	<i>Provide information on or link/reference to the company's dividend Policy.</i> <i>Indicate if company declared dividends. If yes, indicate the number of days within which the dividends were paid after declaration. In case the company has offered scrip-dividends, indicate if the company paid the dividends within 60 days from declaration.</i> Reference: ICTSI Website Company Policies, Dividend Policy Response: Dividends were paid 25 days after declaration, with Date of Board Approval on March 3, 2022 and payment date on March 28, 2022.	.

Optional: Recommendation 13.1			
1. Company appoints an independent party to count and/or validate the votes at the Annual Shareholders' Meeting.	Compliant	<p><i>Identify the independent party that counted/validated the votes at the ASM, if any.</i></p> <p>Response:</p> <p>For the 2022 Annual Stockholders Meeting, the Company's transfer agent, Stock Transfer Services, Inc. (STSI) validated the shares during the Proxy Validation date.</p> <p>For the 2023 ASM to be held on April 20, 2023, the Company engaged SGV & Co., an independent party auditor, to verify the registration requirements, count, tabulate and validate all votes received for the 2023 Annual Stockholders' Meeting.</p>	
Recommendation 13.2			
2. Board encourages active shareholder participation by sending the Notice of Annual and Special Shareholders' Meeting with sufficient and relevant information at least 28 days before the meeting.	Compliant	<p><i>Indicate the number of days before the annual stockholders' meeting or special stockholders' meeting when the notice and agenda were sent out.</i></p> <p><i>Indicate whether shareholders' approval of remuneration or any changes therein were included in the agenda of the meeting.</i></p> <p><i>Provide link to the Agenda included in the company's Information Statement (SEC Form 20-IS.)</i></p> <p>Response:</p> <p>The ICTSI Board encouraged active shareholder participation by</p>	

sending the Notice for the 2022 Annual Stockholders' Meeting (ASM) through mail with link to the website and quick response code (QR Code) which links to the sending the Notice for the 2022 Annual Stockholders' Meeting (ASM) through mail with link to the website and quick response code (QR Code) which links to the Company's Securities and Exchange Commission Form 20-Information Statement (SEC Form 20-IS) through mail by March 21, 2022 (31 days before the 2022 ASM). Prior to the sending through mail to each stockholder, ICTSI has earlier submitted the Notice with the SEC Form 20-IS to the Philippine Stock Exchange (PSE) on February 22, 2022, 58 days before the Meeting to encourage active shareholder participation. It was likewise filed with the PSE through the PSE Edge and uploaded as well in the Company Website

Reference:

SEC Form 20-IS

ICTSI Notice of Annual Stockholders' Meeting, [pages 2 to 6](#)
Annual Financial Statement Financial Risk Management Objectives and Policies, [pages 120-121](#)

Supplemental to Recommendation 13.2			
1. Company's Notice of Annual Stockholders' Meeting contains the following information:	Compliant	<p><i>Provide link or reference to the company's notice of Annual Shareholders' Meeting.</i></p> <p>Reference:</p> <p>SEC Form 20-IS Notice, page 2</p>	
a. The profiles of directors (i.e., age, academic qualifications, date of first appointment, experience, and directorships in other listed companies)	Compliant	<p>Reference:</p> <p>SEC Form 20-IS Notice, page 2 Directors and Executive Officers, pages 10-15</p>	
b. Auditors seeking appointment/re-appointment	Compliant	<p>Reference:</p> <p>SEC Form 20-IS Notice of the ASM, page 2 Independent Public Accountants, pages 30-31</p>	
c. Proxy documents	Compliant	<p>Reference:</p> <p>SEC Form 20-IS Notice of the ASM, page 2 Proxy Documents, page 41</p>	
Optional: Recommendation 13.2			
1. Company provides rationale for the agenda items for the annual stockholders meeting	Compliant	<p><i>Provide link or reference to the rationale for the agenda items.</i></p> <p>Reference:</p> <p>SEC Form 20-IS Notice, page 2</p>	

Recommendation 13.3

<p>1. Board encourages active shareholder participation by making the result of the votes taken during the most recent Annual or Special Shareholders' Meeting publicly available the next working day.</p>	<p>Compliant</p>	<p><i>Provide information or reference to a document containing information on all relevant questions raised and answers during the ASM and special meeting and the results of the vote taken during the most recent ASM/SSM.</i></p> <p>Response:</p> <p>The questions raised by the Stockholders and answered by the Chairman during the most recent Annual Stockholders' Meeting and the results of the vote taken during the same are indicated in the Minutes of the Meeting and is posted in the Company website.</p> <p>Reference:</p> <p>PSE Edge Company Disclosures, Results of Annual or Special Stockholders' Meeting, 21 April 2022</p> <p>Minutes of the Annual Stockholders' Meeting dated 21 April 2022 Voting Results, pages 1,3, and 4</p>	
<p>2. Minutes of the Annual and Special Shareholders' Meetings were available on the company website within five business days from the end of the meeting.</p>	<p>Compliant</p>	<p><i>Provide link to minutes of meeting in the company website.</i></p> <p><i>Indicate voting results for all agenda items, including the approving, dissenting and abstaining votes.</i></p>	

Indicate also if the voting on resolutions was by poll.

Include whether there was opportunity to ask question and the answers given, if any.

Reference:

ICTSI Website

Company Disclosures, [Minutes of all General and Special Stockholders' Meeting](#)

Minutes of the Annual Stockholders' Meeting dated 21 April 2022

Voting Results, [pages 1,3, and 4](#)

Voting Procedure, [page 8](#)

Response:

The voting results in the agenda items of the Annual Stockholders' meeting are indicated and disclosed in the minutes of the meeting and were posted in the Company website.

Every resolution for approval of the stockholders in the 2022 Annual Stockholders' in the meeting was introduced by a motion duly seconded through the online platform of the virtual meeting. The Chairman asked if there was any objection to every motion. Since there were no objections, all the motions were carried without a vote. The numbers of votes indicated in the minutes are the votes on the resolution from: (a) votes of

		<p>proxies with instructions; (b) votes submitted through the online voting platform of the virtual meeting; and (c) votes of the Chairman as a holder of proxies, which would have been counted if there was a voting on the resolution.</p> <p>During the meetings, the Stockholders were given an opportunity to ask questions and the Chairman of the Meeting answered each and every question raised by the Stockholders.</p>	
Supplement to Recommendation 13.3			
1. Board ensures the attendance of the external auditor and other relevant individuals to answer shareholders questions during the ASM and SSM.	Compliant	<p><i>Indicate if the external auditor and other relevant individuals were present during the ASM and/or special meeting.</i></p> <p>Response:</p> <p>The Board required the attendance of the relevant Company Officers as well as representatives from Sycip Gorres Velayo & Co. to answer questions which the shareholders may have during the ASM.</p> <p>Reference:</p> <p>Minutes of the Annual Stockholders' Meeting, 21 April 2022 Annex A – Attendance, page 9</p>	

Recommendation 13.4			
1. Board makes available, at the option of a shareholder, an alternative dispute mechanism to resolve intra-corporate disputes in an amicable and effective manner.	Compliant	<p><i>Provide details of the alternative dispute resolution made available to resolve intra-corporate disputes.</i></p> <p>Response:</p> <p>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.</p> <p>Reference:</p> <p>CG Manual Item 2, Duties and Functions of the Board, page 9</p>	
2. The alternative dispute mechanism is included in the company's Manual on Corporate Governance.	Compliant	<p><i>Provide link/reference to where it is found in the Manual on Corporate Governance.</i></p> <p>Reference:</p> <p>CG Manual Item 2, Duties and Functions of the Board, page 9</p>	

Recommendation 13.5			
1. Board establishes an Investor Relations Office (IRO) to ensure constant engagement with its shareholders.	Compliant	<p><i>Disclose the contact details of the officer/office responsible for investor relations, such as:</i></p> <ol style="list-style-type: none"> 1. Name of the person 2. Telephone number 3. Fax number 4. E-mail address <p>Response:</p> <p>Mr. Arthur R. Tabuena Treasury Director and Head of Investor Relations + 63 2 8245 2255 + 63 2 8247 8008 + 63 2 8247 8035 atabuena@ictsi.com</p> <p>Reference:</p> <p>ICTSI Website Investor Relations, Investor Relations Office</p> <p>Annual CG Report Investor Relations Officer, page 111</p>	
2. IRO is present at every shareholder's meeting.	Compliant	<p><i>Indicate if the IRO was present during the ASM.</i></p> <p>Response:</p> <p>The IRO is present at every shareholder's meeting, including the latest ASM.</p>	

		Reference: Annual CG Report Investor Relations Officer page 111 ICTSI Website Minutes of all General or Special Stockholders' Meetings ICTSI ASM Minutes (21 April 2022) page 9	
Supplemental Recommendations to Principle 13			
1. Board avoids anti-takeover measures or similar devices that may entrench ineffective management or the existing controlling shareholder group	Compliant	<i>Provide information on how anti-takeover measures or similar devices were avoided by the board, if any.</i> Reference: Annual CG Report Anti-Takeover Measures, page 112	
2. Company has at least thirty percent (30%) public float to increase liquidity in the market.	Compliant	<i>Indicate the company's public float.</i> Response: As of December 31, 2022, 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 38.08% if both common and Preferred B voting shares are considered. Reference: PSE Edge Company Disclosures, Public Ownership Report as of December 31, 2022	

Optional: Principle 13			
1. Company has policies and practices to encourage shareholders to engage with the company beyond the Annual Stockholders' Meeting	Compliant	<p><i>Disclose or provide link/reference to policies and practices to encourage shareholders' participation beyond ASM.</i></p> <p>Reference:</p> <p>Annual CG Report Channels of Communication, pages 112-113</p> <p>ICTSI Website Investors Site, Investor's Briefing</p> <p>Sustainability Report Stakeholders Engagement Map, page 33</p>	
2. Company practices secure electronic voting in absentia at the Annual Shareholders' Meeting.	Compliant	<p><i>Disclose the process and procedure for secure electronic voting in absentia, if any.</i></p> <p>Reference:</p> <p>SEC Form 20-IS Appendix A of Notice, pages 4-6</p> <p>Annual CG Report Voting in Absentia, page 113</p>	

Duties to Stakeholders

Principle 14: The rights of stakeholders established by law, by contractual relations and through voluntary commitments must be respected. Where stakeholders' rights and/or interests are at stake, stakeholders should have the opportunity to obtain prompt effective redress for the violation of their rights.

Recommendation 14.1

<p>1. Board identifies the company's various stakeholders and promotes cooperation between them and the company in creating wealth, growth and sustainability.</p>	<p>Compliant</p>	<p><i>Identify the company's shareholder and provide information or reference to a document containing information on the company's policies and programs for its stakeholders.</i></p> <p>Reference:</p> <p>CG Manual Section 2.6.12, Policy on Stakeholder Identification, page 8</p> <p>Sustainability Report Stakeholders Engagement Map, page 33</p> <p>Annual CG Report Identification of Stakeholders, page 115</p>	
--	------------------	--	--

Recommendation 14.2

<p>1. Board establishes clear policies and programs to provide a mechanism on the fair treatment and protection of stakeholders.</p>	<p>Compliant</p>	<p><i>Identify policies and programs for the protection and fair treatment of company's stakeholders.</i></p> <p>Response:</p> <p>The Company has the following policies and programs in place for the protection and treatment of all its stakeholders:</p>	
--	------------------	---	--

- Manual on Corporate Governance
- Code of Business Conduct
- Whistleblowing Policy
- Conflict of Interest Policy
- Insider Trading Policy
- Dividend Policy
- Related Party Transaction Policy
- Employee Welfare
- Health and Safety Policies
- Supplier Policy
- Data Privacy Policy
- Anti-Bribery Compliance Policy
- ICTSI Foundation Inc. Charter

Reference:

CG Manual

Section 2.6.13, Policy on Stakeholder Identification, [page 9](#)

Code of Business Conduct

Item 5, Honest and Ethical Business Practices, [pages 3-5](#)

ICTSI Website

[Company Policies](#)

ICTSI Foundation Website

[Vision, Mission, Role and Goal](#)

Annual CG Report

Identification of Stakeholders, [page 115](#)

Recommendation 14.3

1. Board adopts a transparent framework and process that allow stakeholders to communicate with the company and to obtain redress for the violation of their rights.

Compliant

Provide the contact details (i.e., name of contact person, dedicated phone number or e-mail address, etc.) which stakeholders can use to voice their concerns and/or complaints for possible violation of their rights.

Provide information on whistleblowing policy, practices and procedures for stakeholders.

Reference:**ICTSI Website**

Investors Site, [Contacts, Advisors and Auditors](#)

Corporate Governance, [Company Policies](#)

Annual CG Report

Corporate Information, [page 138](#)

Whistleblowing Policy for Stakeholders, [page 116](#)

Supplement to Recommendation 14.3

1. Company establishes an alternative dispute resolution system so that conflicts and differences with key stakeholders is settled in a fair and expeditious manner.

Compliant

Provide information on the alternative dispute resolution system established by the company.

Reference:**CG Manual**

Section 2.6.15, Policy on Alternative Dispute Resolution, [page 9](#)

		Annual CG Report Alternative Dispute Resolution for Key Stakeholders, page 117	
Additional Recommendations to Principle 14			
1. Company does not seek any exemption from the application of a law, rule or regulation especially when it refers to a corporate governance issue. If an exemption was sought, the company discloses the reason for such action, as well as presents the specific steps being taken to finally comply with the applicable law, rule or regulation.	Compliant	<p><i>Disclose any requests for exemption by the company and the reason for the request.</i></p> <p>Response:</p> <p>No request for exemption was made.</p>	
2. Company respects intellectual property rights.	Compliant	<p><i>Provide specific instances, if any.</i></p> <p>Reference:</p> <p>Annual CG Report Intellectual Property, page 118</p>	
Optional: Principle 14			
1. Company discloses its policies and practices that address customers' welfare	Compliant	<i>Identify policies, programs and practices that address customers' welfare or provide link/reference to a document containing the same.</i>	

		Reference: ICTSI Website Company Policies, Data Privacy and Health and Safety Policies Sustainability Report Social, pages 68-72 Annual CG Report Customer's Welfare, page 118	
2. Company discloses its policies and practices that address supplier/contractor selection procedures	Compliant	<i>Identify policies, programs and practices that address supplier/contractor selection procedures or provide link/reference to a document containing the same.</i> Reference: ICTSI Website Company Policies, Supplier Policy and Supplier Code of Business Conduct Sustainability Report Supply Chain, pages 112-116 Annual CG Report Suppliers & Contractors, page 119	

Principle 15: A mechanism for employee participation should be developed to create a symbiotic environment, realize the company's goals and participate in its corporate governance processes.

Recommendation 15.1

1. Board establishes policies, programs and procedures that encourage employees to actively participate in the realization of the company's goals and in its governance.	Compliant	<p><i>Provide information on or link/reference to company policies, programs and procedures that encourage employee participation.</i></p> <p>Reference:</p> <p>Sustainability Report Employees, pages 82-88</p> <p>Annual CG Report Employee Engagement Programs, pages 120-121</p>	
--	-----------	---	--

Supplement to Recommendation 15.1

1. Company has a reward/compensation policy that accounts for the performance of the company beyond short-term financial measures.	Compliant	<p><i>Disclose if company has in place a merit-based performance incentive mechanism such as an employee stock option plan (ESOP) or any such scheme that awards and incentivizes employees, at the same time aligns their interests with those of the shareholders.</i></p> <p>Response:</p> <p>The Company has a reward/compensation policy that accounts for the performance of the company beyond short-term financial measures.</p>	
--	-----------	---	--

		Reference: SEC Form 17-A Note 20, Share-based Payment Plan, pages 84-85 Annual CG Report Employee Rewards Policy, page 121	
2. Company has policies and practices on health, safety and welfare of its employees.	Compliant	<i>Disclose and provide information on policies and practices on health, safety and welfare of employees. Include statistics and data, if any.</i> Reference: ICTSI Website Company Policies, Employee Welfare and Health and Safety Policies Sustainability Report Employees, pages 82-90 Annual CG Report Health, Safety and Welfare, pages 122-125	

<p>3. Company has policies and practices on training and development of its employees.</p>	<p>Compliant</p>	<p><i>Disclose and provide information on policies and practices on training and development of employees. Include information on any training conducted or attended.</i></p> <p>Reference:</p> <p>Sustainability Report Learning and Development, pages 90-92</p> <p>Annual CG Report Training and Development, page 125</p>	
Recommendation 15.2			
<p>1. Board sets the tone and makes a stand against corrupt practices by adopting an anti-corruption policy and program in its Code of Conduct.</p>	<p>Compliant</p>	<p><i>Identify or provide link/reference to the company's policies, programs and practices on anti-corruption.</i></p> <p>Reference:</p> <p>Code of Business Conduct Anti-Bribery Obligations, pages 3-4</p> <p>Sustainability Report Ethics and Integrity, pages 109-111</p> <p>Annual CG Report Anti-Corruption Policy, pages 126-127</p>	

<p>2. Board disseminates the policy and program to employees across the organization through trainings to embed them in the company's culture.</p>	<p>Compliant</p>	<p><i>Identify how the board disseminated the policy and program to employees across the organization.</i></p> <p>Response:</p> <p>The Code of Business Conduct is rolled out to all directors, officers, employees and through orientation program and relevant continuing training for all covered personnel.</p> <p>Reference:</p> <p>Sustainability Report Ethics and Integrity, pages 109-111</p> <p>Annual CG Report Anti-Corruption Policy, pages 126-127</p>	
Supplement to Recommendation 15.2			
<p>1. Company has clear and stringent policies and procedures on curbing and penalizing employee involvement in offering, paying and receiving bribes.</p>	<p>Compliant</p>	<p><i>Identify or provide link/reference to the company policy and procedures on penalizing employees involved in corrupt practices.</i></p> <p><i>Include any finding of violations of the company policy.</i></p>	

		<p>Reference:</p> <p>ICTSI Website Corporate Governance, Code of Business Conduct</p> <p>Sustainability Report Ethics and Integrity, pages 109-111</p> <p>Annual CG Report Anti-Corruption Policy, pages 126-127</p>	
Recommendation 15.3			
1. Board establishes a suitable framework for whistleblowing that allows employees to freely communicate their concerns about illegal or unethical practices, without fear of retaliation	Compliant	<p><i>Disclose or provide link/reference to the company whistle-blowing policy and procedure for employees.</i></p> <p><i>Indicate if the framework includes procedures to protect the employees from retaliation.</i></p> <p><i>Provide contact details to report any illegal or unethical behavior.</i></p> <p>Reference:</p> <p>Sustainability Report Grievance mechanisms and Fraud Reporting, Page 112</p>	

		<p>Annual CG Report Employee Whistleblowing Policy, Page 127</p> <p>Response:</p> <p>Per ICTSI Policy on Fraud Reporting, Complaints and Non-Compliance of Policies, any illegal or unethical behavior may be reported at the below contact details.</p> <p>Email: reportfraud@ictsi.com Telephone Numbers: +632-8247-8241 +632-8247-8270 +632-8245-4101 local 8001 +632-245-4101 local 2123</p>	
2. Board establishes a suitable framework for whistleblowing that allows employees to have direct access to an independent member of the Board or a unit created to handle whistleblowing concerns.	Compliant	<p>Reference:</p> <p>ICTSI Website Corporate Governance, Whistleblowing Policy</p> <p>Sustainability Report Grievance mechanisms and Fraud Reporting, page 112</p> <p>Annual CG Report Employee Whistleblowing Policy, page 127</p>	

3. Board supervises and ensures the enforcement of the whistleblowing framework.	Compliant	<p><i>Provide information on how the board supervised and ensured enforcement of the whistleblowing framework, including any incident of whistleblowing.</i></p> <p>Reference:</p> <p>ICTSI Website Company Policies, Whistleblowing Policy</p> <p>Sustainability Report Grievance mechanisms and Fraud Reporting, page 112</p> <p>Annual CG Report Employee Whistleblowing Policy, page 127</p>	
<p>Principle 16: The company should be socially responsible in all its dealings with the communities where it operates. It should ensure that its interactions serve its environment and stakeholders in a positive and progressive manner that is fully supportive of its comprehensive and balanced development.</p>			
Recommendation 16.1			
1. Company recognizes and places importance on the interdependence between business and society, and promotes a mutually beneficial relationship that allows the company to grow its business, while contributing to the advancement of the society where it operates.	Compliant	<p><i>Provide information or reference to a document containing information on the company's community involvement and environment-related programs.</i></p> <p>Reference:</p> <p>Annual CG Report Social Responsibility, pages 128-137</p> <p>Sustainability Report Corporate Citizenship: Community Relations and Initiatives, pages 93-99</p>	

Optional: Principle 16

1. Company ensures that its value chain is environmentally friendly or is consistent with promoting sustainable development	Compliant	<i>Identify or provide link/reference to policies, programs and practices to ensure that its value chain is environmentally friendly or is consistent with promoting sustainable development.</i> Reference: Sustainability Report Environment, pages 34-51 Annual CG Report Environment, pages 128-131	
2. Company exerts effort to interact positively with the communities in which it operates	Compliant	<i>Identify or provide link/reference to policies, programs and practices to interact positively with the communities in which it operates.</i> Reference: Sustainability Report Corporate Citizenship: Community Relations and Initiatives, pages 93-99 ICTSI Website ICTSI Foundation, Annual Accomplishment Report Annual CG Report Community, pages 132-137	

Pursuant to the requirement of the Securities and Exchange Commission, this Integrated Annual Corporate Governance Report is signed on behalf of the registrant by the undersigned, thereunto duly authorized, in the City of Manila on MAY 30 2023.

ENRIQUE K. RAZON JR.
Chairman of the Board
and President

CESAR A. BUENAVENTURA
Independent Director

CHIEF JUSTICE DIOSDADO M. PERALTA (RET.)
Independent Director

CARLOS C. EJERCITO
Independent Director

CHRISTIAN R. GONZALEZ
Chief Compliance Officer

RAFAEL T. DURIAN
Corporate Secretary

SUBSCRIBED AND SWORN to before me this MAY 30 2023 day of , affiants exhibiting to me their passports, as follows:

	PASSPORT NO.	DATE OF ISSUE	PLACE OF ISSUE
Enrique K. Razon, Jr.	Passport No.	April 19, 2018	DFA Manila
Diosdado M. Peralta	Passport No.	February 26, 2020	DFA Manila
Carlos De Castro Ejercito	Passport No.	August 17, 2019	DFA NCR East
Christian R. Gonzalez	Passport No.	July 24, 2019	DFA Manila
Rafael T. Durian	Passport No.	February 25, 2022	DFA NCR Northeast
Cesar A. Buenaventura	Passport No.	November 29, 2018	DFA Manila

Doc No. 247:
Page No. 5:
Book No. F:
Series of 2023.



Atty. Arthur Raymund A. Enerio
Commission No. 2022-106
Notary Public of Manila City
Until December 31, 2023
ICTSI Admin Building Port of Manila
PTR No. 0944089 3/21/2023 Manila City
IBP Lifetime No. 015868; Makati City
MCLE Compliance No. VII - 0021956 4/14/2025