

THE LOGISTICS
OF TRANSFORMATION
2023 CORPORATE GOVERNANCE REPORT

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ABOUT THE COVER

Even as the Company accelerates its transformative work in port operations—including the greening of logistics and the digitalization of the supply chain—ICTSI remains focused on the broader horizon: developing, operating, and managing ports that bring about positive change and sustainable growth.

Our Butterfly Effect cover art reflects the impact of our principles, policies, practices, and processes. Expressed in every single day-to-day action, decision, or transaction, these act as pivot points that lead to large-scale change.

The layered images speak of the multiplicity of stakeholders we serve, and the spectrum of vital—and evolving—metrics by which we constantly evaluate and calibrate our performance as the world's largest independent global port operator.

THE LOGISTICS OF TRANSFORMATION

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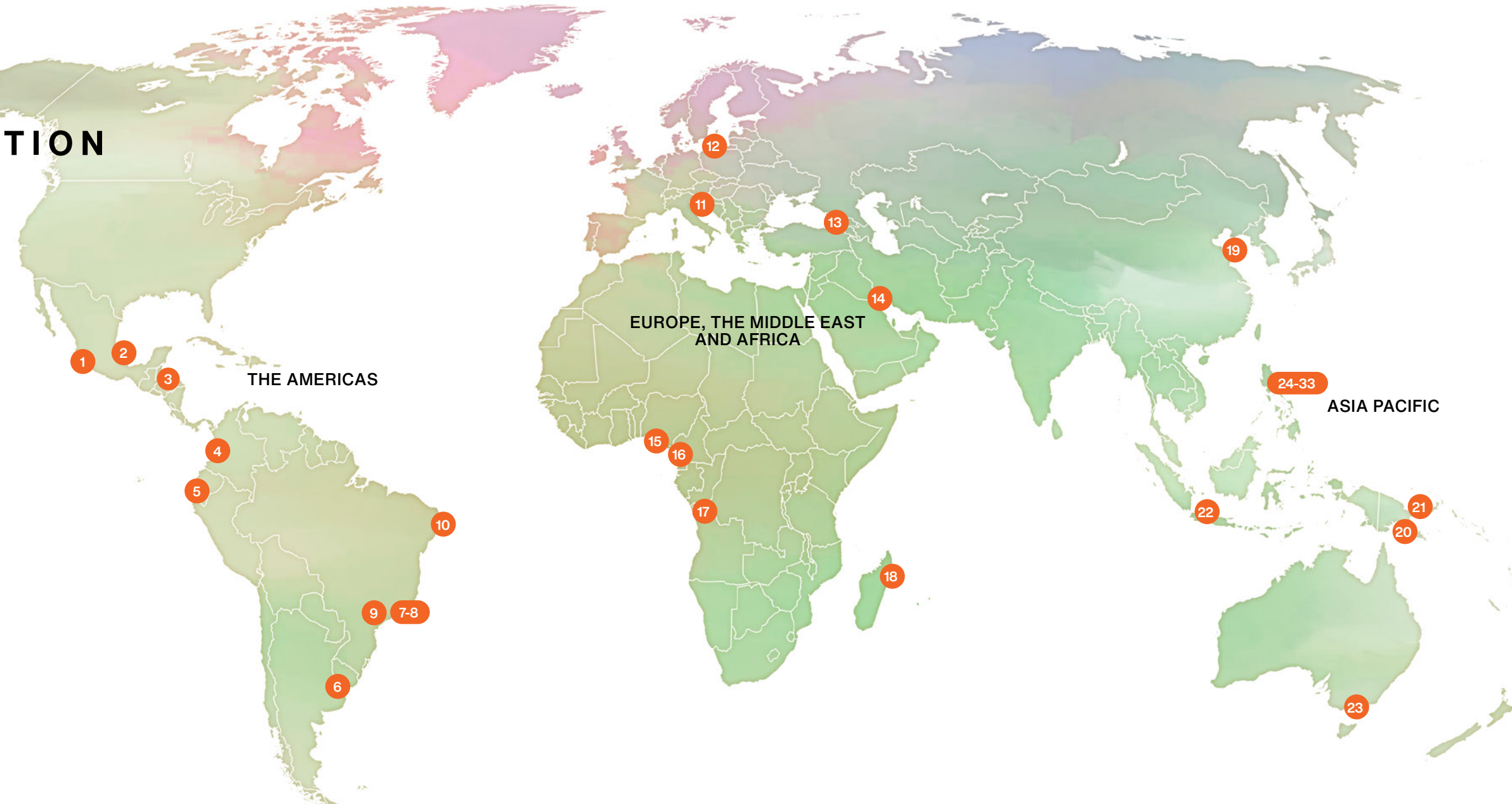
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THE LOGISTICS OF TRANSFORMATION

GLOBAL OPERATIONS MAP



THE AMERICAS

- 1 **Contecon Manzanillo**
Manzanillo, Mexico
- 2 **Tuxpan Maritime Terminal**
Veracruz, Mexico
- 3 **Puerto Cortés**
Cortés, Honduras
- 4 **Puerto Aguadulce**
Buenaventura, Colombia
- 5 **Contecon Guayaquil**
Guayaquil, Ecuador
- 6 **TecPlata**
Buenos Aires, Argentina

THE AMERICAS

- 7 **Rio Brasil Terminal**
Rio de Janeiro, Brazil
- 8 **iTracker**
Rio de Janeiro and Barra Mansa, Brazil
- 9 **CLIA Pouso Alegre**
MinasGerais, Brazil
- 10 **Tecon Suape**
Pernambuco, Brazil

EUROPE, THE MIDDLE EAST AND AFRICA

- 11 **Adriatic Gate Container Terminal**
Rijeka, Croatia

EUROPE, THE MIDDLE EAST AND AFRICA

- 12 **Baltic Container Terminal**
Gdynia, Poland
- 13 **Batumi International Container Terminal**
Adjara, Georgia
- 14 **Basra Gateway Terminal**
Umm Qasr, Iraq
- 15 **Onne Multipurpose Terminal**
Port Harcourt, Nigeria
- 16 **Kribi Multipurpose Terminal**
Kribi, Cameroon
- 17 **Matadi Gateway Terminal**
Kongo Central, D.R. Congo

EUROPE, THE MIDDLE EAST AND AFRICA

ASIA PACIFIC

- 18 **Madagascar International Container Terminal**
Toamasina, Madagascar
- 19 **Yantai International Container Terminals**
Shandong, China
- 20 **Motukea International Terminal**
Port Moresby, Papua New Guinea
- 21 **South Pacific International Container Terminal**
Lae, Papua New Guinea
- 22 **East Java Multipurpose Terminal**
Lamongan, Indonesia

ASIA PACIFIC

PHILIPPINES

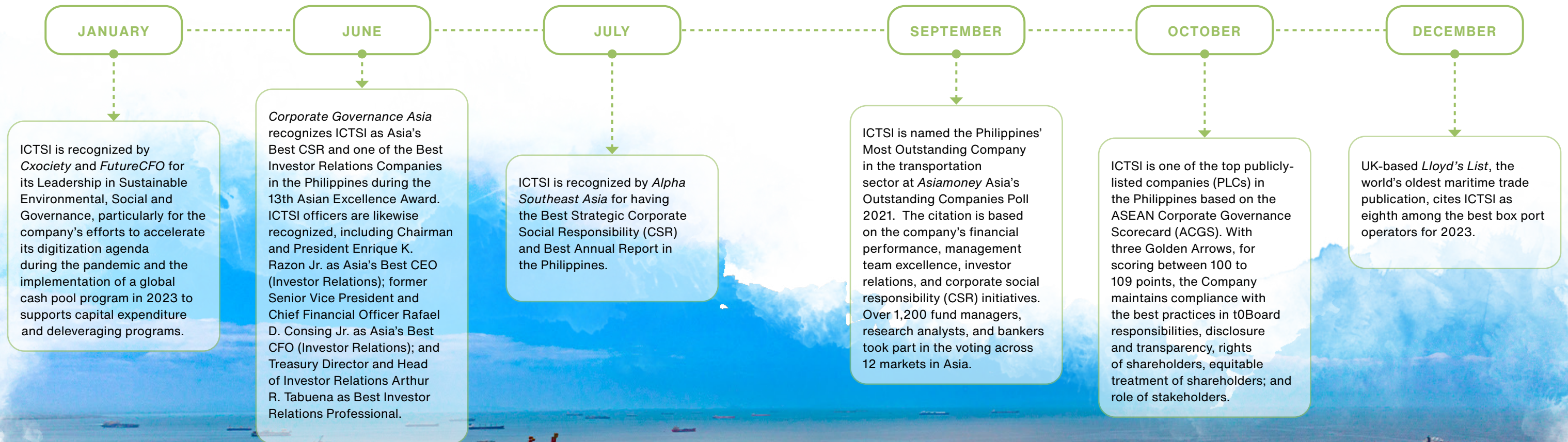
- 23 **Victoria International Container Terminal**
Melbourne, Australia
- 24 **Manila International Container Terminal**
- 25 **NorthPort**
- 26 **Manila Multipurpose Terminal**
- 27 **Cavite Gateway Terminal**
Tanza, Cavite
- 28 **Subic Bay International Terminals (NCT 1 and 2)**
Olongapo City

ASIA PACIFIC

- 29 **Laguna Gateway Inland Container Terminal**
Calamba City
- 30 **Bauan International Port**
Bauan, Batangas
- 31 **Visayas Container Terminal**
Iloilo City
- 32 **Mindanao Container Terminal**
Tagoloan, Misamis Oriental
- 33 **Makar Wharf**
General Santos City

*As of April 15, 2024

2023 AWARDS





GOVERNANCE RESPONSIBILITIES OF THE BOARD

COMPETENT BOARD

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.

ICTSI places great importance on robust corporate governance. It continues to uphold and improve the principles and policies embodied in our Manual on Corporate Governance as well as the best practices of good corporate governance, which serves as the framework of rules, systems and processes that governs the performance of the ICTSI Board of Directors and Management.

As the primary governance arm, the Board ensures that its mandate is effectively carried out through a competent mix of skills, learning, and experience among the Directors and strict observance of qualification requirements laid out by Philippine laws and prevailing global practice.

The Board acts on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the Company and all its stockholders. It espouses accountability, fairness, and transparency in all Company dealings and relationships.

RECOMMENDATION 1.1

- 01 Board is composed of directors with collective working knowledge, experience or expertise that is relevant to the company's industry/sector.
- 02 Board has an appropriate mix of competence and expertise.
- 03 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.

BOARD COMPOSITION

BOARD OF DIRECTORS							
	Enrique K. Razon Jr. Filipino, 63 <i>Executive Director, Chairman and President</i>	Cesar A. Buenaventura Filipino, 94 <i>Non-Executive Independent Director</i>	Carlos C. Ejercito Filipino, 78 <i>Non-Executive Independent Director</i>	Chief Justice Diosdado M. Peralta (ret.) Filipino, 71 <i>Non-Executive Independent Director</i>	Jose C. Ibazeta Filipino, 81 <i>Non-Executive Director</i>	Stephen A. Paradies Filipino, 70 <i>Non-Executive Director</i>	Andres Soriano III, American, 72 <i>Non-Executive Director</i>
Date of First Appointment	December 24, 1987	Feb 15, 2019	April 15, 2021	August 6, 2021	December 24, 1987	December 24, 1987	July 1992
Length of Service	36 years	4 years	2 years	2 years	36 years	36 years	31 years
Academic Background	<i>Doctor of Science in Logistics, Honoris Causa</i> De La Salle University <i>Doctor in Management, Honoris Causa</i> Asian Institute of Management	<i>Bachelor of Science in Civil Engineering</i> University of the Philippines <i>Doctor in Management, Honoris Causa</i> Lehigh University, Bethlehem PA	<i>Bachelor's Degree in Business Administration</i> University of the East <i>Master of Business Administration</i> Ateneo Graduate School of Business <i>Program for Management Development</i> Harvard Graduate School of Education	<i>Bachelor of Science</i> San Juan de Letran <i>Bachelor of Laws</i> University of Santo Tomas <i>Doctor of Laws, Honoris Causa</i> Northwestern University	<i>Doctor of Science in Economics</i> Ateneo de Manila University <i>Master of Business Administration</i> University of San Francisco <i>Master of Business Administration, Banking and Finance</i> New York University	<i>Bachelor of Science in Management</i> University of Santa Clara	<i>Bachelor of Science in Economics, Major in Finance & International Business</i> Wharton School of Finance & Commerce, University of Pennsylvania, USA
Present Directorship and/or Position in other Publicly Listed Companies	<i>Chairman and Chief Executive Officer,</i> Bloomerry Resorts Corporation <i>Chairman and Chairperson of the Executive Committee</i> Manila Water Company, Inc.*	<i>Director</i> Manila Water Company, Inc. <i>Director, Chairman</i> DMCI Holdings, Inc. <i>Director</i> Semirara Mining and Power Corporation <i>Lead Independent Director</i> Concepcion Industrial Corporation <i>Independent Director</i> Shell Pilipinas Corporation <i>Independent Director</i> iPeople, Inc. <i>Lead Independent Director</i> PetroEnergy Resources Corporation	<i>Independent Director</i> Century Properties Group, Inc.	<i>Independent Director</i> Bloomerry Resorts Corporation <i>Independent Director</i> San Miguel Corporation <i>Independent Director</i> Philippine Business Bank		<i>Director</i> Apex Mining, Inc.	<i>Chairman, Chief Executive Officer and Director</i> A. Soriano Corporation

* Full Profiles are disclosed in the Company's [SEC Form 17-A](#) and [SEC Form 20-IS](#).

RECOMMENDATION 1.2

- 01 Board is composed of a majority of non-executive directors.

MAJORITY OF NON-EXECUTIVE DIRECTORS

ICTSI adheres to the guidance that attaining the right composition of Non-Executive Directors and Independent Directors with the Executive Directors assures check and balance in the decision-making process and protection of the

company's interest over the interest of the individual shareholders.

There are seven (7) seats in the Board of Directors of ICTSI and more than a majority of these are held by Non-Executive Directors. There are six (6) Non-Executive Directors while there is only one (1) Executive Director.

Carlos C. Ejercito	Non-Executive Director; Independent Director
Chief Justice Diosdado M. Peralta (ret.)	Non-Executive Director; Independent Director
Cesar A. Buenaventura	Non-Executive Director; Independent Director
Jose C. Ibazeta	Non-Executive Director
Stephen A. Paradies	Non-Executive Director
Andres Soriano III	Non-Executive Director
Enrique K. Razon Jr.	Executive Director

RECOMMENDATION 1.3

- 01 Company provides in its Board Charter and Manual on Corporate Governance a policy on training of directors.
- 02 Company has an orientation program for first time directors.
- 03 Company has relevant annual continuing training for all directors.

POLICY ON DIRECTORS' TRAINING

Section 9.3, ICTSI Manual on Corporate Governance

ICTSI shall conduct an orientation program and relevant annual continuing training for all directors as well as information campaigns, orientation program or workshops on corporate governance available to its directors, officers and employees.

Along with the session, the Company also provides a Director Onboarding Kit which contains the (i) Company, Directors and Officers profiles; (ii) latest disclosures and annual reportorial reports including Minutes of Annual Stockholders' Meetings, SEC Form 20-IS, 17-A, General Information Sheet and Sustainability Report; (iii) Charter Documents such as Articles of Incorporation, By-Laws, and all its amendments; (iv) Committee and Global Organizational Structure; and other introductory materials on the Company.

ANNUAL CG TRAINING

The Company engaged the services of the Institute of Corporate Directors, a training provider duly accredited by the Philippine Securities and Exchange Commission, for the conduct of the virtual 2023 Corporate Governance Training last December 7, 2023.

The CG Training was attended by the Board of Directors, Chief Compliance Officer, Chief Risk Officer, Corporate Secretary, Assistant Corporate Secretaries and the Senior Management of the Company.

Considering that the training was virtual, ICTSI Board and Senior Management were able to attend wherever they may be on the globe. As part of the Company's leading practice, all the Regional Head and Directors of the Company's Philippine subsidiaries were invited and also attended the CG Training.

ONBOARDING FOR FIRST-TIME DIRECTORS

The Company conducts an Orientation Program for first-time Directors of ICTSI.

The most recent was on July 2021 when the Offices of Compliance Officer, Corporate Secretary, and Investor Relations held a 2-day virtual Session for the Onboarding Program for Chief Justice Diosdado M. Peralta (ret.) after he accepted his nomination as Independent Director of the Company. Chief Justice Peralta is the most recent addition to the ICTSI Board.

The session provides an overview of the operations of the Company, the leading practices on corporate governance, and organizational structure.

There were ICTSI Directors who attended their annual CG training through their directorships with other companies. Nevertheless, all members of the Board are committed to engage in continuous CG development by participating in annual trainings.

NAME	POSITION	TRAINING TOPIC
Enrique K. Razon Jr.	Chairman and President; Executive Director	<i>Advanced Corporate Governance Training:</i>
Carlos C. Ejercito	Non Executive Director; Independent Director	<ul style="list-style-type: none"> ▪ <i>The Importance of Corporate Culture for Ethics and Compliance</i> ▪ <i>ESG and Strategy: A Boardroom Topic for Directors</i>
Chief Justice Diosdado M. Peralta (ret.)	Non Executive Director; Independent Director	
Jose C. Ibazeta	Non Executive Director	
Stephen A. Paradies	Non-Executive Director	
Christian Martin R. Gonzalez	Executive Vice President, Chief Compliance Officer, Chief Sustainability Officer	
Emilio Manuel V. Pascua	Senior Vice President, Chief Financial Officer, Chief Risk Officer	
Caroline C. Causon	Senior Vice President, Global Corporate Planning and Financial Services	
Antonio G. Coronel	Vice President, Logistics and Supply Chain	
Arnie D. Tablante	Vice President, Treasurer	
Arlyn L. McDonald	Vice President, Global Financial Controller	
Rafael T. Durian	Corporate Secretary	
Silverio Benny J. Tan	Asst. Corporate Secretary	
Benjamin Edison M. Gorospe III	Asst. Corporate Secretary	
Catherine R. Castro	Head of Global Corporate Audit and Compliance	
Cesar A. Buenaventura	Non-Executive Director; Independent Director	<i>Trust and Ethical Leadership: Enhancing Corporate Governance for Sustainable Success</i> Conducted by iPeople, Inc. on September 9, 2023
Andres Soriano III	Non-Executive Director	<i>Advance Corporate Governance Training:</i> <ul style="list-style-type: none"> ▪ <i>Culture of Innovation Beyond Why, What, When and Where of Innovation Culture</i> ▪ <i>Digital Transformation</i> Conducted by Institute for Corporate Governance on July 26, 2023

RECOMMENDATION 1.4

01 Board has a policy on board diversity.

BOARD DIVERSITY POLICY

As laid down in the ICTSI Board Charter, it is the Company’s mandate that the Board shall be composed of Directors with collective working knowledge, experience or expertise that is relevant or will contribute to the Company’s industry/ sector and has an appropriate mix of competence and expertise.

Board diversity shall be considered from various aspects including but not limited

to gender, age, ethnicity, educational background, professional experience, knowledge, skills, and expertise which can add value and independent judgment in the formulation of sound corporate strategies and policies.

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.

OPTIONAL: RECOMMENDATION 1.4

01 Company has a policy on and discloses measurable objectives for implementing its board diversity and reports on progress in achieving its objectives.

MEASURABLE OBJECTIVES FOR BOARD DIVERSITY

As an initiative of the Office of the Chief Compliance Officer with the assistance of the Global Corporate Legal Affairs, the Annual Evaluation by the Board of Directors for the Board Skills and Expertise Diversity Matrix was rolled out for the

calendar year 2023. This Matrix will be continually evaluated and updated for the necessary trainings and progress to amplify the objective of having collective as well as diverse mix of working knowledge, experience or expertise that is relevant or will contribute to the Company’s industry and, more importantly, aligned with the Company’s Values and Purposes.

BOARD SKILLS AND EXPERTISE DIVERSITY MATRIX

INDUSTRY KNOWLEDGE AND EXPERIENCE	Executive Director	Independent Directors			Non Executive Directors		
	Enrique K. Razon Jr.	Cesar A. Buenaventura	Carlos C. Ejercito	Chief Justice Diosdado M. Peralta (ret.)	Jose C. Ibazeta	Stephen A. Paradies	Andres Soriano III
Logistics and Transportation Services							
Biotech, Healthcare and Pharma							
Food and Beverage							
Fossil Fuels							
Hospitality							
Infrastructure and Construction							
Energy							
Government and Public Administration							
Manufacturing							
Mining							
Public Utilities							
Real Estate							
Services:							
Commercial and Consumer							
Education							
Financial							
IT & Software Development							
Legal							

In its effort toward strengthening its corporate governance and leading with integrity, the Company continues to implement the Human Capital Statement it launched last 2020, and see through its practical outworking in human rights, health and safety, and diversity and inclusion, among others.

In 2022, the Board also approved the ICTSI Diversity and Equal Opportunities Policy to maintain a work environment where respect for inclusion and diversity is maintained and where people do not discriminate or are discriminated against due to disability, age, sexual orientation or preference, civil status, race, origin, religious or political beliefs, and socioeconomic status among others.

RECOMMENDATION 1.5

- 01 Board is assisted by a Corporate Secretary.
- 02 Corporate Secretary is a separate individual from the Compliance Officer.
- 03 Corporate Secretary is not a member of the Board of Directors.
- 04 Corporate Secretary attends training/s on corporate governance.

CORPORATE SECRETARIES

SEC Code of Corporate Governance for Publicly Listed Companies

The Corporate Secretary is primarily responsible to the corporation and its shareholders, and not to the Chairman or President of the Company and has, among others, the following duties and responsibilities:

- a. Assists the Board and the board committees in the conduct of their meetings, including preparing an annual schedule of Board and committee meetings and the annual board calendar, and assisting the chairs of the Board and its committees to set agendas for those meetings;
- b. Safe keeps and preserves the integrity of the minutes of the meetings of the Board and its committees, as well as other official records of the corporation;
- c. Keeps abreast on relevant laws, regulations, all governance issuances, relevant industry developments and operations of the corporation, and advises the Board and the Chairman on all relevant issues as they arise;
- d. Works fairly and objectively with the Board, Management and stockholders and contributes to the flow of information

between the Board and management, the Board and its committees, and the Board and its stakeholders, including shareholders;

- e. Advises on the establishment of board committees and their terms of reference;
- f. Informs members of the Board, in accordance with the by-laws, of the agenda of their meetings at least five working days in advance, and ensures that the members have before them accurate information that will enable them to arrive at intelligent decisions on matters that require their approval;
- g. Attends all Board meetings, except when justifiable causes, such as illness, death in the immediate family and serious accidents, prevent him/her from doing so;
- h. Performs required administrative functions;
- i. Oversees the drafting of the by-laws and ensures that they conform with regulatory requirements; and
- j. Performs such other duties and responsibilities as may be provided by the SEC.

The Board of Directors is assisted by Atty. Rafael T. Durian as Corporate Secretary and Attys. Silverio Benny J. Tan and Atty. Benjamin Edison M. Gorospe III as Assistant Corporate Secretaries.

These Secretaries are not members of the Board of Directors of ICTSI. They have adequate experience in board governance

and mixed expertise on legal, accountancy, and corporate secretarial practices. They annually attend the Annual Corporate Governance Training for Directors and Key Officers which ICTSI conducts in-house and duly accredited by the SEC, which latest training was held on December 7, 2023 (See full details of the Training under Recommendation 1.3).

OFFICE OF THE CORPORATE SECRETARY			
	Atty. Rafael T. Durian Filipino, 90 Corporate Secretary	Atty. Silverio Benny J. Tan Filipino, 67 Assistant Corporate Secretary	Atty. Benjamin Edison M. Gorospe III Filipino, 55 Assistant Corporate Secretary
Academic Background	Bachelor of Laws San Beda College	Bachelor of Arts in Political Science, Cum Laude University of the Philippines - Iloilo College Bachelor of Laws, Cum Laude University of the Philippines	Bachelor of Science in Commerce and Major in Accounting Xavier University Bachelor of Laws University of the Philippines Certified Public Accountant
Working experience	ICTSI's Corporate Secretary since 1987 Corporate Secretary and a Director of Razon Industries, Inc., Sureste Realty Corp. and Provident Management Group, Inc.	A retired partner, former managing partner, and now Of Counsel of the law firm of Picazo Buyco Tan Fider & Santos; Corporate Secretary in several Philippine-registered corporations and the following Publicly Listed Companies: <ul style="list-style-type: none">▪ Apex Mining Company Inc.▪ Bloomberry Resorts Corporation▪ Manila Water Company, Inc.	Joined ICTSI in 2003 as a Tax Manager Worked with the Tax Department of SyCip Gorres Velayo & Co. (a member firm of Ernst & Young Global Limited) for five years and with its Audit Department for one year. Corporate Secretary in several ICTSI subsidiaries

Full Profiles are disclosed in the Company's SEC Form 17-A and SEC Form 20-IS .

RECOMMENDATION 1.6

- 01 Board is assisted by a Compliance Officer.
- 02 Compliance Officer has a rank of Senior Vice President or an equivalent position with adequate stature and authority in the corporation.
- 03 Compliance Officer is not a member of the board.
- 04 Compliance Officer attends training/s on corporate governance.

CHIEF COMPLIANCE OFFICER

SEC Code of Corporate Governance for Publicly Listed Companies

The Compliance Officer is a member of the company's management team in charge of the compliance function. Similar to the Corporate Secretary, he/she is primarily liable to the corporation and its shareholders, and not to the Chairman or President of the company. He/she has, among others, the following duties and responsibilities:

- a. Ensures proper onboarding of new directors (i.e., orientation on the company's business, charter, articles of incorporation and by-laws, among others);
- b. Monitors, reviews, evaluates and ensures the compliance by the corporation, its officers and directors with the relevant laws, this Code, rules and regulations and all governance issuances of regulatory agencies;
- c. Reports the matter to the Board if violations are found and recommends the imposition of appropriate disciplinary action;
- d. Ensures the integrity and accuracy of all documentary submissions to regulators;
- e. Appears before the SEC when summoned in relation to compliance with this Code;
- f. Collaborates with other departments to properly address compliance issues, which may be subject to investigation;
- g. Identifies possible areas of compliance issues and works towards the resolution of the same;
- h. Ensures the attendance of board members and key officers to relevant trainings; and
- i. Performs such other duties and responsibilities as may be provided by the SEC.

Section 2.6.17, ICTSI Manual of Corporate Governance

Duties and Functions of the Board
Appoint a Compliance Officer who shall have the rank of at least Vice President or its equivalent position.

Effective 18 January 2023, **Mr. Christian Martin R. Gonzalez**, Executive Vice President, has been appointed Chief Compliance Officer concurrent to his role as Chief Sustainability Officer of ICTSI. Mr. Gonzalez has over 25 years of experience in the port industry particularly in container terminal management and operation.

As Executive Vice President, he has oversight over the ICTSI Group's operating terminals and business development worldwide. As Chief Sustainability Officer, he drives the integration of sustainability into the core of the business. Mr. Gonzalez has been with ICTSI since 1997. In 2005, he was appointed CEO of the Group's Madagascar operations. He was the lead in redeveloping the terminal, implementing operational and administrative initiatives amid a challenging environment to turn around the terminal into one of Africa's most efficient ports. Mr. Gonzalez was also key in the acquisition and development of the concession in Melbourne, Australia's first automated terminal. Mr. Gonzalez sits on the board of several ICTSI subsidiaries both in the Philippines and abroad. He is also the President of ICTSI Foundation, Inc., the ICTSI Group's social responsibility arm. Mr. Gonzalez takes the lead in sponsoring and implementing programs for the youth, social development and the environment in areas particularly where the Group has a business presence.

Outside of ICTSI, Mr. Gonzalez is a Board Member of Bloomberry Resorts Corp., owner of Solaire Resort and Casino in the Philippines, and of Prime Infrastructure Capital, the Razon Group's infrastructure division with projects worldwide. Mr. Gonzalez is a Board Trustee of Asia Society Philippines and of the Philippine Athletics Track and Field Association.

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

Mr. Gonzalez is not a member of the Board of ICTSI. He annually attends the Annual Corporate Governance Training for Directors and Key Officers which ICTSI conducts in-house and duly accredited by the SEC, which latest training was held on December 7, 2023 (*See full details of the Training under Recommendation 1.3*).

FIDUCIARY ROLES OF THE BOARD

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.

Each ICTSI Director commits to the fiduciary duties of care and of loyalty. Actions are made on a fully informed basis and supported with proper due diligence. Furthermore, and paramount to all responsibilities, the Directors act for the best interest of ICTSI more than that of any controlling group or any stakeholder.

RECOMMENDATION 2.1

01

Directors act on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the company.

DUTIES OF CARE AND OF LOYALTY

ICTSI Manual on Corporate Governance

Section 2.5.2. A director owes the duty to be obedient, loyal and diligent to ICTSI. Obedience imposes on the directors the obligation to act only within ICTSI's corporate powers as defined by its Articles of Incorporation and By-laws and by the Corporation Code and other applicable laws. Directors should manage ICTSI with reasonable diligence, care and prudence.

They cannot be held liable for mistakes or errors in the exercise of their business judgment when they act in good faith with due care and prudence.

Section 2.5.3. A director has fiduciary responsibility to ICTSI and its stockholders. His duty to be loyal requires him to act in ICTSI's best interest and prevents him from acquiring for himself a business opportunity which belongs to ICTSI.

That fiduciary duties take central importance for the Directors are evident both in their regular and special agenda taken and deliberated during the past year for approval and implementation. All these vital matters are documented in the

minutes of meetings and other reports as well as publicly disclosed especially for easy access of ICTSI's shareholders and stakeholders via the Investors sub-site of Company Website (investors.ictsi.com).

RECOMMENDATION 2.2

- 01 Board oversees the development, review and approval of the company's business objectives and strategy.
- 02 Board oversees and monitors the implementation of the company's business objectives and strategy.

SUPPLEMENT TO RECOMMENDATION 2.2

- 01 Board has a clearly defined and updated vision, mission and core values.
- 02 Board has a strategy execution process that facilitates effective management performance and is attuned to the company's business environment, and culture.

OVERSIGHT ON BUSINESS OBJECTIVES AND STRATEGY**ICTSI At a Glance**

ICTSI builds and operates efficient and sustainable origin and destination gateway terminals in markets where we can leverage our competitive strength and create long-term sustainable value.

Our Purpose

To make ports around the world drivers of positive change and sustainable growth.

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

Our Values

ICTSI's commitment to our partners and communities began more than three decades ago in the Philippines. Our projects and terminals now extend across six continents and are anchored by many of the same founding values that have underpinned our sustainable approach to growing our business and our host.

Respect for All

We place the utmost importance on safety, community and diversity. The well-being and health of all our stakeholders is our number one priority. We strive to have the highest standards in place to ensure our people and stakeholders are safe, respected and treated fairly.

Trust

We lead with integrity, respect and compassion for our people, partners and communities and our environment. We take great pride in working responsibly to earn trust and to keep it.

Collaboration

We are a diverse and inclusive company working together and exploring new ways of doing things to deliver the best possible outcome for all our stakeholders. As a responsible business, we embrace equality of opportunity and empower all our people to adapt, collaborate and innovate across borders.

Tenacity

Our people work tirelessly with the utmost determination to achieve their goals and deliver on commitments to partners, stockholders, host communities and the environment.

Passion

We are pioneers in an industry with deep linkages to the host economies and communities in which we operate. Our people relish the challenge of exploring new opportunities, operating terminals, creating sustainable benefits for our host communities and protecting the environment, while also delivering returns to our stockholders.

Thus, 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 22 December 2023 the Board included in its meeting the:

- 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.

On 28 February 2024, the Board likewise reviewed the Company's capital and debt structure as aligned with the business objectives and overall risk appetite.

Among other duties and functions of the Board laid down in ICTSI's Manual of Corporate Governance, ICTSI Directors extend an active hand in the formulation, monitoring, review, and approval of ICTSI's business objectives and strategy to sustain the Company's long-term viability and strength.

Provided by the Organization for Economic Co-operation and Development (OECD) Principles, the Board of Directors:

- Review and guide corporate strategy, major plans of action, risk management policies and procedures, annual budgets, and business plans;
- Set performance objectives;
- Monitor implementation and corporate performance; and
- Oversee major capital expenditures, acquisitions and divestitures.

RECOMMENDATION 2.3

01 Board is headed by a competent and qualified Chairperson.

COMPETENT AND QUALIFIED CHAIRPERSON

SEC Code of Corporate Governance for Publicly Listed Companies

The roles and responsibilities of the Chairman include, among others, the following:

- a. Makes certain that the meeting agenda focuses on strategic matters, including the overall risk appetite of the corporation, considering the developments in the business and regulatory environments, key governance concerns, and contentious issues that will significantly affect operations;
- b. Guarantees that the Board receives accurate, timely, relevant, insightful, concise, and clear information to enable it to make sound decisions;
- c. Facilitates discussions on key issues by fostering an environment conducive for constructive debate and leveraging on the skills and expertise of individual directors;
- d. Ensures that the Board sufficiently challenges and inquires on reports submitted and representations made by Management;
- e. Assures the availability of proper orientation for first-time directors and continuing training opportunities for all directors; and
- f. Makes sure that performance of the Board is evaluated at least once a year and discussed/followed up on.

Mr. Enrique K. Razon Jr. has been a Director of ICTSI since 1987 and the Chairman of the Board of Directors since 1995.

He is also Chairman of Bloomberry Resorts Corp. (BRC), owner of Solaire Resort and Casino in Entertainment City and in Quezon City, Philippines. He is Chairman of Manila Water Company (MWC), the private concessionaire of Metropolitan Waterworks and Sewerage System that serves the more than seven million population of the East Zone of Metro Manila and the Rizal Province. ICTSI, BRC and MWC are listed in the Philippine Stock Exchange.

Mr. Razon also chairs Prime Infrastructure Capital, Inc. (Prime Infra) focused on environmentally resilient and socially relevant projects that help enable the Philippines and emerging economies move forward on their sustainable economic growth plans. Prime Infra develops and operates critical infrastructure in the

renewable energy, water, and waste management and sustainable fuel sectors. Prime Infra has a 45-percent operating stake in the Malampaya deep water gas-to-power project, which produces natural gas that supplies up to 20 percent of Luzon's total electricity requirement. Prime Infra is also developing the 1,400 MW Ahunan pumped storage hydropower plant. Phase 1 of the Wawa Bulk Water Supply Project, a national flagship infrastructure project that ensures water security in Metro Manila and Rizal Province, is operational. On Phase 2's completion, the project will deliver at least 518 million liters per day.

Mr. Razon sits on the board of most ICTSI subsidiaries worldwide and of several foreign and Philippine corporations. His other investments are in real estate, mining, oil and gas exploration, and leisure facilities including a golf course in the Philippines. Mr. Razon also chairs the ICTSI Foundation, Inc., which implements the ICTSI Group's corporate social responsibility advocacies

worldwide. He is also Chairman of Pilipinas Golf Tournaments, Inc., which stages the Philippine Golf Tour, Southeast Asia's largest professional golfing circuit.

Mr. Razon is a member of the US Philippines Society, ASEAN Business Club, and Philippines, Inc

RECOMMENDATION 2.4

- 01 Board ensures and adopts an effective succession planning program for directors, key officers and management.
- 02 Board adopts a policy on the retirement for directors and key officers.

SUCCESSION PLANNING AND RETIREMENT PROGRAM

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

The goal of succession planning is the transfer of company leadership to highly competent and qualified individuals. It is the Board's responsibility to implement a process to appoint competent, professional, honest and highly motivated management team and officers who can add value to the company. A good succession plan is linked to the documented roles and responsibilities for each position, and starts in objectively identifying the key knowledge, skills, and abilities required for the position. The process is conducted in an impartial manner and aligned with the strategic direction of the organization.

ICTSI identifies critical positions within the organization, including leadership roles, technical experts, and other key positions essential for achieving business objectives.

GCHR and Department/BU Heads then conduct a comprehensive assessment of the organization's current talent pool to identify high-potential employees who have the capability and potential to fill key positions in the future. This assessment may include performance evaluations, skills assessments, and potential assessments. Based on the assessment of current talent, GCHR develops succession plans for key positions. These plans should outline potential successors for each position, along with their development paths and timelines for readiness.

ICTSI offers targeted development opportunities to high-potential employees identified as potential successors. This may include mentoring, coaching, stretch assignments, job rotations, training programs, and formal education to help them acquire the skills and experiences needed for future roles.

ICTSI ensures that succession planning and talent management efforts promote diversity and inclusion within the organization. It encourages diversity of thought, background, and experience among potential successors to foster innovation and creativity.

Furthermore, the Company integrates succession planning and professional development initiatives with its annual performance and compensation reviews. This holistic approach ensures that talent development and succession efforts

are closely tied to the company's overall performance objectives. Regular reviews of these programs and policies by the Remuneration Committee and Global

Corporate Human Resources guarantee their continued relevance and alignment with the company's goals and values.

RECOMMENDATION 2.5

- 01 Board aligns the remuneration of key officers and board members with long-term interests of the company.
- 02 Board adopts a policy specifying the relationship between remuneration and performance
- 03 Directors do not participate in discussions or deliberations involving his/her own remuneration.

REMUNERATION POLICY

Section 8, ICTSI By-Laws

As compensation, the Board of Directors shall receive no more than two percent (2%) of the profits obtained during the year after deducting therefrom general expenses, remunerations to officers and employees, depreciation on buildings, machineries, transportation units, furniture, and other properties. Such compensation shall be apportioned among the directors in such manner as the Board of Directors duly assembled as a Board, may deem proper.

Section 2.10, ICTSI Manual on Corporate Governance

2.10 Remuneration of Directors and Officers

2.10.1 Levels of remuneration shall be sufficient to attract and retain the directors, if any, and officers needed to run ICTSI successfully. A proportion of executive director's or officers, remuneration may be structured so as to link rewards to corporate and individual performance.

2.10.2 Corporations may establish formal and transparent procedure for the development of a policy on executive remuneration or

determination of remuneration levels for individual directors and officers depending on the particular needs of ICTSI. No director should participate in deciding his remuneration.

2.10.3 ICTSI's annual reports and information and proxy statements shall include a clear, concise and understandable disclosure of all fixed and variable compensation that may be paid, directly or indirectly, to its directors and top four (4) management officers, in the aggregate, during the preceding fiscal year as provided by law.

2.10.4 To protect the funds of a corporation, the Commission may, in exceptional cases, e.g., when a corporation is under receivership or rehabilitation, regulate the payment of the compensation, allowances, fees and fringe benefits to its directors and officers.

Section V, Charter of the ICTSI Remuneration Committee

Compensation Policies and Programs for the directors, President and other executives

- Assist the Board in setting the remuneration policy for directors and executives.
 - Determine any criteria necessary to measure the performance of management in discharging executive functions and responsibilities.
 - Review and monitor ICTSI's remuneration and incentive framework
- applying to directors and executives and the associated strategies, systems, policies and processes implemented and reported.
- Approve the remuneration and incentive awards of executives based on the recommendations of the President and consistent with the remuneration policy.

OPTIONAL: RECOMMENDATION 2.5

- 01 Board approves the remuneration of senior executives.
- 02 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.

REMUNERATION REVIEW

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

The Board aligns the remuneration of Directors, Key Officers and Senior Executives with the long-term interests of the Company. In determining the proper compensation, the Board ensures

that the (i) level of the remuneration is commensurate with the responsibilities of the role; (ii) no Director participated in the deliberation involving his own remuneration; and (iii) the remuneration pay-out schedules are sensitive to the overall risk profile of the Company.

Officers may receive remuneration in the form of share-based payment transactions and are given awards in the form of ICTSI Common Shares under the Stock Incentive Program (SIP) as equity-settled transactions. The SIP is structured as a medium-term deferral plan. It is a three (3) year plan which can force forfeiture of stock for bad leavers.

RECOMMENDATION 2.6

- 01 Board has a formal and transparent board nomination and election policy.
- 02 Board nomination and election policy is disclosed in the company's Manual on Corporate Governance.
- 03 Board nomination and election policy includes how the company accepted nominations from minority shareholders.
- 04 Board nomination and election policy includes how the board shortlists candidates.
- 05 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.
- 06 Board has a process for identifying the quality of directors that is aligned with the strategic direction of the company.

BOARD NOMINATION AND ELECTION POLICY

**Section 2.6.1, ICTSI Manual of Corporate Governance
Duties and Functions of the Board**

- Pass upon the qualification of nominees to the Board, establish a nomination sub-committee which it can delegate such function or implement a process for the selection of directors who can add value and contribute independent judgment to the formulation of sound corporate strategies and policies.
- Appoint competent, professional, honest and highly-motivated management officers.

Section 2.12, ICTSI Manual of Corporate Governance

Other Committees

The Board may also organize the following committees:

- i. A Nomination Subcommittee, which may be composed of at least three (3)

members and one of whom should be an independent director, to review and evaluate the qualifications of all persons nominated to the Board 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;

Section VI. Nomination and Election Policy, ICTSI Board Charter

Every Stockholder may nominate the Directors to be elected in a regular or special meeting of stockholders. The nomination should be submitted in writing to the Corporate Secretary not earlier than forty (40) days nor later than twenty (20) days prior to the date of the regular or special meeting of stockholders for the election of Directors. Nominations which are not submitted within such nomination period shall not be valid. Only stockholders of record date are entitled to notice of and to vote.

The Board has a formal and transparent board nomination and election policy and is disclosed in the Company's Manual on Corporate Governance.

The profiles of the nominee Directors are sent to the Office of the Corporate Secretary and the qualifications of the nominees are evaluated and assessed by the Nomination Subcommittee based on the skills, experience and the value that each nominee can contribute to the Company. After such deliberations, the Nomination Subcommittee will present the profiles of the shortlisted nominated

directors to the Board of Directors for further evaluation and assessment.

The Board, based on each nominee's qualifications, ensures that each Director can contribute an independent judgment to the formulation of sound corporate strategies and policies.

Each qualified nominee who accepts the nomination must send an acceptance letter of such nomination to the Company through the Office of the Corporate Secretary.

OPTIONAL: RECOMMENDATION 2.6

- 01 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.

EXTERNAL SOURCES FOR DIRECTOR CANDIDATES

The Board of Directors were sourced from the business network of board members or shareholders. As necessary, the Company,

through the Nomination Committee, may retain and terminate (within its sole authority) any search firm to assist in identifying director candidates, including the sole authority to approve the fees payable to such search firm and any other terms of retention.

RECOMMENDATION 2.7

- 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.
- 01
 - 02
 - 03
- RPT policy includes appropriate review and approval of material RPTs, which guarantee fairness and transparency of the transactions.
- RPT policy encompasses all entities within the group, taking into account their size, structure, risk profile and complexity of operations.

RELATED PARTY TRANSACTIONS POLICY

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

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

The Board, through its Related Party Transaction Committee, formulates and implements policies and procedures that would ensure the integrity and transparency of related party transactions between and among the Company and its joint ventures, subsidiaries, associates, affiliates, major stockholders, officers, and directors including their spouses, children and dependent siblings and parents,

and interlocking director relationships by members of the Board.

The Company discloses material or significant RPTs reviewed and approved through its Annual Report (SEC Form 17-A) the name of the related party, its relationship, nature of the transaction, and transaction amount, among others.

The Committee approves RPT only on the affirmative vote of the majority of its members at a meeting, or, to the extent allowed by law, by unanimous written consent of the members. The Company discloses all transactions with related parties in its Annual Reports and complies with the rules on Material Related Party Transactions set forth in the above memorandum circular. For 2023, the RPTs do not meet the threshold for Material Related Party Transaction (MRPT).

All RPTs entered into by the Company in 2023 are done on a "fair and at arm's length" basis and to the best interest of the Company and its Shareholders.

RECOMMENDATION 2.8

- 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).
- 01
 - 02
- 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).

SELECTION OF MANAGEMENT TEAM

Section 2.6.3, ICTSI Manual of Corporate Governance

Duties and Functions of the Board
Select and appoint the President, Chief Finance Officer ("CFO"), and other senior officers of ICTSI. The executive officers shall have the requisite maturity, motivation, integrity, competence and professionalism necessary to effectively perform their duties and responsibilities to ICTSI. The Board may adopt a professional development program for employees and officers, and a succession planning program for the Board and the management to ensure growth and continued increase in shareholders' value.

Section 2.8.3, ICTSI Manual of Corporate Governance

Internal Control Responsibilities of the Board
ICTSI may appoint an Internal Auditor or any other officer designated by the Board, or the Audit Committee through which the Board, senior management and stockholders may be provided with reasonable assurance that its key organizational and operational controls are effective, appropriate and complied with. The Internal Auditor shall be guided by the International Standards on Professional Practice of Internal Auditing.

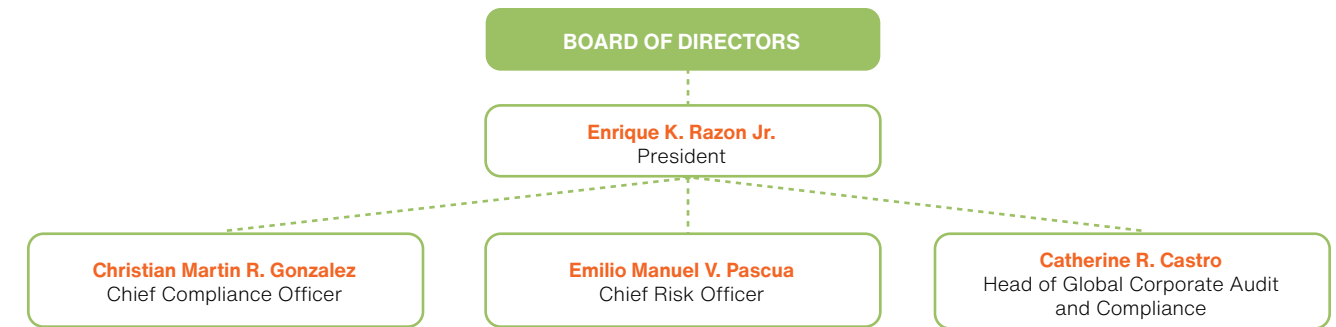
THE ICTSI GROUP SENIOR MANAGEMENT



The Board of Directors is tasked with the responsibility of approving the selection of Management led by the Chief Executive Officer (CEO) and the heads of the other control functions such as the Chief Risk

Officer (CRO), Chief Compliance Officer (CCO), and Head of Global Corporate Audit and Compliance (HAC) after the evaluation and assessment by the Nomination Committee has been completed.

ASSESSMENT OF THE CEO AND HEADS OF OTHER CONTROL FUNCTIONS



Annually, the Board of Directors assesses the performance of the Management as led by the CEO and supported by the CRO, CCO, and HAC. This is part of the Annual Corporate Governance Assessment rolled out to the Board of Directors.

For the year ended 2023, the Assessment of the Control Heads by the Board was done on 31 January 2024.

RECOMMENDATION 2.9

- 01 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.
- 02 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.

PERFORMANCE MANAGEMENT FRAMEWORK

The Board ensures that the performance of ICTSI Management and Personnel are at par with the standards set by the Company.

For a thorough and effective assessment of these performances, the Board has established a Performance Management Framework. The Framework mandates an annual assessment by the ICTSI Group’s Senior Management of the performance of the Company and its individual employees to determine the proper incentives for its Officers and Employees.

To support this there is an Annual Compensation Review where performance

bonus recommendations, salary increases and promotions are managed. The Global Corporate Human Resources Department (GCHR) collects the documents of employees’ accomplishments and compares these to set Key Performance Indicators.

Using the data gathered during the review, the GCHR is able to determine appropriate recommendations for performance bonus, salary increase, and promotions based on the Guidelines for Compensation Review. Additionally and equally important, the GCHR is also able to recognize high potential employees and identify training needs to bridge any skill gaps for all concerned employees.

RECOMMENDATION 2.10

- 01 Board oversees that an appropriate internal control system is in place.
- 02 The internal control system includes a mechanism for monitoring and managing potential conflict of interest of the Management, members and shareholders.
- 03 Board approves the Internal Audit Charter.

OVERSIGHT
RESPONSIBILITY ON
INTERNAL CONTROL**Section 2.6.8, ICTSI Manual on Corporate Governance****Duties and Functions of the Board**

Provide a system of internal checks and balances. A regular review of the effectiveness of such system should be conducted to ensure the integrity of the decision-making and reporting processes at all times. There should be a continuing review of ICTSI's internal control system in order to maintain its adequacy and effectiveness.

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

- a. Defining the duties and responsibilities of the President;
- b. Selecting or approving an individual with appropriate competence, vision, integrity and experience to fill the President's role;
- c. Reviewing proposed senior management appointments;
- d. Ensuring that the selection, appointment and retention of qualified and competent management and officers holding control functions; and

- e. Reviewing ICTSI's personnel and human resource policies and its sufficiency, conflict of interest situations, changes to the compensation plan for employees and officers and management succession plans.

ICTSI Internal Audit Charter, which sets the Framework within which the Audit & Compliance Group will function to achieve its objectives, is reviewed and updated at least once every three (3) years or as often as necessary. The revised ERM Policy is under review and will be presented for approval in May 2024. The provisions of which, upon review, remain to be adequate and relevant to ICTSI's business.

The control environment of ICTSI consists of:

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

RECOMMENDATION 2.11

- 01 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.
- 02 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.

OVERSIGHT
RESPONSIBILITY ON
ERM**Section 2.6.8, ICTSI Manual on Corporate Governance****Duties and Functions of the Board**

Identify and monitor key risk areas and key performance indicators

The Board has the Board Risk Oversight Committee (BROC) that oversees the

enterprise risk management framework. The BROC has the authority to conduct or authorize inquiries into any matters within its scope of responsibility with full access to all books, records, facilities and personnel of ICTSI.

ICTSI has a formal ERM Policy that was approved and released in May 2016. Further revisions were made in May 2018, May 2019, May 2020 and May 2023 and accordingly approved by the BROC. The revised ERM Policy is under review and will be presented for approval in May 2024.

RECOMMENDATION 2.12

- 01 Board has a Board Charter that formalizes and clearly states its roles, responsibilities and accountabilities in carrying out its fiduciary role.
- 02 Board Charter serves as a guide to the directors in the performance of their functions.
- 03 Board Charter is publicly available and posted on the company's website.

BOARD CHARTER

The ICTSI Board of Directors strictly abides by and adheres to its Board Charter wherein its roles, responsibilities and accountabilities in carrying out its fiduciary roles are clearly set forth, including those of the Chairman. It also establishes the standards and criteria for Board performance evaluation.

The salient points of the Board Charter are made publicly available through the Company Website: [Board Matters | ICTSI Investors](#)

ADDITIONAL RECOMMENDATION TO PRINCIPLE 2

- 01 Board has a clear insider trading policy.

INSIDER TRADING POLICY

ICTSI complies with laws, rules and regulations on Insider Trading. In particular, ICTSI's policy is to ensure that Directors, Officers, and Employees of the Company who are aware of any material, non-public information concerning the Company or a third party with whom the Company does business, shall not engage in any transaction in the Company's or such third party's securities through observance of a Blackout Period, which commences from the date when the material non-public

information is obtained or is known and up to two full trading days after the price sensitive information is disclosed.

The Investor Relations Office also sends out a reminder to all Directors and Key Officers to disclose all share-related transactions within three days from the transaction for filing to in compliance with the rules and regulations of the Philippine Stock Exchange and Securities and Exchange Commission.

OPTIONAL: PRINCIPLE 2

- 01 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.
- 02 Company discloses the types of decision requiring board of directors' approval.

LOANS TO DIRECTORS

In Section XII of the Company's Board Charter, it is provided that a Director has a fiduciary responsibility to the Company and its stockholders. His/her duty to be loyal requires him/her to act in the Company's best interest and prevents him/her from acquiring for him/herself a business opportunity which belongs to the Company.

Loans that may be granted to Directors shall be subject to review and approval to ensure that they are on terms and conditions that are arm's length and comparable with market rates, with sufficient documentation and coursed through all appropriate levels of approval as provided in the Company's Related Party Transaction Policy.

BOARD OF DIRECTORS' APPROVAL

Pursuant to ICTSI By-Laws, the Board of Directors the authority to decide on and approve corporate acts as enumerated below. As of date, the Board has not created an Executive Committee. All corporate acts for Board approval are presented by the Management:

- a. To purchase or otherwise acquire in any lawful manner, for and in the name of the Corporation, any and all properties, rights, interests or privileges whatsoever deemed necessary or convenient for the Corporation's business, at such price and subject to such terms and conditions as it may deem proper or convenient.
- b. To invest the funds of the Corporation in any other corporation or business or for any purpose other than those for which it was organized, whenever in its judgment, the interest of the Corporation would thereby be promoted, subject to such stockholder approval or authorization as may be necessary under the law.
- c. To sell, lease, exchange, assign, transfer or otherwise dispose of any property, real or personal, belonging to the Corporation whenever in its judgment, the interest of the Corporation would thereby be promoted, subject to such stockholder authorization or approval as may be necessary under the law.
- d. To incur such indebtedness as it may deem necessary, subject to such stockholder approval or authorization as may be required by law and, for such purpose, to make and issue evidence of such indebtedness including, without limitation; notes, deeds of trust, instruments or securities and/or to mortgage or otherwise encumber all or part of the properties and rights of the Corporation.
- e. Upon recommendation of the Chairman and the President and in accordance with the applicable provisions of these By-Laws, to determine and prescribe the qualifications, duties, term of office, compensation, remuneration, incentives and other benefits of officers and/or employees. Pursuant thereto, to appoint or elect or enter into contracts which such officers and/or employees, under such terms and conditions as the board may determine to be in the best interest of the Corporation.

- f. Upon recommendation of the Chairman and/or the President, to create other offices it may deem necessary and determine how such offices will be filled;
- g. With regard to shares issued in total or partial payment of debts contracted by the Corporation, for whatsoever properties it may have acquired or in payment of services rendered to the Corporation, to impose such conditions regarding the transfer of said shares as it may deem convenient; subject, however, to the limitations fixed by law.
- h. To prosecute, maintain, defend, compromise or abandon any law suit in which the Corporation or its officers are either plaintiffs or defendants in connection with the business of the Corporation, and to settle all claims for or against the Corporation on such terms and conditions as it may deem fit.
- i. To determine whether any, and if any, what part of the surplus profits of the Corporation arising from its business or retained earnings, available for declaration as dividends, shall be declared as dividends, subject to the provisions of law.
- j. To create, by a resolution passed by a majority of all members of the Board, an Executive Committee of five (5) members, a majority of whom shall be members of the Board of Directors. Except as specifically limited by law or by the Board, a member of the Executive Committee may designate in writing an Alternate to represent him and vote at any meeting. Such Alternate need not be a member of the Board of Directors, provided that the other three (3) members of the Executive Committee present at any meeting of the Executive Committee are members of the Board. The Executive Committee, when the Board is not in session, shall have and may exercise the powers of the Board which could lawfully be delegated in the management of the business and affairs of the Corporation. The Executive Committee shall act by the majority vote of all its members, namely, three of five, provided there is no dissenting vote or opposition from the other members. Among the powers to be delegated to the Executive Committee is the authority to approve expenditures up to one Hundred Thousand U.S. Dollars for any purchase or acquisition, provided that Capital Expenditures shall always be subject to Board approval. In case of any dissenting vote or opposition, the issue shall be presented to the Board of Directors for resolution. The Board shall have the power at any time to remove and replace the members of, and fill vacancies in, the Executive Committee.
- k. To create, by resolution passed by a majority of all members of the Board, one or more standing or special committees of directors including a Compensation Committee, with such powers and duties as may be specified in the enabling resolution.
- l. To appoint any person, corporation, association, partnership or entity duly organized and registered in accordance with the laws of the Republic of the Philippines, as general managers or management consultants or technical consultants, under such terms and conditions and for such compensation as the Board may determine.
- m. To guarantee, for and on behalf of the Corporation, obligations of the other corporations in which it has lawful interest.
- n. To appoint trustees who for the benefit of the Corporation, may receive and retain such properties, as may belong to the Corporation or in which it has interest, and to execute such deeds and perform such acts as may be necessary to transfer the ownership of said properties to its trustee.
- o. To enter into any transaction, obligation or contract and perform such acts and execute such deeds as it may deem essential for the proper administration of the Corporation's property, business and affairs or the accomplishment of any of the purposes for which the Corporation was organized.

BOARD COMMITTEES

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.

Establishing Board Committees allows the Directors to leverage on their expertise and experience in examining and discussing related management policies. These expert examinations lend credence and value to more effective recommendations for Board actions. The type of committees established by the Board is in accordance with the regulatory requirements and best practices and also dependent on the Company's size, risk profile, and operations.

RECOMMENDATION 3.1

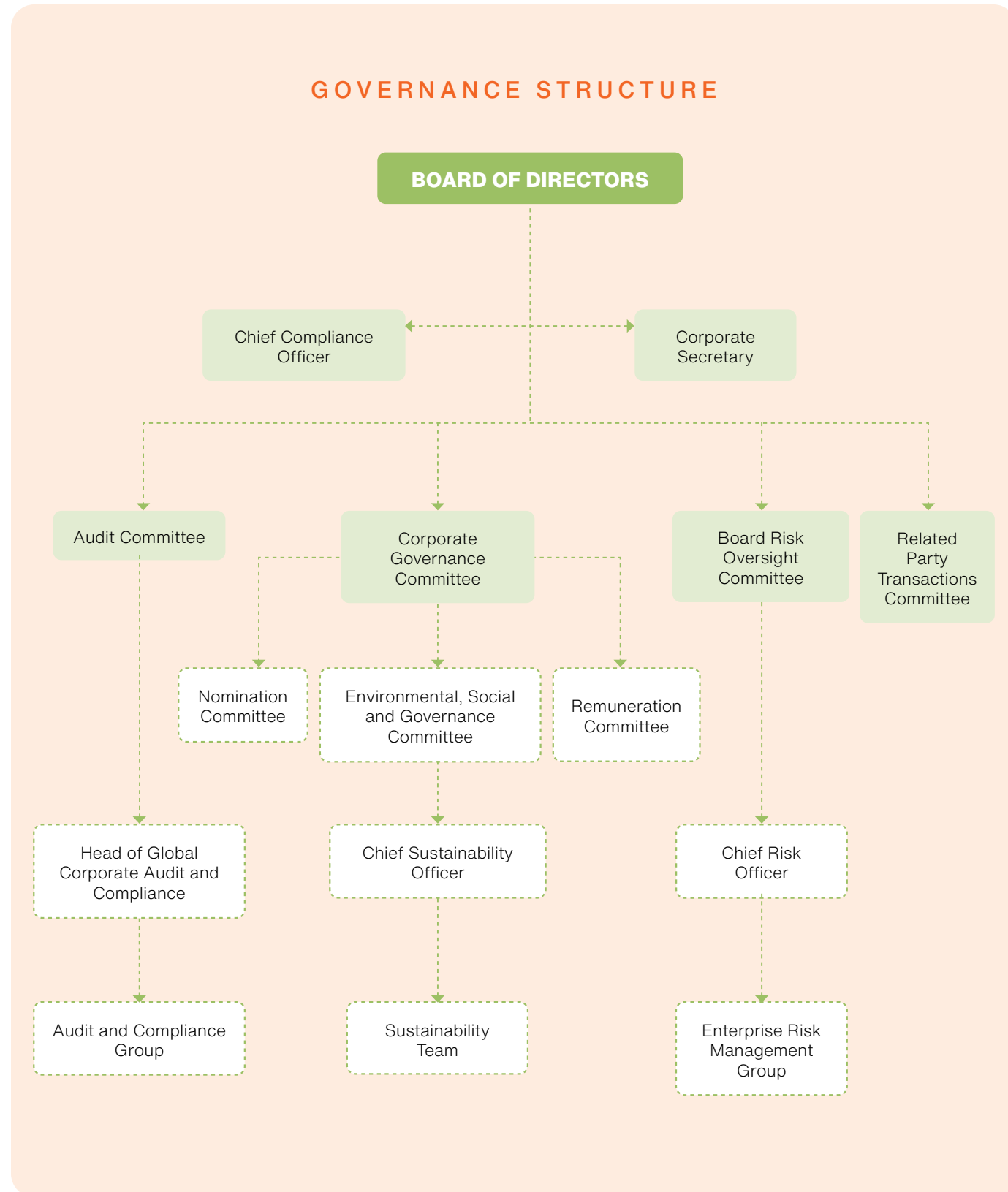
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Board establishes board committees that focus on specific board functions to aid in the optimal performance of its roles and responsibilities.

ESTABLISHMENT OF BOARD COMMITTEES

In ICTSI, as prescribed by the Manual on Corporate Governance, the Board of Directors established the following: Audit Committee; Corporate Governance Committee, which has the Nomination Subcommittee and Remuneration Subcommittee; Board Risk Oversight Committee; and the Related Party Transaction Committee.

Additionally, in 2020, the Board in accordance with the recommendation of the Corporate Governance Committee also established the Environmental, Social, and Governance (ESG) Subcommittee as the third subcommittee under the Corporate Governance Committee. This signifies ICTSI's continuous commitment to uphold the principles of sustainable development in its operations and thrusts.



BOARD COMMITTEES

	AUDIT COMMITTEE	CORPORATE GOVERNANCE COMMITTEE	NOMINATION COMMITTEE	REMUNERATION COMMITTEE	ENVIRONMENT, SOCIAL AND GOVERNANCE COMMITTEE	BOARD RISK OVERSIGHT COMMITTEE	RELATED PARTY TRANSACTION COMMITTEE
Cesar A. Buenaventura	M Independent	M Independent	-	-	M Independent	M Independent	C Independent
Carlos C. Ejercito	C Independent	M Independent	M Independent	M Independent	-	M Independent	M Independent
Chief Justice Diosdado M. Peralta (ret.)	-	C Independent	-	-	C Independent	M Independent	M Independent
Jose C. Ibazeta	-	-	C	-	-	-	-
Stephen A. Paradies	M	-	M	M	M	C	-
Andres Soriano III	-	-	-	C	-	-	-

BOARD COMMITTEE MEETINGS

BOARD COMMITTEE	DATE OF MEETINGS
Audit Committee	3 March 2023 3 May 2023 10 August 2023 6 November 2023
Corporate Governance Committee	2 March 2023 3 May 2023 10 August 2023 6 November 2023
Nomination Committee	2 March 2023 22 December 2023
Remuneration Committee	21 February 2023 23 April 2023 13 November 2023
Environmental, Social, and Governance Committee	2 March 2023 3 May 2023 10 August 2023 6 November 2023
Board Risk Oversight Committee	3 March 2023 3 May 2023 10 August 2023 6 November 2023
Related Party Transaction Committee	3 March 2023 3 May 2023 10 August 2023 6 November 2023

RECOMMENDATION 3.2

- 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.
- 01
- Audit Committee is composed of at least three appropriately qualified non-executive directors, the majority of whom, including the Chairman is independent.
- 02
- All the members of the committee have relevant background, knowledge, skills, and/or experience in the areas of accounting, auditing and finance.
- 03
- The Chairman of the Audit Committee is not the Chairman of the Board or of any other committee.
- 04

SUPPLEMENT TO RECOMMENDATION 3.2

- 01 Audit Committee approves all non-audit services conducted by the external auditor.
- 02 Audit Committee conducts regular meetings and dialogues with the external audit team without anyone from management present.

OPTIONAL: RECOMMENDATION 3.2

- 01 Audit Committee meet at least four times during the year.
- 02 Audit Committee approves the appointment and removal of the internal auditor.

AUDIT COMMITTEE

Chairman: **Carlos C. Ejercito**
(Independent Director)

Member: **Cesar A. Buenaventura**
(Independent Director)

Stephen A. Paradies
(Non-Executive Director)

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

Business Conduct. The Audit Committee's responsibilities are stated in the Audit Committee Charter.

The Audit Committee is composed of a majority of Independent Directors who maintain independence from Management and the controlling stockholder. Further, the Chairman of the Audit Committee is not a Chairman of the Board or any other Board Committee.

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. The Audit Committee reviews the nature of the non-audit related services rendered by the external auditors and the appropriate fees paid for these services. The Audit Committee also approves the appointment and removal of the internal auditor.

The Audit Committee is required to meet at least four (4) times in a calendar year. When sensitive matters are to be discussed, it meets separately with the external auditors without anyone from management present. This happens regularly.

2023 Audit Committee Meetings

- 3 March 2023
- 3 May 2023
- 10 August 2023
- 6 November 2023

The Charter of the Audit Committee is disclosed to the public through the Company Website (*See Audit Committee Charter*).

The Chairman and Members of the Audit Committee have relevant background, knowledge, skills, and/or experience in the areas of accounting, auditing and finance.

CHAIRMAN OF THE AUDIT COMMITTEE

Mr. Carlos C. Ejercito, CPA, the Audit Committee Chairman, has a Bachelor's Degree in Business Administration, cum laude, from the University of the East, and successfully passed the board for Certified

Public Accountant (CPA) at the age of 18. He has completed the coursework for the MBA program from Ateneo Graduate School of Business and attended the Program for Management Development at Harvard Business School.

He started his finance and accounting experience when at 19, he was promoted as unit manager in finance in Procter and Gamble. This was followed by his appointment as Systems Engineer, specializing in financial applications in IBM Philippines. He was later hired by Citibank as a senior officer in its operations division with responsibility over accounting, reporting and audit. In this capacity, he was regularly asked to teach computer financial applications within the Citibank network in Europe and Asia Pacific.

MEMBERS OF THE AUDIT COMMITTEE

Mr. Cesar A. Buenaventura has relevant background in areas of accounting, auditing and finance. He is a former Director of Philippine National Bank and Asian Bank, the former being a publicly listed corporation.

Mr. Stephen A. Paradies has also the relevant background in areas of accounting and finance. He served as the Group Chief Financial Officer, Senior Vice President and Corporate Information Officer of Aboitiz Equity Ventures, Inc.; and was a Director of UnionBank of the Philippines. As Chief Financial Officer, treasury, controllership, tax compliance and investor relations all report to him. He has received his Bachelor of Science Degree, Major in Business Management, from the Santa Clara University, California, USA.

RECOMMENDATION 3.3

- 01 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.
- 02 Corporate Governance Committee is composed of at least three members, all of whom should be independent directors.
- 03 Chairman of the Corporate Governance Committee is an independent director.

OPTIONAL: RECOMMENDATION 3.3

- 01 Corporate Governance Committee meet at least twice during the year.

CORPORATE GOVERNANCE COMMITTEE

Chairman: **Chief Justice Diosdado M. Peralta (ret.)**
(Independent Director)
Member: **Cesar A. Buenaventura**
(Independent Director)
Member: **Carlos C. Ejercito (ret.)**
(Independent Director)

The Corporate Governance Committee (CG Committee) is responsible for ensuring that ICTSI is compliant with the best corporate governance principles and practices.

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

The Committee, composed of three Independent Directors, meets at least twice a year to oversee the implementation of the Corporate Governance Framework.

2023 CG Committee Meetings:

- 2 March 2023
- 3 May 2023
- 10 August 2023
- 6 November 2023

The Charter of the CG Committee is disclosed to the public through the Company Website (See Corporate Governance Committee Charter).

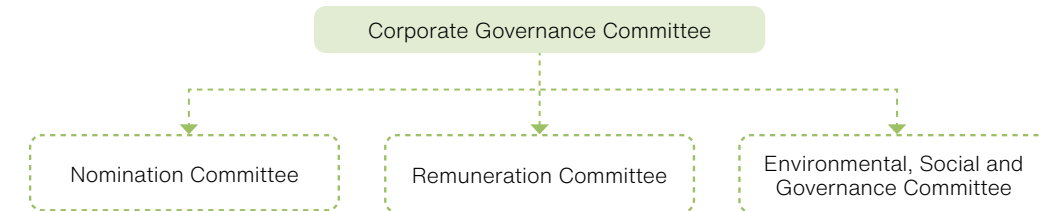
CHAIRMAN OF THE CG COMMITTEE

Chief Justice Diosdado M. Peralta (ret.), the Chairman of the Corporate Governance Committee and an Independent Director at ICTSI, brings extensive expertise in regulatory compliance and corporate governance. With experience spanning both government agencies and the private sector since 1980, he is a recognized authority in the field.

Chief Justice Peralta completed his Bachelor of Science degree in San Juan

de Letran in 1974 and his Bachelor of Laws degree at the University of Santo Tomas in 1979. He passed the Bar Examination in 1980. On 9 April 2010 he received his Doctor of Laws degree, honoris causa, from Northwestern University, Laoag City, Ilocos Norte.

To further strengthen the Company's compliance to best corporate governance practices, the CG Committee has established the following sub-committees:



NOMINATION COMMITTEE

Chairman: **Jose C. Ibazeta**
(Non-Executive Director)
Members: **Stephen A. Paradies**
(Non-Executive Director)
Carlos C. Ejercito
(Independent Director)

The Nomination Committee is responsible for reviewing and evaluating the qualifications of all candidates nominated to be a member of the ICTSI Board of Directors. It determines the nomination and election process and has the special duty of defining the general profile of members of the Board that the Company may need. Through this, the Nomination Committee ensures that appropriate knowledge, competencies, and expertise complements the existing skills of the Board.

The Nomination Committee is composed of two Non-Executive Directors and one Independent Director who meet periodically to assess the Board and its Committees, as well as the Senior Management of the Company.

2023 Nomination Committee Meetings:

- March 2, 2023
- December 22, 2023

The Charter of the Nomination Committee is disclosed to the public through the Company Website (See *Nomination Committee Charter*).

CHAIRMAN OF THE NOMINATION COMMITTEE

Mr. Jose C. Ibazeta, the Nomination Committee Chairman, has been a Director of ICTSI since December 24, 1987. He also gained experiences from various private companies that are in the public utilities, hospitality, mining, and infrastructure and construction sectors.

He received his Bachelor of Science in Economics degree from the Ateneo de Manila University in 1963 and his Master's Degree in Business Administration from the University of San Francisco, USA in 1968. He completed all academic requirements and passed the comprehensive exams for a Master of Business Administration in Banking and Finance from the New York University in 1975.

REMUNERATION COMMITTEE

Chairman: **Andres Soriano III**
(Non-Executive Director)
Members: **Stephen A. Paradies**
(Non-Executive Director)
Carlos C. Ejercito
(Independent Director)

The Remuneration Committee was organized to establish a formal and transparent procedure for developing a policy on remuneration of the Directors and Senior Management to ensure that

their compensation is consistent with the Company's culture, strategy, and the business environment in which it operates.

This Committee is composed of two Non-Executive Directors and one Independent Director who meet periodically to ensure that the remuneration levels is competitively set to attract and retain the most qualified and experienced Directors and Executives.

2023 Remuneration Committee Meetings:

- February 21, 2023
- April 23, 2023
- November 13, 2023

The Charter of the Remuneration Committee is disclosed to the public through the Company Website (*See Remuneration Committee Charter*).

CHAIRMAN OF THE REMUNERATION COMMITTEE

Mr. Andres Soriano III, the Remuneration Committee Chairman, has been a Director of ICTSI since July 1992. He is a Chairman and Chief Executive Officer of publicly listed company, A. Soriano Corporation and has gained experiences from various private companies that are, among others, in the public utilities, hospitality, mining, real estate and financial sectors.

Mr. Soriano received a Bachelor of Science Degree in Economics, majoring in Finance and International Business, from Wharton School of Finance and Commerce, University of Pennsylvania, USA in 1972.

ENVIRONMENTAL, SOCIAL, AND GOVERNANCE COMMITTEE

Chairman: **Chief Justice Diosdado M. Peralta (ret.)**
(Independent Director)

Members: **Stephen A. Paradies**
(Non-Executive Director)
Cesar A. Buenaventura
(Independent Director)

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

The ESG Committee is composed of two Independent Directors and one Non-executive Director who meet periodically to review the Company's ESG policies, targets and achievements towards its commitment to sustainability.

2023 ESG Committee Meetings:

- March 2, 2023
- May 3, 2023
- August 10, 2023
- November 6, 2023

The Charter of the ESG Committee is disclosed to the public through the Company Website (*See ESG Committee Charter*).

CHAIRMAN OF THE ESG COMMITTEE

Chief Justice Diosdado M. Peralta (ret.) the Environmental, Sustainability, and Corporate Governance ("ESG") Committee Chairman has earned knowledge not only on diverse ESG compliance but also in labor, environmental laws and jurisprudence as part of the corporate governance and regulatory compliance.

RECOMMENDATION 3.4

- 01 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.
- 02 BROC is composed of at least three members, the majority of whom should be independent directors, including the Chairman.
- 03 The Chairman of the BROC is not the Chairman of the Board or of any other committee.
- 04 At least one member of the BROC has relevant thorough knowledge and experience on risk and risk management.

BOARD RISK OVERSIGHT COMMITTEE

Chairman: **Stephen A. Paradies**
(Non-Executive Director)

Members: **Carlos C. Ejercito**
(Independent Director)
Cesar A. Buenaventura
(Independent Director)
Chief Justice Diosdado M. Peralta (ret.)
(Independent Director)

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

operational, legal, and other risk exposures of the Company.

The BROC is composed of a majority of Independent Directors. The Chairman of the BROC is not a Chairman of the Board nor of any other Board Committee.

The Committee meets periodically to discuss the Company's prioritized and residual risk exposures based on regular management reports and assess how the concerned units or officers are addressing and managing risks.

2023 Board Risk Oversight Committee Meetings:

- March 3, 2023
- May 3, 2023
- August 10, 2023
- November 6, 2023

The Charter of the BROC is disclosed to the public through the Company Website (*See Board Risk Oversight Committee Charter*).

CHAIRMAN OF THE BROC

Mr. Stephen A. Paradies, the Chairman of Board Risk Oversight Committee, has been a Director of ICTSI since 1987. Through years of being part of the Company, he has

gained relevant thorough knowledge and experience on risk and risk management of the Company.

Mr. Paradies received his Bachelor of Science Degree, Major in Business Management, from the Santa Clara University, California, USA.

RECOMMENDATION 3.5

- 01 Board establishes a Related Party Transactions (RPT) Committee, which is tasked with reviewing all material related party transactions of the company.
- 02 RPT Committee is composed of at least three non-executive directors, two of whom should be independent, including the Chairman.

RELATED PARTY TRANSACTIONS COMMITTEE

Chairman: **Cesar A. Buenaventura**
(Independent Director)
Members: **Carlos C. Ejercito**
(Independent Director)
Chief Justice Diosdado M. Peralta (ret.)
(Independent Director)

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

The RPT Committee ensures that appropriate disclosure is made, and/or information is provided to regulators and government authorities in connection with the Company's related party transactions exposures, and policies on conflicts of interest or potential conflicts of interest.

Such transactions with related parties, including write-off of exposures, are subject to a periodic independent review or audit process.

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

- 2023 RPT Committee Meetings:
- 3 March 2023
 - 3 May 2023
 - 10 August 2023
 - 6 November 2023

The Charter of the RPT Committee is disclosed to the public through the Company Website (*See Related Party Transactions Committee Charter*).

RECOMMENDATION 3.6

- 01 All established committees have a Committee Charter stating in plain terms their respective purposes, memberships, structures, operations, reporting process, resources and other relevant information.
- 02 Committee Charters provide standards for evaluating the performance of the Committees.
- 03 Committee Charters were fully disclosed on the company's website.

CHARTERS OF THE BOARD COMMITTEES

Each of the ICTSI Board Committees have adopted a Board Committee Charter. The Charter, by standard, lays down the organization of the committee, a statement of the committee's policy, scope of committee authority and responsibility, procedures, training and education,

remuneration, and performance evaluation as among the important information to be included in the Charter.

All the Charters of the Board Committees are fully disclosed in the [Company Website](#)

BOARD PARTICIPATION

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.

Each of the Board of Directors of ICTSI give their utmost devotion to the fulfillment of their duties and responsibilities by rendering and managing the needed time and attention to their various activities as Directors.

RECOMMENDATION 4.1

- 01 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.
- 02 The directors review meeting materials for all Board and Committee meetings.
- 03 The directors ask the necessary questions or seek clarifications and explanations during the Board and Committee meetings.

DIRECTORS' ATTENDANCE

Pursuant to Section 3, Article III of Company's Bylaws, the Board holds a regular meeting every month, but special meetings may also be called by the Chairman of the Board or the President.

Below are the items approved by the Board of Directors from 20 April 2023 (Annual Shareholders Meeting for 2023) up to 18 March 2024 and is included in the SEC Form 20-IS or Definitive Information Statement as part of the matters to be ratified by the Shareholders in the Annual Shareholders Meeting held on 18 April 2024.

- Election of the Key Officers
- Appointment of Chairman and Members of the Board Committees
- Availment, amendment, and renewal of credit, risk, and term loan facilities with various banks and other treasury transactions
- Guarantee loan facilities of subsidiaries in various banks
- Appointment of Attorneys-in-Fact for various transactions
- Awarding of shares under Stock Incentive Plan
- Shareholders' Agreement with San Miguel Holdings, Inc.
- Capital infusion to its subsidiaries as deposit for future subscription

2023 BOARD ATTENDANCE FOR REGULAR AND SPECIAL BOARD MEETINGS

BOARD MEMBER	NAME	NO. OF MEETINGS ATTENDED/ HELD	% OF ATTENDANCE
Chairman	Enrique K. Razon Jr.	20/20	100%
Independent Director	Cesar A. Buenaventura	20/20	100%
Independent Director	Carlos C. Ejercito	20/20	100%
Independent Director	Chief Justice Diosdado M. Peralta (ret.)	20/20	100%
Non-Executive Director	Jose C. Ibazeta	20/20	100%
Non-Executive Director	Stephen A. Paradies	20/20	100%
Non-Executive Director	Andres Soriano III	20/20	100%

- Declaration of regular and special cash dividends
- Participation in the bid for a greenfield investment for a private port in Cambodia
- Participation in the bid for the development, management and operation of any ports in the Republic of Kenya
- Participation in the bid for the development, management and operation of the Baseport - Iloilo Commercial Port Complex
- Plans to use the dividends received from the Company's foreign subsidiaries to fund the Company's working capital requirements, and dividend distributions, among others
- Engagement of Good Governance Advocates and Practitioners of the Philippines as external facilitator of the Annual Corporate Governance Assessment for Board of Directors for the year ended 2022
- Establishment of the Board Charter
- Appointment of Mr. Emilio Manuel V. Pascua as Chief Risk Officer, concurrent to his role as Chief Finance Officer
- Appointment of Ms. Caroline C. Causon as Senior Vice President – Global Corporate Planning and Financial Services
- Appointment of Ms. Arlyn L. McDonald as Vice President - Global Financial Controller
- Company's Purpose and Values
- Remuneration of the Board of Directors and Executive Officers
- Board meeting schedule for the year 2024
- Election of external auditor and fixing of its remuneration

To ensure that each member of the Board and Committee has sufficient and material time to review the materials and prepare for the scheduled meeting, they were provided copies of the materials at least five (5) days prior to the meeting.

During the meeting, each member of the Board and Committee were provided an equal opportunity to ask necessary questions or seek clarifications on the matters discussed and presented.

RECOMMENDATION 4.2

- 01 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.

MULTIPLE BOARD SEATS

Section 2.2, ICTSI Manual on Corporate Governance

Multiple Board Seats

The Board may consider the adoption of guidelines on the number of directorships that its members can hold in stock and non-stock corporations. The optimum number should take into consideration the capacity of a director to diligently and efficiently perform his duties and responsibilities. Practices by other world class corporations may be considered. Directors who pass the vetting by the Nomination Committee shall be considered to have complied with this requirement.

The President and other executive directors may be covered by a lower indicative limit for membership in other boards. A similar limit may apply to independent or non-executive directors who, at the same time, serve as full-time executives in other corporations. In any case, the capacity of the directors to diligently and efficiently perform their duties and responsibilities to the boards they serve shall not be compromised. Directorship in subsidiaries and affiliates of ICTSI shall not be considered as a limitation. Officers who have passed the vetting of the Nomination Committee shall be considered to have complied with this requirement.

The Board, through the Nomination Committee, 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.

In such assessment, the Nomination Committee is mindful of the

recommendation that Non-Executive Directors observe a limit of concurrent five directorships in other 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 ICTSI. This is well reminded to the said Directors.

RECOMMENDATION 4.3

- 01 The directors notify the company's board before accepting a directorship in another company.

ACCEPTANCE OF DIRECTORSHIP

In addition to duties and responsibilities of a 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 the Corporate Secretary and Chief Compliance Officer, an updated list of directorships in other companies, and notifies the Company for any other changes made.

OPTIONAL RECOMMENDATION TO PRINCIPLE 4

- 01 Company does not have any executive directors who serve in more than two boards of listed companies outside of the group.
- 02 Company schedules board of directors' meetings before the start of the financial year.
- 03 Board of directors meet at least six times during the year.
- 04 Company requires as minimum quorum of at least 2/3 for board decisions.

OTHER MATTERS

Section 3, Article III of the Company's By-Laws provides that the Board shall hold a regular meeting on the third week of each month. In preparation for the then incoming year 2023, the Board approved the target schedule of regular meetings during the regular meeting held on December 15, 2022.

In 2023, the Board of Directors conducted a total of 20 synchronous and asynchronous Regular and Special Board Meetings. Furthermore, the Board have reached 100% in attendance in all the 20 meetings and unanimously approved the matters discussed and needed approval in each meeting.

INDEPENDENCE

PRINCIPLE 5

The board should endeavor to exercise an objective and independent judgment on all corporate affairs.

An ICTSI Director is given the mandate to act in the best interest of the Company in a manner characterized by transparency, accountability, and fairness. Independent judgment to carry out such mandate is given utmost protection by the Company.

RECOMMENDATION 5.1

- 01 The Board has at least 3 independent directors or such number as to constitute one-third of the board, whichever is higher.

NUMBER OF INDEPENDENT DIRECTORS

Section 22, Revised Corporation Code of the Philippines

The board of the following corporations vested with public interest shall have independent directors constituting at least twenty percent (20%) of such board:

- a. Corporations covered by Section 17.2 of Republic Act No. 8799, otherwise known as "The Securities Regulation Code", namely those whose securities are registered with the Commission, corporations listed with an exchange or with assets of at least Fifty million

pesos (P50,000,000.00) and having two hundred (200) or more holders of shares, each holding at least one hundred (100) shares of a class of its equity shares;

ICTSI Manual on Corporate Governance

Section 2.1.2 Composition of the Board - At least two (2) directors shall be an independent director or such number of independent directors that constitutes twenty percent (20%) of the members of the Board, whichever is lesser, in no case less than two (2) as provided by law.

The minimum number of Independent Directors set by law, i.e. the Revised Corporation Code and the Securities Regulation Code of the Philippines, for a publicly listed company such as ICTSI is 20% of the number of seats in the Board. There are seven (7) seats in ICTSI's Board of Directors. Hence, the minimum number of seats that must be occupied by Independent Directors are two (2) seats.

Nonetheless, leading best practices of good corporate governance recommend the allotment of at least three (3) seats or one-third of the Board, whichever is higher, for Independent Directors. Thus, since 2019, ICTSI has increased the number of Independent Directors from two (2) to three (3) seats.

RECOMMENDATION 5.2

- 01 The independent directors possess all the qualifications and none of the disqualifications to hold the positions.

SUPPLEMENT TO RECOMMENDATION 5.2

- 01 Company has no shareholder agreements, by-laws provisions, or other arrangements that constrain the directors' ability to vote independently.

QUALIFIED AND COMPETENT INDEPENDENT DIRECTORS

SEC Code of Corporate Governance for Publicly Listed Companies

Independent directors need to possess a good general understanding of the industry they are in. Further, it is worthy to note that independence and competence should go hand-in-hand. It is therefore important that the non-executive directors, including independent directors, possess the qualifications and stature that would enable them to effectively and objectively participate in the deliberations of the Board.

An Independent Director refers to a person who, ideally:

- Is not, or has not been a senior officer or employee of the covered company unless there has been a change in the controlling ownership of the company;
- Is not, and has not been in the three years immediately preceding the election, a director, officer, employee of the covered company's subsidiaries, associates, affiliates or related companies; or a director, officer, employee of the covered company's substantial shareholders and its related companies;
- Has not been appointed in the covered company, its subsidiaries, associates, affiliates or related companies as Chairman "Emeritus," "Ex-Officio"

Directors/Officers or Members of any Advisory Board, or otherwise appointed in a capacity to assist the Board in the performance of its duties and responsibilities within three years immediately preceding his election;

- Is not an owner of more than two percent (2%) of the outstanding shares of the covered company, its subsidiaries, associates, affiliates or related companies;
- Is not a relative of a director, officer, or substantial shareholder of the covered company or any of its related companies or of any of its substantial shareholders. For this purpose, relatives include spouse, parent, child, brother, sister and the spouse of such child, brother or sister;
- Is not acting as a nominee or representative of any director of the covered company or any of its related companies;
- Is not a securities broker-dealer of listed companies and registered issuers of securities. "Securities broker-dealer" refers to any person holding any office of trust and responsibility in a broker-dealer firm, which includes, among others, a director, officer, principal stockholder, nominee of the firm to the Exchange, an

- associated person or salesman, and an authorized clerk of the broker or dealer;
- h. Is not retained, either in his personal capacity or through a firm, as a professional adviser, auditor, consultant, agent or counsel of the covered company, any of its related companies or substantial shareholder, or is otherwise independent of Management and free from any business or other relationship within the three years immediately preceding the date of his election;
- i. Does not engage or has not engaged, whether by himself or with other persons or through a firm of which he is a partner, director or substantial shareholder, in any transaction with the covered company or any of its related companies or substantial shareholders, other than such transactions that are conducted at arm's length and could not materially interfere with or influence the exercise of his independent judgment;
- j. Is not affiliated with any non-profit organization that receives significant funding from the covered company or any of its related companies or substantial shareholders; and
- k. Is not employed as an executive officer of another company where any of the covered company's executives serve as directors.
- ICTSI Manual on Corporate Governance**
Section 1.2 Independent Director – A person who, apart from his fees and shareholdings, is independent of Management and free from any business or other relationship which could reasonably be perceived to materially interfere with his exercise of independent judgment in carrying out his responsibilities as a director

THE INDEPENDENT DIRECTORS OF ICTSI

The Independent Directors of ICTSI are more than qualified to hold the position and possess none of the disqualifications to serve as such.

Cesar A. Buenaventura

Mr. Buenaventura has been an Independent Director of ICTSI since February 12, 2019.

He is also the Chairman of the Related Party Transactions Committee; and a member of Audit Committee, Corporate Governance Committee, Environment, Social and Governance Committee, and Board Risk Oversight Committee.

Mr. Buenaventura received his Bachelor of Science degree in Civil Engineering from the University of the Philippines in 1950, and his Master of Science degree in Civil Engineering majoring in 17 Structures from Lehigh University Bethlehem, Pennsylvania

in 1954, as a Fulbright scholar. In 1991, Mr. Buenaventura was made Honorary Officer of the Order of the British Empire (OBE) by Her Majesty Queen Elizabeth II.

Carlos C. Ejercito

Mr. Ejercito has been an Independent Director of ICTSI since April 21, 2022.

He is also the Chairman of the Audit Committee; and a member of the Corporate Governance Committee, Nomination Committee, Remuneration Committee, Board Risk Oversight Committee and Related Party Transactions Committee.

He has a Bachelor's Degree in Business Administration, cum laude, from the University of the East, and completed the coursework for the MBA candidate from Ateneo Graduate School of Business. He also attended the Program for Management Development at Harvard Business School.

Chief Justice Diosdado M. Peralta (ret.)

Chief Justice Peralta has been ICTSI's Independent Director since August 6, 2021.

He is also the Chairman of the Corporate Governance Committee and the Environmental, Social and Governance Committee; and a member of the Board Risk Oversight Committee and Related Party Transactions Committee of ICTSI

Chief Justice Peralta (ret.) was appointed by President Rodrigo Roa Duterte as the Chief Justice of the Supreme Court from October 23, 2019 until his retirement on March 27, 2021. He served as Associate Justice of the Philippines from 2009 to 2019; Presiding Judge of the Sandiganbayan from 2008 to 2009; Associate Justice of the Sandiganbayan from 2002 to 2008; and Judge in the Regional Trial Court – Branch 95 Quezon City from 1994 to 2000.

Chief Justice Peralta also provided work in the private sector as a General Manager for Ace Agro Development Corp.; a Senior Assistant Personnel Manager and Assistant Personnel Manager for Cosmos Bottling Corp.; and an Operations Supervisor for Wisdom Management, Inc.

Chief Justice Peralta completed his Bachelor of Science degree in San Juan de Letran in 1974 and his Bachelor of Laws degree at the University of Santo Tomas in 1979. He passed the Bar Examination in 1980. On April 9, 2010 he received his Doctor of Laws degree, honoris causa, from Northwestern University, Laoag City, Ilocos Norte.

INDEPENDENT VOTE BY ALL DIRECTORS

ICTSI By-Laws

Section 1, Article III – Board of Directors. The corporate powers, business and property of the Corporation shall be exercised, conducted and controlled by the Board of Directors elected annually at the regular meeting of the shareholders and by officers elected by the Board.

ICTSI Manual on Corporate Governance

Section 2.7.5 – Duties and Responsibilities of a Director. To exercise independent judgment in deciding Board matters.

There is no provision in the Company's Charter, such as its By-Laws and the Manual on Corporate Governance, that constrains a Director's ability to vote independently. Neither are there any other document or agreement, for example, shareholders' agreements, that places such constraint.

RECOMMENDATION 5.3

- 01 The independent directors serve for a cumulative term of nine years (reckoned from 2012).
- 02 The company bars an independent director from serving in such capacity after the term limit of nine years.
- 03 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.

TERM LIMIT FOR INDEPENDENT DIRECTORS

The Code of Corporate Governance for Publicly Listed Companies issued by the Philippine Securities and Exchange Commission set the term limit for all the Independent Directors of ICTSI. Based on its Recommendation 5.3,

an Independent Director should serve a maximum cumulative term of nine years. Reckoning of the cumulative nine-year term is from 2012, in connection with SEC Memorandum Circular No. 9, Series of 2011.

The above prescribed term limit is strictly observed by ICTSI.

INDEPENDENT DIRECTOR	TERM IN OFFICE	
Octavio Victor R. Espiritu	April 19, 2012*	April 15, 2021
Joseph R. Higdon	April 19, 2012*	July 28, 2021
Cesar A. Buenaventura	February 12, 2019	up to present
Carlos C. Ejercito	April 15, 2021	up to present
Chief Justice Diosdado M. Peralta (ret.)	August 6, 2021	up to present

* Reckoning of the cumulative nine-year term

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

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

- 01 The positions of Chairman of the Board and Chief Executive Officer are held by separate individuals.
- 02 The Chairman of the Board and Chief Executive Officer have clearly defined responsibilities.

RESPONSIBILITIES OF THE CHAIRMAN AND THE CEO

Mr. Enrique K. Razon Jr. is the Company's Chairman of the Board and President. The Company finds it practicable and more efficient to unify the positions of the Chairman of the Board and the President considering the nature of its business.

Pursuant to ICTSI's Manual on Corporate Governance, given that these positions are unified, the proper checks and balances are put in place and the respective duties and responsibilities of the Chairman and the President are clearly defined to ensure that the Board of Directors gets the benefit of independent views and perspective. 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 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 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.

RECOMMENDATION 5.5

- 01 If the Chairman of the Board is not an independent director, the board designates a lead director among the independent directors.

LEAD INDEPENDENT DIRECTOR

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 designate a Lead Independent Director.

Despite the absence of a lead independent director in the Board Structure, Board Committee meetings are facilitated and headed by the Chairman in each committee, who is either an Independent Director or a Non-Executive Director, who exercises independent judgment.

RECOMMENDATION 5.6

- 01 Directors with material interest in a transaction affecting the corporation abstain from taking part in the deliberations on the transaction.

ABSTENTION IN DELIBERATIONS

The transactions of the Company during Fiscal Year 2023 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.

RECOMMENDATION 5.7

- 01 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.
- 02 The meetings are chaired by the lead independent director.

MEETINGS OF NON-EXECUTIVE DIRECTORS

The Non-Executive Directors (NEDs) conduct separate periodic meetings without the presence of any Executive to evaluate the performance of the Board and the Management and status of key operational matters.

The Chief Compliance Officer, Chief Risk Officer, Head of Global Audit and Compliance, and Chief Financial Officer, together with their respective teams, are invited as resource persons for these meetings. The NEDs also call on the presence or report of the external auditor when necessary.

Despite the absence of a lead independent director in the Board Structure, the meetings are facilitated by the Independent Directors.

2023 Meetings of NEDs:

- March 3, 2023
- May 3, 2023
- August 10, 2023
- November 6, 2023

BOARD ASSESSMENT

PRINCIPLE 6

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.

The Chairman and each member of the ICTSI Board of Directors assesses their individual and group performance at the Board of Directors level and at the Board Committee level. The evaluation results are presented to all those concerned for any necessary recommendations to further improve the corporate governance in the Company.

RECOMMENDATION 6.1

- 01 Board conducts an annual self-assessment of its performance as a whole.
- 02 The Chairman conducts a self-assessment of his performance.
- 03 The individual members conduct a self-assessment of their performance.
- 04 Each committee conducts a self-assessment of its performance.
- 05 Every three years, the assessments are supported by an external facilitator.

ANNUAL CG BOARD ASSESSMENT

One of the evaluations implemented through the Office of the Chief Compliance Officer is the Annual Corporate Governance Assessment ("ACG Assessment").

For the results of the 2022 ACG Assessment, this was evaluated in 2023 by an external facilitator, Good Governance Advocates & Practitioners of the Philippines (GGAPP), in accordance with the three-year periodical external assessment. The first engagement for external assessment was made for the 2019 ACG Assessment.

The overall results of the external assessment has been favorable to the

Board, the Committee as well as Chairman of the Board, President, as well as the head of other control functions, such as the Chief Risk Officer, Chief Compliance Officer and Head of Internal Audit.

A Certificate that the Third-Party Board Evaluation was conducted through surveys sent to and accomplished by the members of the ICTSI Board of Director has been made available at the Company Website and can be accessed through [Corporate Governance Reports | ICTSI Investors](#)

On the other hand, the 2023 ACG Assessment was rolled out to the Board of Directors and Heads of Control Functions on December 2023. The results of this self-assessment was presented to the Board of Directors and the said Heads during the first quarter of 2024.

RECOMMENDATION 6.2

- 01 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.
- 02 The system allows for a feedback mechanism from the shareholders.

ASSESSMENT
CRITERIA AND
PROCESS

The Criteria for the ACG Assessment include the following:

I. Board Self-Assessment

- a. Board Composition
- b. Board Efficiency
- c. Board Meetings and Participation

II. Chairman and Individual Director's Self-Rating

- a. Independence
- b. Participation
- c. Expertise

III. Committee Member's Self-Assessment

- a. Committee Composition
- b. Committee Meetings and Participation
- c. Committee functions and processes

IV. Shareholder's Feedback (Investors Relations Office)

The evaluation areas are based on the mandate and requirements of the Company's Manual on Corporate Governance, as well as the Code of Corporate Governance for Publicly Listed Corporations issued by the Philippine Securities and Exchange Commission and the ASEAN Corporate Governance Scorecard.

The evaluation results are presented to all those concerned for any necessary recommendations to further improve the corporate governance in the Company.

ICTSI's Investors Relations Team works to provide transparent, continuous, and targeted dialog with all stakeholders, and aims to build understanding and trust with the financial media, analysts, and shareholders through the following regular channels of engagement:

- Company Website
- Quarterly Investors' Briefing
- Investor (Equity) Conferences
- Direct communication and regular meetings with investors
- Annual Shareholders Meeting
- Annual Audited Financial statements
- Annual Sustainability Report
- Annual Corporate Governance Report
- Interim Quarterly Unaudited Financial Statements
- One-on-one meetings/teleconferences
- Email correspondences
- Quarterly results briefings
- PSE/PDEX disclosures
- Annual stockholders' meeting
- IR Summit

HIGH ETHICAL STANDARDS

PRINCIPLE 7

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

The Company stresses the importance of competence and integrity in dealing with its Stakeholders with strong focus on the Company's values and commitment on employee relations, ethical business practices that include anti-bribery and corruption obligations, business gifts and hospitality, charitable donations and political activities and contributions.

RECOMMENDATION 7.1

- 01 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.
- 02 The Code is properly disseminated to the Board, senior management and employees.
- 03 The Code is disclosed and made available to the public through the company website.

SUPPLEMENT TO RECOMMENDATION 7.1

- 01 Company has clear and stringent policies and procedures on curbing and penalizing company involvement in offering, paying and receiving bribes.

CODE OF BUSINESS
CONDUCT

ICTSI Group's Code of Business Conduct is a formal document which serves as its statement of values, beliefs and commitments and provides guidance to doing ethical business practices, acting with utmost integrity, transparency and accountability, and ensuring compliance

with all applicable laws, regulations and policies across all operations globally. It is hence a consolidation of the business principles that serves as framework on how ICTSI Group operates.

The Code is applied and disseminated not only to the Board and senior management but also to all employees, consultants, contractors, trainees, seconded staff,

casual workers and agency staff, interns, agents or any other person associated with ICTSI including external third parties acting with, for or on behalf of ICTSI such as agents, contractors and vendors. It is readily available and accessible to all employees via the Global Policies Dashboard of the Corporate Governance Portal. It may likewise be accessed at the Company Website.

The Code itself imposes that any violation shall be taken seriously. This is the very reason why its provisions are continuously cascaded to stakeholders through series of refresher courses and webinars. Employees are expected to familiarize themselves with the provisions of the Code. Any person who has any knowledge of fraud or any violation of the Code is expected to report the same through the various reporting channels as clearly provided under the Policy on Fraud Reporting, Complaints and Non-Compliance of Policies. ICTSI ensures the confidentiality of the reports and complaints received and ensures the protection of the reporter from any form of harassment and retaliation.

ANTI-CORRUPTION POLICY

ICTSI continues to strengthen its policies that will curb, if not eliminate, all forms of bribery and corruption. The amended Anti-Bribery Compliance Policy and Procedure (ABC Policy) and the Code of Business Conduct set out clear limitations and guidelines for identification and dealing with bribery and corruption issues.

The ABC Policy strictly prohibits employees from asking for, accepting, or receiving bribes, or any other personal benefit that would induce the employee to breach his/her duty to act in good faith or to act impartially. ICTSI's policy against tipping strictly penalizes the acts of receiving and/or soliciting or exacting monetary consideration from port users, company clients or the public in consideration of work. It covers facilitating payments which includes anything of value to secure an improper business advantage or to

influence any act or decision of any person to obtain or retain business for ICTSI.

Hospitality and gifts and may be offered and received only in the normal course of business and must not be given so frequently to create an impression of impropriety or be seen as creating conflicts of interest. It must be given openly and transparently, must be properly recorded in books and always in compliance with laws and business custom.

ICTSI does not tolerate any act of bribery, corruption or unethical practices of any kind, whether taken directly or on its behalf, that would result in the violation of our policies and/or anti-bribery laws it is subject to. Severe consequences shall be meted to those who shall commit any violation such as termination of employment for erring employees and the termination of the business relationship with covered external third parties and other civil and/or criminal penalties. Any violation shall be immediately reported using the available reporting channels as provided under ICTSI Policy on Fraud Reporting, Complaints and Non-Compliance of Policies.

RECOMMENDATION 7.2

- 01 Board ensures the proper and efficient implementation and monitoring of compliance with the Code of Business Conduct and Ethics.
- 02 Board ensures the proper and efficient implementation and monitoring of compliance with company internal policies.

COMPLIANCE WITH POLICIES

ICTSI's Compliance Program ensures that it conducts its business in accordance with the fundamental values and principles as embodied in the Code of Business Conduct.

The Board, pursuant to its duty to guarantee the faithful compliance by ICTSI of all applicable laws, regulations and applicable best business practices, ensures that all the stakeholders are familiar with the provisions of the Code and other related internal company policies. ICTSI takes violation of the Code seriously and makes reporting or disclosure of any information related to any violation of the Code mandatory.

In 2023, a Refresher Program on the salient provisions of the Code, Anti-Bribery Compliance Policy and Procedure and Policy on Conflict of Interest was conducted and attended by members of the Senior Management and Heads of the Philippine Terminals to refresh and remind them again of their duties and responsibilities under these policies. The Program aims to set the tone from the top and subsequently cascade relevant information to the employees and other stakeholders at the terminal level.

The Policy on Fraud Reporting, Complaints and Non-Compliance of Policies is part of the compliance tool since it provides for specific process in handling and investigating any complaint or disclosure regarding ICTSI's internal policies.

Any complaint or disclosure must be filed with the respective Human Resource Department (HRD) of the Business Unit (BU) or with the Global Corporate Human Resource (GCHR) for Corporate Functions through appropriate channels such as personal reporting, mail, electronic mail, telephone or website. It may also be filed directly with the Compliance Officer should any personnel from the HRD or GCHR be compromised.

An initial evaluation of the complaint shall subsequently be done to determine its sufficiency before the appropriate committee conducts an extensive investigation on the complaint. The investigating committee shall then submit to the EVP, for Corporate Functions or to the Head of the BU for complaint at the BU level a comprehensive written report of its findings, together with all the evidence gathered and submitted, its conclusions based on its assessment of facts presented and the recommendation on further actions to take against the respondent.

ICTSI guarantees the confidentiality of information and the protection from any form of retaliation in favor of the reporter in good faith to the extent consistent with and allowed by law.

CORPORATE DISCLOSURE POLICIES AND PROCEDURES

PRINCIPLE 8

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

ICTSI's corporate disclosure policies and procedures provide information that a stockholder or an interested future stockholder would consider when making investments in the Company. This is aligned with regulatory requirements and global best practice.

RECOMMENDATION 8.1

01

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.

SUPPLEMENT TO RECOMMENDATION 8.1

01

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.

02

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.

DISCLOSURE AND TRANSPARENCY

DISCLOSURE POLICIES

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

The Board has established corporate disclosure policies and procedures to ensure a comprehensive, accurate, reliable and timely report to all stockholders and other stakeholders on ICTSI's financial condition, results and business operations.

The Company, through full, fair, timely and accurate disclosures, complies with

all disclosure requirements under the law. ICTSI's disclosures are posted and are made available on the respective websites of the Company (under Investor Relations/Company Disclosures section), the Philippine Stock Exchange (PSE), and the Philippine Securities and Exchange Commission (SEC).

ANNUAL AND QUARTERLY REPORTS

ICTSI's Annual Report and Audited Financial Statement (SEC Form 17-A) are made available through the Company Website within ninety (90) days from the end of the Fiscal Year, while Quarterly Reports are published within forty-five (45) days from the end of the reporting period.

REPORT	DISCLOSED AND PUBLISHED DATES	DAYS FROM THE END OF REPORTING PERIOD
SEC Form 17Q - 1Q 2023 (For quarter period ended Mar. 31, 2023)	May 8, 2023	38
SEC Form 17-Q - 2Q 2023 (For quarter period ended June 30, 2023)	Aug. 14, 2023	45
SEC Form 17-Q - 3Q 2023 (For quarter period ended Sept. 30, 2023)	Nov. 8, 2023	39
SEC Form 17-A - 2023	Mar. 1, 2024	61

RISKS RELATING TO THE ICTSI GROUP'S BUSINESS

Risks related to the ICTSI's Group's Business are disclosed and discussed in the Annual Report, specifically health risks which affect global trade, shifts in global and regional economic trends, political instability, concession-related risks, competition risks, exchange rate risks, key personnel retention risk, risk of system failures, climate change risks, and regulatory risks. However, there are no disclosed risks relating to the identity of the Company's controlling shareholder (whose identity is disclosed), since the identity does not result in risks similar to the previously mentioned risks.

The Company, through its Annual Report and Audited Financial Statements made available online, discloses its strong and stable cash flow and capital structure because of its globally diversified operations and long-term concession agreements, which have an average remaining term of approximately 19 years. ICTSI believes that its cash flows and debt structure has solid platform to pursue investment opportunities as an international operator of common user container terminals serving the global container shipping industry. It is supported by its active balance sheet management strategies and liability management initiatives which have helped streamline its debt maturity profile and interest payment schedules significantly.

RECOMMENDATION 8.2

- 01 Company has a policy requiring all directors to disclose/report to the company any dealings in the company's shares within three business days.
- 02 Company has a policy requiring all officers to disclose/report to the company any dealings in the company's shares within three business days.

SUPPLEMENT TO RECOMMENDATION 8.2

- 01 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).

POLICY FOR DIRECTORS AND KEY OFFICERS' DEALINGS IN COMPANY SHARES

Section 8.2, Manual on Corporate Governance: Disclosure and Transparency

"All material information, i.e. anything that could potentially affect share price, and which could adversely affects its viability or the interest of its stockholders and other stakeholders should be 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 senior management as provided in applicable disclosure rules, corporate strategy, and off-balance sheet transactions. All disclosed information should be released via the approved stock exchange procedure for company announcements or through the annual report and other structured or unstructured reports provided by law."

Directors, key officers, and controlling stockholders are required to report their dealings in Company shares within three (3) business days from the date of the ICTSI share-related transactions. The transactions include any acquisition, disposal, or change in the shareholdings, whether direct or indirect, of the Directors and key officers. The Investor Relations office sends out reminders to all directors and officers to report all their dealings and submit for disclosure to PSE and SEC.

The Company also discloses to the PSE and SEC the ownership (direct and indirect) and any acquisition or disposal of ICTSI securities by ICTSI Directors, Officers and controlling stockholders pursuant to the PSE Revised Disclosures and the Securities Regulations Code. ICTSI Directors and Key Officers are likewise prohibited from buying or selling ICTSI securities during the period within which material non-public information is known or obtained and up to two full trading days after the price sensitive information is disclosed.

All Forms 23-A (Initial Statement of Beneficial Ownership of Securities) and Forms 23-B (Statement of Changes in Beneficial Ownership of Securities) and List of Top 100 Stockholders disclosures/reports are properly filed with the SEC and the PSE. All these reports are uploaded in the Company's website under Investor Relations/Corporate Disclosures/SEC Filings section.

ICTSI also discloses the Company's purchase of its shares from the market,

i.e. Share Buy-Back Transactions, within the same day or before the start of the next trading day. On May 26, 2023, the Company disclosed a Share Buy-Back through PSEEdge.

ICTSI, likewise, discloses the Company's Map of Subsidiaries through the Annual Report and the shares held by Directors for full year 2023 through the Definitive Information Statement.

RECOMMENDATION 8.3

- 01 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.
- 02 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.

MATERIAL INFORMATION ON BOARD OF DIRECTORS AND KEY EXECUTIVES

The profiles of the nominated members of the Board of Directors are being disclosed in the Definitive Information Statement or SEC Form 20-IS for the Shareholders' information and evaluations. The 20-IS contains the nominated Directors' academic qualifications, share ownership in the company, membership in other boards, other executive positions, professional experiences, expertise, and relevant trainings attended. The profiles are also indicated in the Company's Annual Report.

The profiles of the Key Officers elected by the Board of Directors during the Organizational Board Meeting held on April

20, 2023 were disclosed to the Philippine Stock Exchange immediately after the meeting. The 20-IS contains the Key Officers' academic qualifications, share ownership in the company, membership in other boards, other executive positions, professional experiences, expertise and relevant trainings attended. The profiles are also indicated in the Company's Annual Report.

RECOMMENDATION 8.4

- 01 Company provides a clear disclosure of its policies and procedure for setting Board remuneration, including the level and mix of the same.
- 02 Company provides a clear disclosure of its policies and procedure for setting executive remuneration, including the level and mix of the same.
- 03 Company discloses the remuneration on an individual basis, including termination and retirement provisions. Provide breakdown of director remuneration and executive compensation, particularly the remuneration of the CEO.

BOARD AND EXECUTIVE REMUNERATION

Section 8, ICTSI By-Laws

As compensation, the Board of Directors shall receive no more than two (2) percent (2%) of the profits obtained during the year after deducting therefrom general expenses, remunerations to officers and employees, depreciation on buildings, machineries, transportation units, furniture and other properties.

Section 2.10, ICTSI Manual on Corporate Governance

2.10 Remuneration of Directors and Officers

2.10.1 Levels of remuneration shall be sufficient to attract and retain the directors, if any, and officers needed to run ICTSI successfully. A proportion of executive director's or officers, remuneration may be structured so as to link rewards to corporate and individual performance.

2.10.2 Corporations may establish formal and transparent procedure for the development of a policy on executive remuneration or determination of remuneration levels for individual directors and officers depending on the particular needs of ICTSI. No director should participate in deciding his remuneration.

2.10.3 ICTSI's annual reports and information and proxy statements shall include a clear, concise and understandable disclosure of all fixed and variable compensation that may be paid, directly or indirectly, to its directors and top four (4) management officers, in the aggregate, during the preceding fiscal year as provided by law.

2.10.4 To protect the funds of a corporation, the Commission may, in exceptional cases, e.g., when a corporation is under receivership or rehabilitation, regulate the payment of the compensation, allowances, fees and fringe benefits to its directors and officers.

Item X, ICTSI Charter of the Board of Directors X Compensation of the Board

The Board of Directors shall receive no more than two percent (2%) of the profits obtained during the year after deducting therefrom general expenses, remunerations to officers and employees, depreciation on buildings, machineries, transportation units, furniture and other properties. Such compensation shall be apportioned among the directors in such manner as the Board of Directors duly assembled as a Board, may deem proper.²⁹

In order to determine the proper compensation, the Board shall ensure that the (i) level of the remuneration is commensurate to the responsibilities of the role, (ii) no Director participated in the deliberation involving his own remuneration,³⁰ and (iii) the remuneration pay-out schedules are sensitive to the overall risk profile of the Company.

Section V, ICTSI Remuneration Committee Charter

Compensation Policies and Programs for the directors, President and other executives

- Assist the Board in setting the remuneration policy for directors and executives.
- Determine any criteria necessary to measure the performance of management in discharging executive functions and responsibilities.
- Review and monitor ICTSI's remuneration and incentive framework applying to directors and executives and the associated strategies, systems, policies and processes implemented and reported.
- Approve the remuneration and incentive awards of executives based on the recommendations of the President and consistent with the remuneration policy.

The Board has a clear disclosure of its policies and procedure for setting Board remuneration, including the level and mix of the same. These policies and procedures are in accordance with the Company By-Laws, Manual on Corporate Governance, Charter of the Board of Directors, Charter of the Remuneration Committee and are disclosed to the PSE and SEC through the Company's Annual Report or SEC Form 17-A and Definitive Information Statements or SEC Form 20-IS. The Annual Reports and the Information Statements are uploaded in the [Company's website](#).

The aggregate compensation paid to the Chairman of the Board and President, and four (4) highest paid executive officers named below, as a group, for 2023 amounted to US\$2.8 million (2022: US\$3.7 million). The estimated amount of compensation expected to be paid in 2024 to the Chairman of the Board and President and four (4) highest paid executive officers as a group, amounted to US\$3.2 million.

NAME AND PRINCIPAL POSITION	YEAR	SALARY	BONUS AND OTHERS ¹	TOTAL ²
Enrique K. Razon Jr. Chairman of the Board and President				
Christian R. Gonzalez Executive Vice President & Chief Compliance Officer				
Caroline C. Causon³ Senior Vice President, Global Corporate Planning and Financial Services				
Emilio Manuel V. Pascua⁴ Senior Vice President, Chief Financial Officer and Chief Risk Officer				
Arnie D. Tablante Vice President and Treasurer				
Chairman of the Board and President and four (4) highest paid executive officers, as a group	2024 (Estimate)	US\$0.5M	US\$2.7M	US\$3.2M
	2023 (Actual)	0.5M	2.3M	2.8M
	2022 (Actual)	0.4M	3.3M	3.7M
All officers and Directors, as a group, unnamed ⁵	2024 (Estimate)	1.3M	16.1M	17.4M
	2023 (Actual)	1.3M	15.9M	17.2M
	2022 (Actual)	1.4M	12.9M	14.3M

¹Mainly includes non-cash compensation based on Stock Incentive Plan paid out of the allocated Treasury Shares of ICTSI.

²Includes total compensation paid in the Philippines by the registrant and its subsidiaries.

³Appointed to the new position effective July 1, 2023.

⁴Elected as Chief Financial Officer on January 18, 2023 and appointed as Chief Risk Officer effective July 1, 2023.

⁵Including four (4) highest paid executive officers.

The members of the Board of Directors receive directors' fees as compensation in accordance with the By-Laws. There are no material terms of any other arrangements or contracts where any Director of ICTSI was compensated or is to be compensated, directly or indirectly, in 2022, 2023 or in the coming year, for any service provided as a Director.

Named Executive Officers are covered by Letters of Appointment with the Company stating therein their respective terms of employment.

There are no existing compensatory plans or arrangements, including payments to be received from ICTSI by any Executive Officer from a change-in-control of the Company, except for the automatic vesting of awarded shares under the Stock Incentive Plan (SIP). Certain officers were granted awards under the Stock Incentive Plan (SIP) in 2021, 2022 and 2023. The remuneration is made through share-based payment transactions, whereby officers and employees are given awards, in the form of ICTSI common shares as equity-settled transactions, in lieu of cash incentives and bonuses under the SIP.

RECOMMENDATION 8.5

- 01 Company discloses its policies governing Related Party Transactions (RPTs) and other unusual or infrequently occurring transactions in their Manual on Corporate Governance.
- 02 Company discloses material or significant RPTs reviewed and approved during the year.

SUPPLEMENT TO RECOMMENDATION 8.5

- 01 Company requires directors to disclose their interests in transactions or any other conflict of interests.

OPTIONAL: RECOMMENDATION 8.5

- 01 Company discloses that RPTs are conducted in such a way to ensure that they are fair and at arms' length.

DISCLOSURES ON RELATED PARTY TRANSACTIONS

ICTSI Manual on Corporate Governance

Section 2.6.13. Formulate and implement policies and procedures that would ensure the integrity and transparency of related party transactions between and among ICTSI and its joint ventures, subsidiaries, associates, affiliates, major stockholders, officers and directors including their spouses, children and dependent siblings and parents, and interlocking director relationships by members of the Board to protect the interest of ICTSI.

Section 2.7. The duties and responsibilities of a director include the following:

2.7.1 To conduct fair business transactions with ICTSI and ensure that personal interest does not bias Board decisions or does not conflict with ICTSI's interest.

ICTSI Related Party Transaction Policy**III. General Principles**

1. The Company at all times shall comply with the requirements of the Revised Corporation Code, its Articles of Incorporation and By-Laws, regulations and circulars issued by the SEC, and other related laws, rules and regulations in approving RPTs.
2. The Board of Directors shall ensure that all transactions with, or for the benefit of, any Related Party are on terms and conditions that are arm's length and comparable with market rates, with sufficient documentation, and coursed through all appropriate levels of approvals as provided in this RPT Policy and other relevant Company Policies.

3. All Significant and Material RPT shall be subject to review and endorsement by all the Independent Directors who are members of the RPT Committee.
4. The CFO shall coordinate with the SVP Finance in ensuring the Significant and Material RPTs across the ICTSI Group are reviewed and approved in accordance with this Policy.
5. The CFO and SVP Finance shall ensure that all Significant and Material RPTs are reported to the Audit Committee to ensure full and timely disclosures in the quarterly and annual reports of the Company to the SEC, the Philippine Stock Exchange (PSE) and other regulatory bodies, and in the Company's Financial Statements in compliance with the Company's accounting policy and applicable accounting standards.
6. If an actual or potential conflict of interest arises on the part of a Director or a Corporate Officer, he is mandated to fully and immediately disclose the same and should not participate in the decision-making process relating to the RPT. A Related Party shall abstain from attending and participating in deliberations that affect a matter in which he or she has personal interest.

Under the RPT Policy (Item VI.11) for aggregate RPTs with the same Related Party that breach the materiality threshold of 10% of the Company's total consolidated assets within a twelve-month period, the board approval will be required for the specific transaction that will cause such RPT with the same related party to meet and exceed the materiality threshold.

The Company discloses all transactions with related parties in its Annual Reports and complies with the rules of Material RPT as set forth in the above memorandum circular. In addition to Material RPT, the Company's RPT Policy provides for the approval process for Significant RPT that have a slightly lower threshold.

All RPTs entered into by the Company in 2023 have been conducted in fair and at arm's length basis, to the best of its interest and of its stockholders. For 2023, and as disclosed in its Annual Report, the Company's RPTs do not meet the threshold for Material RPTs.

Under the Rules on Material Related Party Transactions for Publicly Listed Companies as embodied in Memorandum Circular No. 10-2019 of the Philippine Securities and Exchange Commission ("SEC"), Related Party Transactions ("RPT") amounting to ten percent (10%) or higher of a company's total assets are considered as Material RPT and must be reported to the SEC through an Advisement Report within three (3) calendar days after the execution date of the transaction.

The Related Party Transaction Policy is disclosed to the public in the Company Website where the Criteria for Reviewing and the Review and Approval Process are shown.

RECOMMENDATION 8.6

- 01 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.
- 02 Board appoints an independent party to evaluate the fairness of the transaction price on the acquisition or disposal of assets.

ACQUISITION OR DISPOSITION OF ASSETS

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

All disclosed 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.

In case of acquisition or disposal of assets, the Board of Directors appoints an independent party to evaluate the fairness of the transaction price may vary per transaction. Disclosures 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 may be found in the Company Website (<https://investors.ictsi.com/company-disclosures/sec-filings>).

RECOMMENDATION 8.7

- 01 Company's corporate governance policies, programs and procedures are contained in its Manual on Corporate Governance (MCG).
- 02 Company's MCG is submitted to the SEC and PSE.
- 03 Company's MCG is posted on its company website.

SUPPLEMENT TO RECOMMENDATION 8.7

- 01 Company submits to the SEC and PSE an updated MCG to disclose any changes in its corporate governance practices.

MANUAL ON CORPORATE GOVERNANCE

ICTSI adopted a Manual on Corporate Governance to serve as the framework of rules, systems and processes that govern the performance of the Board of Directors and Management. Following its adoption in 2013 and subsequent revision and submission to the Philippine government through the Securities and Exchange Commission (SEC) in 2017, the Manual outlines the duties and responsibilities of the Board in overseeing the interests of all stockholders.

ICTSI continues to uphold such principles and policies and employs them as guidance towards efficient and right decision-making. The most recent updates and revisions on the Manual were made on May 16, 2017 and duly submitted to the Philippine

Securities and Exchange Commission and the Philippine Stock Exchange.

The Manual serves as a guide for ICTSI, its Board of Directors, officers and employees to enhance ICTSI's value and optimize, over time, the returns to its stockholders by:

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

The Manual on Corporate Governance is made available to the public through the Company Website.

OPTIONAL: PRINCIPLE 8

- 01 Does the company's Annual Report disclose the following information:
- Corporate Objectives
 - Financial performance indicators
 - Non-financial performance indicators
 - Dividend Policy
 - Biographical details (at least age, academic qualifications, date of first appointment, relevant experience, and other directorships in listed companies) of all directors
 - Attendance details of each director in all directors' meetings held during the year
 - Total remuneration of each member of the board of directors
- 02 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.
- 03 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.
- 04 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.
- 05 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).

ANNUAL REPORT

The 2023 Annual Report or the Annual Financial Statements (SEC Form 17-A) was submitted by ICTSI to Securities and Exchange Commission and Philippine Stock Exchange on March 1, 2024.

In the Annual Report, the Company disclosed its:

- Objective to make ports around the world drivers of positive change and sustainable growth. This is shown by the ever expanding and diverse ports portfolio of ICTSI indicated in Item 1.
- Financial Performance Indicators as indicated in Item 6.2. - Result of Operations and Key Performance and in Supplementary Schedule 13 - Financial Soundness Indicators
- Non-Financial Performance Indicators as indicated in Item 6.2.2;
- Dividend Policy indicated in Item 5.3 - Dividends and Dividend Policy;
- Biographical Details of All Directors as indicated in Item 9 – Directors and Executive Officers;
- Attendance details of each director in all directors' meetings held in 2023;
- Remuneration of the BOD indicated in Item 10 – Executive Compensation).

COMPLIANCE WITH LEADING PRACTICES ON CORPORATE GOVERNANCE

The Company's foundation of corporate governance was established in the Manual of Corporate Governance (CG Manual) which was originally submitted to the Philippine Securities and Exchange Commission in 2011. The CG Manual was further revised and updated in 2014 and 2017. It essentially involves balancing the interests of many stakeholders and provides the framework for attaining strategic objectives through a combination of internal and external mechanisms such as the structure of the Board of Directors, the oversight it exercises over Management, and the formulation of sound policies and controls.

The responsibility in evaluating the compliance by ICTSI with the CG Manual

and the applicable rules and regulations of regulatory agencies is vested by the Board of Directors upon the Compliance Officer. From 2016 until January 18, 2023, Mr. Rafael D. Consing, Jr., Senior Vice President, Chief Financial Officer, concurrently served as Compliance Officer. Following the retirement of Mr. Consing, the Board of Directors then appointed Mr. Christian Martin R. Gonzalez, Executive Vice President as the Chief Compliance Officer on January 18, 2023.

CG MANUAL COMPLIANCE MONITORING

In line with this, the Company's Chief Compliance Officer measures the Company's compliance with the Manual of Corporate Governance, through, among others, the following:

- Annual review by the Board of Directors of ICTSI's Purpose and Values;
- Annual Board Self-Assessment;
- Evaluation by the Board of Directors of the corporate governance performance of the Chairman of the Board, President, Chief Risk Officer, Chief Compliance Officer, and Head of Internal Audit; and
- Evaluation by the Board and Senior Management of the compliance with the leading practices on corporate governance through the submission of the Integrated Annual Corporate Governance (IACGR) and accomplishment of the ASEAN Corporate Governance Scorecard (ACGS).

One of the evaluations implemented through the Office of the Compliance Officer is the Annual Corporate Governance Assessment (ACG Assessment). Each member of the Board assesses their individual and group performance based on the CG Manual as well as the IACGR and ACGS. The Board also makes a similar assessment for the Chairman of the Board, President, Chief Risk Officer, Chief Compliance Officer, and Head of Internal Audit. The evaluation results are presented to all those concerned for any necessary recommendations to further improve corporate governance in the Company.

FULL COMPLIANCE

The Company has not deviated from its CG Manual.

To further enhance ICTSI's adherence to principles and practices of good corporate governance, the Company has taken the following measures in 2023:

- a. Assessment by an independent third-party evaluator for the 2022 Annual Corporate Governance Assessment;
- b. Appointment of Mr. Emilio Manuel V. Pascua as the Chief Risk Officer, concurrent to his role as CFO, on 27 June 2023;
- c. Approval by the Board of the establishment of a Board Charter, as recommended by CG committee, on August 10, 2023;
- d. Engagement of services of the SEC accredited training provider, Institute of Corporate Directors, for the 2023 Advanced Corporate Governance Training held on 7 December 2023 and attended by the Board of Directors, Chief Compliance Officer, Chief Risk Officer, Corporate Secretary and Assistant Corporate Secretaries and the Senior Management of the Company;
- e. Updated the annual attestation by the Chief Executive Officer or Terminal Manager and the Chief Financial Officer of each ICTSI subsidiary that the subsidiary abides with the following:
 - (i) ICTSI's purposes and value;
 - (ii) implements the directives of ICTSI's Manual on Corporate Governance and Code of Business Conduct adopting Anti-Bribery Compliance Policy and Procedure, Fraud Reporting, Diversity and Equal Opportunities, Conflict of Interest, suitable framework for whistleblowing;
 - (iii) conforms with all the applicable Information Technology-related standards, including those relating to data privacy and protection;
 - (iv) has established corporate disclosure policies and procedures in coordination with ICTSI's Investor Relations Office;
 - (v) has comprehensive treasury management policy;

- (vi) implements and complies with all laws that foster and afford protection to labor and promotion of social legislation;
- (vii) complies with all Environmental laws;
- (viii) maintains appropriate accounting policies and management actions for internal control over Financial Reporting (ICFR) – Control Evaluation Template;
- (ix) has identified all major risks at the entity level (ERM) for the Company and has developed appropriate management actions that will mitigate the impact of these risks on business operations at the level of risk appetite set by management;
- (x) treats all shareholders fairly and equitably; recognizes, protects, and facilitates the exercise of their rights; and encourages active shareholder participation;
- (xi) respects the rights of its stakeholders;
- (xii) exerted measures to avoid dealing with entities with economic sanctions;
- (xiii) implements policies, programs and procedures that encourage its employees to actively participate in the realization of the Company's goals and in its governance;
- (xiv) is socially responsible in all its dealings with its immediate communities and ensures that its interactions serve the environment and stakeholders in a positive and progressive manner; and
- (xv) follows and implements the directives of the ICTSI CG Manual; and

- f. Webinars across the ICTSI Group to continually ensure the proper adoption of the ICTSI Group Policies, including, but not limited to, the Code of Business Conduct, Anti-Bribery Policy, Principles on Human Capital and Diversity, and Equal Opportunity Policy.

REVIEW OF MATERIAL CONTROLS AND RISK MANAGEMENT SYSTEMS

The ICTSI Board, through the Audit Committee, conducts a regular review and update of the Internal Audit Charter. This Charter outlines the framework used by the Audit & Compliance Group to achieve its objectives of providing timely feedback and appropriate

recommendations for the improvement of ICTSI's risk management, internal controls, and governance processes. The Board of Directors also reviewed ICTSI's internal control, as Management have determined as necessary, to enable the preparation of the Company's consolidated financial statements which are free from material misstatement, whether due to fraud or error.

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

MATERIAL KEY RISKS

ICTSI included and disclosed in its 2023 Annual Report all key risks relating to financial and operational matters (including IT, environmental, social, economic, etc.) to which the Company is materially exposed to. In summary, these risks relate to:

- The outbreak, or threatened outbreak, of any severe communicable disease, such as the ongoing COVID-19 pandemic, could have a material adverse effect on the Group's business, financial condition and results of operations.
- The Group's business is influenced by global and regional economic trends that affect the trades in which it operates.
- The Group operates in a number of emerging markets that have experienced economic and political instability.
- The Group is dependent on concessions and other key contracts to conduct its business.

- The Group is limited in its ability to raise the tariffs billable to customers in most terminals.
- The Group faces competition at its domestic and international terminals on factors such as location, facilities, supporting infrastructure, service and price.
- The Group's failure to effectively manage its existing container terminal operations and growth as a result of rapid expansion and development may adversely impact the Group's business.
- The Group's results of operations and financial condition may be adversely affected by exchange rate fluctuations.
- The Group's business has high dependence upon key personnel with special skills that are not readily available in the market.
- The Group is subject to the risk of system failures.
- The Group's facilities could be exposed to unforeseen catastrophic events over which it has little or no control and the impact of climate change risks.
- The Group is subject to regulations that govern operational, environmental and safety standards.
- Lastly, the Group's terminal services are conducted under licenses, concessions, permits or certificates granted by applicable regulatory bodies in the countries in which it operates. Various environmental and safety standards may also be enforced by each jurisdiction in which the Group operates. Failure to comply with relevant laws and regulations may result in financial penalties or administrative or legal proceedings against the Group, including revocation or suspension of the Group's concessions or licenses, which may adversely impact results of operations and financial condition.

EXTERNAL AUDITOR

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.

ICTSI continues to adapt in the establishment and maintenance of audit standards as it believes that objective external audit, is the foundation of effective and independent oversight. The interplay of balance between the Audit Committee and External Audit provides the practice of dynamics for this principle.

RECOMMENDATION 9.1

- 01 Audit Committee has a robust process for approving and recommending the appointment, reappointment, removal, and fees of the external auditors

APPROVAL OF THE EXTERNAL AUDITOR

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

The reappointment of the Company's external auditors is approved by the stockholders during the annual stockholders' meeting.

The reappointment of SyCip Gorres Velayo & Co. (SGV) as the Company's external auditor, was approved by the Shareholders during the Annual Meeting for 2023 as shown in the corresponding minutes of the meeting, with percentage in favor of reappointment (ICTSI ASM Minutes, 20 April 2023).

Should there be an instance of removal of an external auditor, it shall be disclosed to the regulators and the public and shall be reported in the Company's annual and current reports. Under the Company's Audit Committee Charter (External Audit), the Audit Committee reviews and monitors the integrity, independence, objectivity, performance, and rotation process of the external auditors. Moreover, under the Manual on Corporate Governance (Clauses 2.11 and 5.2), the Audit Committee has oversight function, and, through committee recommendation, the dismissal of an external auditor may be exercised.

RECOMMENDATION 9.2

- 01 Audit Committee Charter includes the Audit Committee's responsibility on:
- assessing the integrity and independence of external auditors;
 - exercising effective oversight to review and monitor the external auditor's independence and objectivity; and
 - exercising effective oversight to review and monitor the effectiveness of the audit process, taking into consideration relevant Philippine professional and regulatory requirements.

SUPPLEMENT TO RECOMMENDATION 9.2

- 01 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.
- 02 Audit Committee ensures that the external auditor has adequate quality control procedures.

OVERSIGHT BY THE AUDIT COMMITTEE

ICTSI Audit Committee Charter

III. Authority

The Audit Committee has authority to conduct or authorize inquiries into any matters within its scope of responsibility with full access to all books, records, facilities, and personnel of the Company. It is empowered to:

- Appoint and oversee the work of any registered public accounting firm employed by the organization;
- Resolve any disagreements between management and the auditor regarding financial reporting;
- Retain independent counsel, accountants, or others to advise the committee or to assist in the conduct of an investigation; and

- Meet with the organization's officers, internal auditors, external auditors, or outside counsel as necessary.

V. Responsibilities

A. Financial Reporting and Disclosures

1. Review significant accounting and reporting issues, including complex or unusual transactions and highly judgmental areas.
2. Review recent professional and regulatory pronouncements and understand their impact on the financial statements.
3. Review the annual consolidated financial statements whether consistent with information known to committee members and reflect appropriate accounting principles.

4. Review with management and the external auditors the results of the audit, including any difficulties encountered.
 5. Review regulatory filings before release as to consistency with reported financial statements and compliance with financial reporting regulations.
 6. Review with management and the external auditors all matters required to be communicated to the Audit Committee under generally accepted auditing standards.
 7. Review and approve the quarterly, half-year and annual financial statements before their submission to the Board, with particular focus on the following matters:
 - Any change/s in accounting policies and practices
 - Major judgment areas
 - Significant adjustments resulting from the audit
 - Going concern assumptions
 - Compliance with International Financial Reporting Standards
 - Compliance with tax, legal and regulatory requirements.
- D. External Audit**
1. Prior to the commencement of the audit, discuss with the external auditors the nature, scope, fees and expenses of the audit, including coordination of audit efforts with internal auditing to secure proper coverage and minimize duplication of efforts.
 2. Review and monitor the integrity, independence, objectivity, performance, rotation process of the external auditors and exercise final approval on their appointment or discharge on an annual basis.
 3. Review the reports submitted by external auditors.
 4. Review the disposition of the recommendations in the external auditor's management letter.
 5. Evaluate and determine the non-audit work, if any, of the external auditor, and review periodically the non-audit fees paid to the external auditor in relation to ICTSI's overall consultancy expenses. The Audit Committee shall disallow any non-audit work that will conflict with his duties as an external auditor or may pose a threat to his independence. The non-audit work, if allowed, should be disclosed in the Company's annual report as may be required by law.
 6. On a regular basis, meet separately with the external auditors to discuss any matters that the Committee or auditors believe should be discussed privately.

After the selection and appointment of an External Auditor, the Audit Committee reviews and monitors its integrity, independence, objectivity, and performance. The Audit Committee approves audit plans, scope and frequency before the conduct of the external audit. In order to ensure that there are no

services rendered by the External Auditor that may impair their independence, the Audit Committee reviews the nature of the non-audit related services rendered by the External Auditor, and as necessary, including appropriate fees paid for these services.

RECOMMENDATION 9.3

01 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.

02 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.

SUPPLEMENT TO RECOMMENDATION 9.3

01 Fees paid for non-audit services do not outweigh the fees paid for audit services.

NON-AUDIT SERVICES

The nature of non-audit services performed by the External Auditor was disclosed in the Annual Report. Non-Audit Services include the review of interim financial statements and issuance of comfort letters for the capital market raising transactions of the Group, tax compliance and advisory services, transfer-pricing studies, sustainability reporting assistance, and other various one-time engagements

like due diligence services related to business development.

Following the guidelines on Non-Audit Services, the Audit Committee monitors all situations against any conflict of interest to maintain and uphold the objectivity of the External Auditor.

Non-Audit Services Fees do not outweigh the fees paid for Audit Services.

3-YEAR SUMMARY OF AUDIT AND NON-AUDIT SERVICES FEES

	2021	2022	2023
Audit Fees	US\$1,469.3	US\$1,511.2	US\$1,511.9
Audit-related Fees	406.2	54.3	46.1
Tax Fees	238.9	239.0	220.0
Other Fees	87.7	167.1	78.4

ADDITIONAL RECOMMENDATION TO 9.3

- 01 Company’s external auditor is duly accredited by the SEC under Group A category.
- 02 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).

ACCREDITATIONS OF THE EXTERNAL AUDITOR

As part of ICTSI’s commitment to uphold high standards of corporate governance and audit quality, the Company establishes standards for the appropriate selection of an external auditor and diligently oversees

their activities to enhance independence and audit quality.

ICTSI’s external auditor holds accreditation from the SEC under Group A category. This accreditation signifies that the auditor meets the stringent requirements set forth by the SEC, demonstrating competence and adherence to regulatory standards.

External Auditor

SyCip Gorres Velayo & Co.
 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

SGV was subjected to SEC Oversight Assurance Review Inspection Program on August 1-12, 2022.

ECONOMIC, ENVIRONMENTAL, SOCIAL AND GOVERNANCE ISSUES

PRINCIPLE 10

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

ICTSI is committed to develop and operate efficient and sustainable port facilities and to deliver the highest possible benefits to the stakeholders and the communities it serves. With this commitment lies a robust governance framework that upholds best practices and sets a precedent for responsible business conduct. As such, in the Company’s Board Charter, the Board is mandated to review at least quarterly, the strategies, major plans of action, and risk assessment to address the environmental, social, and governance issues as well as the sustainability and climate related issues with the Company’s Environmental, Social and Governance Committee and Corporate Governance Committee.

RECOMMENDATION 10.1

- 01 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.
- 02 Company adopts a globally recognized standard/framework in reporting sustainability and non-financial issues.

ESG DISCLOSURE AND COMPLIANCE

ICTSI strictly complies with national regulations for corporations, including the annual submission of a Sustainability Report that mandates disclosure of sustainability performance. ICTSI has been publishing its Sustainability Report since 2019, ahead of a national policy that requires it. This shows the Company’s commitment to transparency in major sustainability indicators, and to accountability through strategies that guide the operations to respond to sustainability

issues and challenges. The board-level Audit Committee and ESG Committee approve the release of the Report, ensuring the management commitment to disclosing right and transparent information to all stakeholders. The Company established a Sustainability Committee headed by the Chief Sustainability Officer. The team reports to the CSO and collects, analyzes, and reports on the Company’s ESG performance, supported by a Project Management Team from Global Investor Relations and Legal Affairs; Content Management Team from Global Investor Relations and Public Relations; and the

Lead Global Champions for Environment, Economy, Social and Governance (EESG).

The Company submitted and published its 2023 Sustainability Report on March 1, 2024, following approval by the Board of Directors on February 28, 2024. The report covers ICTSI's sustainability disclosures in four key areas: Environment, Economy, Social, and Governance. To ensure quality, the Company adheres to major internationally recognized reporting frameworks. In addition to adopting the Global Reporting Initiative (GRI) standards and the recommendations of the Taskforce for Climate-Related Financial Disclosures (TCFD), ICTSI will soon adopt the International Sustainability Standards Board's (ISSB) inaugural standards, IFRS S1 and S2, to align with evolving sustainability reporting requirements.

In addition to adopting the Global Reporting Initiative (GRI) standards and the recommendations of the Taskforce for Climate-Related Financial Disclosures (TCFD) for its annual public sustainability report, the Company will soon adopt the International Sustainability Standards Board's (ISSB) inaugural standards, IFRS S1 and S2, to align with evolving sustainability reporting requirements.

The Company's Sustainability Report embraces the principles of double materiality. This approach empowers both internal and external stakeholders to collaborate in identifying the ESG issues and topics most material to ICTSI's operations and impact.

To maximize impact, these issues were mapped against relevant UN Sustainable Development Goals (SDGs). This aligns ICTSI's sustainability strategy with its vision of Good Global Citizenship, supporting the achievement of these global goals. Key performance indicators (KPIs) are established for some of these topics and disclosed in the Sustainability Report. These KPIs are closely monitored to ensure acceptable outcomes while considering their overall impact on financial performance.

ICTSI is deeply committed to addressing climate change. This commitment is demonstrated by its ambitious decarbonization targets: a 26% reduction in greenhouse gas emissions for its Scope 1 and 2 emissions by 2030, and net-zero emissions by 2050. ICTSI's 2023 Sustainability Report outlined its climate change ambitions, successes, and plans towards carbon neutrality, even prior to the release of these targets. The Company is actively assessing both enterprise and climate risks to understand their potential impact on operational and financial performance. This strategic approach will also help identify opportunities arising from these risks.

CHANNELS OF COMMUNICATION

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.

Channels for disseminating information are provided for equal, timely and cost-efficient access to relevant information by users.

RECOMMENDATION 11.1

- 01 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.

SUPPLEMENTAL TO PRINCIPLE 11

- 01 Company has a website disclosing up-to-date information on the following:
- Financial statements/reports (latest quarterly)
 - Materials provided in briefings to analysts and media
 - Downloadable annual report
 - Notice of ASM and/or SSM
 - Minutes of ASM and/or SSM
 - Company's Articles of Incorporation and By-Laws

ADDITIONAL RECOMMENDATION TO PRINCIPLE 11

- 01 Company complies with SEC-prescribed website template.

QUARTERLY INVESTORS' BRIEFING CONFERENCES



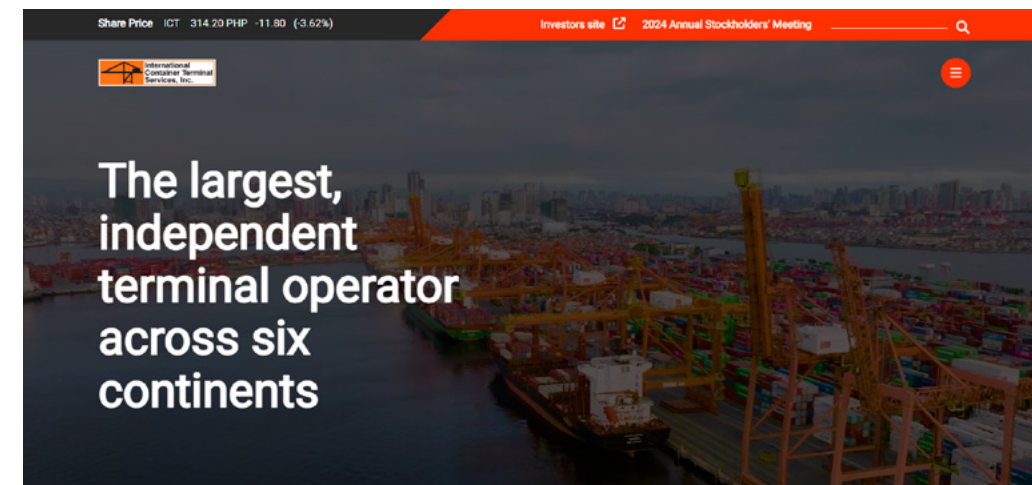
ICTSI conducts quarterly analysts'/investors briefing conference calls where the Management presents and discusses the financial and operational performance of the Company. A Q&A segment commences immediately after the presentation where participants are given the opportunity to raise questions about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

The conference meeting link is sent to all confirmed participants. A recording of the conference call is also available upon request. Notice of analysts'/investors' briefings is made available at least five days before the conference through the Company's website after filing with the Philippine Stock Exchange and the Securities and Exchange Commission.

(See: <https://investors.ictsi.com/company-disclosures/sec-filings> – SEC Form 17-C Investors' Briefing Notice)

Earnings results, presentation materials and schedule for the briefing calls are also available at the Company Website. All materials – notices, earnings results, and presentation materials – are also distributed to all investors and analysts through e-mail from the Investor Relations Department. Schedule of the briefing calls for the past years is also posted at the Company Website. (See: <https://investors.ictsi.com/investor-relations/financial-information/investors-briefing> and <https://investors.ictsi.com/investor-relations/financial-information/financial-calendar-earnings-release>)

INVESTORS' DAY



ICTSI hosted its inaugural Investors' Day last October 10, 2023, welcoming investors and financial experts from across the Asia Pacific region. This dynamic event kicked off with a tour showcasing ICTSI's state-of-the-art Manila ports and terminals – including the Manila International Container Terminal, Northport, and Manila Multipurpose Terminal. Following the tour, attendees gathered at the ICTSI Administration Building at the MICT for a comprehensive Company Presentation and Q&A session.

ICTSI plans to make the Investors' Day a regular engagement activity, offering exclusive port tours across its global operations. These events will spotlight the cutting-edge infrastructure, automation technologies, and sustainability initiatives that solidify ICTSI's position as a global industry leader.

COMPANY WEBSITE

ICTSI's official website is www.ictsi.com.

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

The Company complies with the template for website for publicly listed companies as required under the SEC through Memorandum Circular No. 02 series of 2018.

INTERNAL CONTROL AND ERM 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.

ICTSI has established a strong and effective internal control system and enterprise management framework. The Board oversees the Enterprise Risk Management (ERM) framework to effectively identify, monitor, assess, and manage key business risks and ensures that an appropriate internal control system is in place.

RECOMMENDATION 12.1

- 01 Company has an adequate and effective internal control system in the conduct of its business.
- 02 Company has an adequate and effective enterprise risk management framework in the conduct of its business.

SUPPLEMENT TO RECOMMENDATION 12.1

- 01 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.

INTEGRITY IN MANAGEMENT

INTERNAL CONTROL SYSTEM

ICTSI Management has established a sound internal control system within ICTSI through directed leadership, shared values, and a culture that emphasizes accountability for control. These strategies enable ICTSI to effectively and efficiently develop systems of Internal Control that adapt to changing business and operating environments, mitigate risks to acceptable levels, and support sound decision making and governance of the organization.

ICTSI's Internal Control is effected by the Board of Directors, Senior Management, and all levels of personnel to provide reasonable assurance on the achievement of objectives through:

- Efficient and effective operations;
- Reliable, complete, and timely operational, financial and management information;
- Compliance to applicable laws and government regulations; and
- Adoption of the organization's policies and procedures.

Management ensures that all business units have in place adequate and effective internal controls for the conduct of their business taking into account their size, risk profile and complexity of operations.

The Audit & Compliance Group helps to monitor ICTSI's internal control systems by providing timely feedback and appropriate recommendations for the improvement of risk management, internal controls and governance processes.

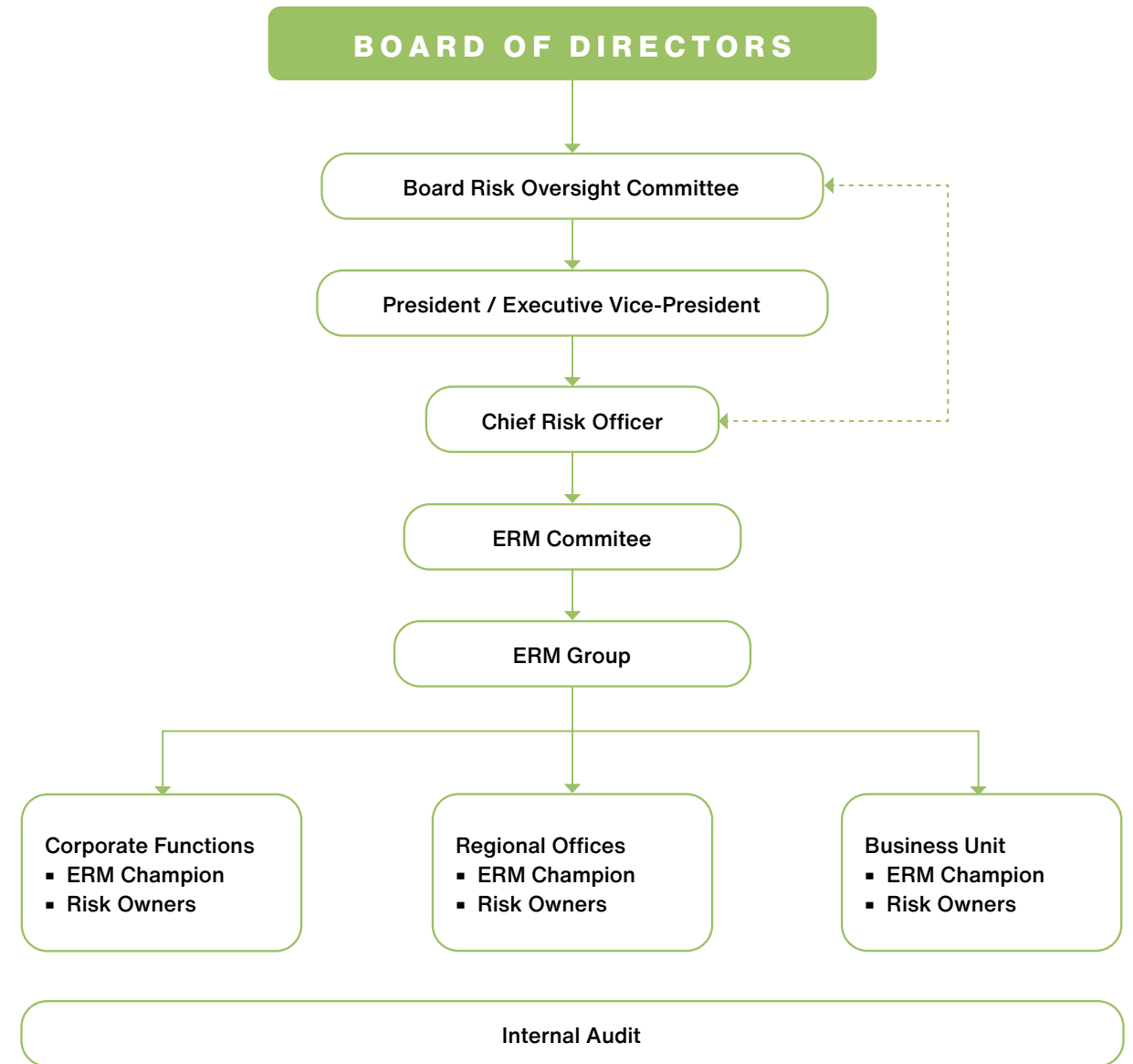
ENTERPRISE RISK MANAGEMENT FRAMEWORK

The 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. This Framework is a comprehensive and integrated approach to managing risks in organizations.

Five Components of the ERM Framework

1. **Governance and Culture**
Sets the tone at the top and ensures risk management is integrated into the organization's culture and strategy
2. **Strategy and Objective-Setting**
Involves aligning risk appetite and tolerances with the organization's goals
3. **Performance**
Involves monitoring and reporting on risk management activities and results
4. **Review and Revision**
Involves continuous evaluation and improvement of the risk management process
5. **Information, Communication, and Reporting**
Involves sharing information and insights about risks throughout the organization and with external stakeholders

The following illustration shows ICTSI's ERM oversight structure:



ICTSI GROUP RISK ASSESSMENT

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 applicable

to each of the respective business functions and areas.

The ERM System is quarterly reviewed by the Board Risk Oversight Committee and the ERM Group. The importance of managing Key Business Risks has significantly increased considering the heightened volatility in both the Philippine and international financial markets.

OPTIONAL: RECOMMENDATION 12.1

01

Company has a governance process on IT issues including disruption, cybersecurity, and disaster recovery to ensure that all key risks are identified, managed, and reported to the board.

INFORMATION TECHNOLOGY GOVERNANCE

ICTSI leverages on the Enterprise Risk Management (ERM) Governance Report to the Board of Directors regarding Information Technology (IT) issues, including disruption, cybersecurity, and disaster recovery. This ensures that all key risks are identified, managed, and reported.

In addition to the regular ERM updates to the Board, a specific Cybersecurity Update was presented during the March 2023 Board of Directors Meeting. Regular quarterly update to Senior Management on the state of cybersecurity is also in place.

Here are key highlights for 2023:

Digital Journey

The Company continued its digital journey to streamline business processes, improve employee productivity using automated tools, workflows with approval, and standardized internal processes across terminals.

Enterprise Asset Management Systems

22 terminals are now enjoying the benefits of globally-structured equipment contributing to data-driven asset management decisions, simplified maintenance processes, data transparency, and consistency through standard reporting using SAP Enterprise Asset Management Systems, including a Mobile App Solution that allows mobility and on-time data processing.

Terminal Operating Systems & Continued Cloud Migration

A total of 21 terminals uses Navis for their terminal operating system, and the Company has newly established a 5-year partnership with Navis for the ICTSI Group. This partnership covers approaches to governance, planning and prioritization, tracking and reporting, roles and responsibilities, and the selection of terminals to include in the continuous improvement service. The Company now runs the terminal operating systems in 9 out of 33 terminals in the ICTSI Group using hyper-scaler cloud environments, removing on-premises hardware and other systems. The Company shall

continue with further cloud migrations in 2024 to increase governance, disaster recovery, and security.

Proactive Vulnerability Assessment and Penetration Testing

The Company has a mandated comprehensive vulnerability assessment and penetration testing campaign, which sees ICTSI "hacking" itself to further find vulnerabilities and address them, strengthening the company's security posture, including regular incident response tabletop exercises.

Standardized IT Service Management Platform

Business units within the ICTSI Group now all leverage a single cloud-based IT Service Management Platform that allows them to define processes and service levels for all IT requests. The Platform further provides a single global repository of IT Service Management activity, providing unprecedented auditability and visibility into the Company's IT processes and activities. Other business functions leverage the same platform for their service management platform as well.

RECOMMENDATION 12.2

01

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.

AUDIT AND COMPLIANCE GROUP

The Company has an in-house internal audit function, the Audit and Compliance Group. The fundamental role of the Audit and Compliance Group is to provide ICTSI senior management and the Audit Committee with independent assurance on the adequacy, effectiveness and efficiency of the system of internal control, and to report major weaknesses together with recommendations for improvement. This role is fulfilled by carrying out appropriate audit work in accordance with the three-year strategic plan as approved by the Audit Committee. Audits included in the annual plan are primarily identified through

a risk assessment process. The Audit and Compliance Group may also perform management or committee requested audits and advisory projects. The quantity and kind of advisory services provided may vary widely, depending on the needs of the organization.

The key activities of the Audit and Compliance Group for 2023 included, assurance and advisory engagements, audit follow-up, annual self-assessment, development of 2024-26 strategic plan composed of key goals and initiatives, performance measures, risk assessment and audit plan development, quality assessment of the internal audit activity, and staff training.

RECOMMENDATION 12.3

- 01 Company has a qualified Chief Audit Executive (CAE) appointed by the Board.
- 02 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.
- 03 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.

HEAD OF GLOBAL CORPORATE AUDIT AND COMPLIANCE

The Head of Global Corporate Audit and Compliance oversees and is responsible for the internal audit activity of the Company. ICTSI does not outsource its internal audit activity. The Head of Global Corporate Audit and Compliance reports directly to the Audit Committee.

Ms. Catherine R. Castro was appointed by the Board of Directors as Head of Global Corporate Audit and Compliance effective October 1, 2020. Ms. Castro joined ICTSI's Audit and Compliance Group in September 2014. Prior to this, she worked with the Financial Assurance Services of SyCip Gorres Velayo & Co.

(a member firm of Ernst & Young Global Limited) for more than 12 years. She has extensive experience in auditing variety of clients ranging from local companies to major publicly listed companies and multinational conglomerates, with exposure to various industries including media and entertainment, real estate, construction, manufacturing, business process outsourcing, pharmaceuticals, and nonprofit organizations.

Ms. Castro is a Certified Internal Auditor and a Certified Public Accountant. She graduated from Saint Louis University, Baguio City, in 2001 with a degree in Bachelor of Science in Accountancy (Cum Laude).

RECOMMENDATION 12.4

- 01 Company has a separate risk management function to identify, assess and monitor key risk exposures.

SUPPLEMENT TO RECOMMENDATION 12.4

- 01 Company seeks external technical support in risk management when such competence is not available internally.

ENTERPRISE RISK MANAGEMENT GROUP

Due to the geographically diverse operations of the ICTSI Group, various business risks, particularly competition, commercial, economic, political and foreign exchange risks, may materially impact the financial results of the Group.

In accordance with the Company's Manual on Corporate Governance, the Company has an Enterprise Risk Management ("ERM") System handled by the Director for Enterprise Risk Management of the ERM Department and under the supervision of the Chief Risk Officer. The ERM System helps identify and manage the ICTSI Group's Key Business Risks in support of the Company's Purpose to achieve its overall strategy and business objectives.

The ERM Group carries out the following:

- Establishes the ERM Policy and related guidance.
- Supervises, supports and incorporates the ERM processes across ICTSI 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 oversee 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 ERMC in preparing ERM reports and materials to the BROCC.
- Leads the change management initiatives across ICTSI.
- Drives the improvement of ICTSI's current ERM process through benchmarking against leading standards and global best practices.

Since ICTSI has a competent internal risk management function, external technical support is not necessary and the Company has not sought external technical risk management support as of this date.

RECOMMENDATION 12.5

- 01 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.
- 02 RO has adequate authority, stature, resources and support to fulfill his/her responsibilities.

CHIEF RISK OFFICER

Roles and Responsibilities of the Chief Risk Officer

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

From October 1, 2020 until January 18, 2023, **Mr. Christian Martin R. Gonzalez** was appointed by the Board of Directors as Chief Risk Officer (CRO) concurrent to his position as Executive Vice President of the Company.

On January 18, 2023, **Mr. Sandy A. Alipio** assumed the role of CRO concurrent to his position as Senior Vice President – Global Financial Controller following the approval made by the Board of Directors on the same date.

Effective July 1, 2023, **Mr. Emilio Manuel V. Pascua** was appointed as the Chief Risk Officer, concurrent to his position as Senior Vice President and Chief Financial Officer.

Mr. Pascua has been the Chief Financial Officer of ICTSI since January 18, 2023. He joined the Company in 2013 as Director of Corporate Finance. He was appointed as Director, Global Mergers and Acquisitions in 2020 and was promoted to Vice President, Global Mergers and Acquisitions in 2021. Before joining ICTSI, Mr. Pascua held various positions in projects and business development in the container terminal industry and infrastructure project financing.

Concurrently, he is the Director and the Treasurer of ISI, SBITC, SBITHI and IWI; and a Director of SPICTL and MITL.

Mr. Pascua received a Masters in Business Administration degree from the Wharton School, University of Pennsylvania in 2003 and is a graduate of the Ateneo de Manila University with a Bachelor of Arts in Management Economics.

OPTIONAL: PRINCIPLE 12

- 01 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.

ATTESTATION ON INTERNAL CONTROL AND COMPLIANCE SYSTEMS

The Company's Chief Executive Officer and Head of Internal Audit attest in writing, at least annually, that a sound internal audit, control and compliance system is in place and working effectively. They attest that:

- The Board of Directors is responsible for setting standards and strategic objectives, providing governance and overseeing the implementation of adequate internal controls and risk management processes;
- Management has the primary responsibility for designing and implementing an adequate and effective system of internal controls and risk management process to ensure faithful compliance with all applicable laws, rules and regulations and best business practices;
- Management is responsible for identifying significant risks and developing appropriate plans and actions to mitigate the impact of these risks;

- The Company's external auditor, is responsible for assessing and expressing an opinion on the conformity of the audited financial statements with Philippine Financial Reporting Standards;
- Internal Audit adopts a risk-based audit approach in developing an annual work plan and conducts reviews to assess the adequacy of the design and operating effectiveness of internal controls;
- The Head of Internal Audit reports functionality to the Audit Committee to ensure independence and objectivity, allowing Internal Audit to fulfill its responsibilities; and
- Internal Audit activities conform to the International Standards for the Professional Practice of Internal Auditing and are continuously evaluated through its annual internal self-assessment and an independent Quality Assessment Review conducted every five years.

The Attestation for the year ended December 31, 2023 signed by Mr. Enrique K. Razon Jr. as President/Chief Executive Officer and Ms. Catherine R. Castro as Head of Global Corporate Audit and Compliance is made available in the Company Website.



SYNERGISTIC RELATIONSHIP WITH SHAREHOLDERS

FAIR AND EQUITABLE TREATMENT OF SHAREHOLDERS

PRINCIPLE 13

The company should treat all shareholders fairly and equitably, and also recognize, protect and facilitate the exercise of their rights.

Fair and equitable treatment of shareholders is important in order to maintain trust, foster transparency, and ensure the long-term success of the Company.

RECOMMENDATION 13.1

- 01 Board ensures that basic shareholder rights are disclosed in the Manual on Corporate Governance.
- 02 Board ensures that basic shareholder rights are disclosed on the company's website.

SUPPLEMENT TO RECOMMENDATION 13.1

- 01 Company's common share has one vote for one share.
- 02 Board ensures that all shareholders of the same class are treated equally with respect to voting rights, subscription rights and transfer rights.
- 03 Board has an effective, secure, and efficient voting system.
- 04 Board has an effective shareholder voting mechanisms such as supermajority or "majority of minority" requirements to protect minority shareholders against actions of controlling shareholders.
- 05 Board allows shareholders to call a special shareholders' meeting and submit a proposal for consideration or agenda item at the AGM or special meeting.
- 06 Board clearly articulates and enforces policies with respect to treatment of minority shareholders.
- 07 Company has a transparent and specific dividend policy.

RIGHTS OF SHAREHOLDERS

ICTSI Manual on Corporate Governance

6.1 Voting Right

6.1.1 Shareholders have the right to elect, remove and replace directors and vote on certain corporate acts in accordance with the Corporation Code and the Bylaws.

6.1.2 Cumulative voting shall be allowed in the election of directors.

6.1.3 Although directors may be removed with or without cause, the Corporation Code prohibits removal without cause if it will deny minority shareholders representation in the Board.

6.1.4 Shareholders shall also have the right to participate, after being given sufficient information prior to voting on fundamental corporate changes such as: (1) amendments to the Articles of Incorporation and By-Laws; (2) the authorization on the increase in authorized capital stock; and (3) extraordinary transactions, including the transfer of all or substantially all assets that in effect result in the sale of the Company.

6.1.5 Proxy voting shall be implemented, including the electronic distribution of proxy materials.

6.2 Power of Inspection

Shareholders are allowed to inspect corporate books and records including minutes of Board meetings and stock registries in accordance with the Corporation Code. They shall be provided with a copy of the annual report, including financial statements, without cost or restrictions in accordance with law.

6.3 Right to Information

6.3.1 The shareholders shall be provided, upon request, with reports which disclose personal and professional information about the directors and officers and certain other matters such as their holdings of ICTSI's shares, dealings with ICTSI, relationships among directors and key officers, and the aggregate

compensation of directors and officers, as may be required by law and applicable disclosure rules.

6.3.2 The minority shareholders have the same right of information as other shareholders of ICTSI. 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.

6.4 Right to Dividends

Shareholders have the right to receive dividends subject to the discretion of the Board to declare such dividends. However, the Commission may direct ICTSI to declare dividends when its retained earnings is in excess of 100% of its paid-in capital stock, except:

(a) when justified by definite corporate expansion projects or programs approved by the Board or

(b) when ICTSI is prohibited under any loan agreement with any financial institution or creditor, whether local or foreign, from declaring dividends without its consent, and such consent has not been secured or

(c) when it can be clearly shown that such retention is necessary under special circumstances obtaining in ICTSI, such as when there is a need for special reserve for probable contingencies.

6.5 Appraisal Right

Section 82 of the Corporation Code allows the exercise of the shareholders' appraisal rights under the following circumstances:

(i) In case any amendment to the Articles of Incorporation has the effect of changing or restricting the rights of any stockholders or class of shares, or of authorizing preferences in any respect superior to those of outstanding shares of any class, or of extending or shortening the term of corporate existence;

(ii) In case of sale, lease, exchange, transfer, mortgage, pledge or other disposition of all or substantially all of the corporate property and assets as provided in the Corporation Code; and

(iii) In case of merger or consolidation.

6.6 Right to Nominate Directors

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

6.7 Promotion of Shareholders Right

The Board should be transparent and fair in the conduct of the annual and special stockholders' meetings of ICTSI. The stockholders should be encouraged to personally attend such meetings. If they cannot attend, they should be appraised

ahead of time of their right to appoint a proxy. Subject to the requirements of the By-laws, the exercise of that right shall not be unduly restricted and any doubt on the validity of a proxy should be resolved in the stockholder's favor.

The Board shall promote shareholder rights in accordance with law, remove impediments to the exercise of shareholders rights and allow possibilities to seek redress for violation of their rights in accordance with law. The exercise of shareholders' voting rights and solution of collective act on problems through appropriate mechanisms shall be encouraged in accordance with applicable law. Excessive and other administrative or practical impediments to shareholders participation in meetings and/or voting in person should be removed.

The Board shall allow the electronic filing and distribution of shareholder information necessary to make informed decisions as may be allowed by law.

ICTSI treats all its Shareholders fairly and equitably, and recognize, protect, and facilitate the exercise of their rights. Shareholders are accorded their rights as provided under the Revised Corporation Code and other applicable laws, rules, and regulations, as well as ICTSI's By-Laws and Manual on Corporate Governance.

The By-Laws and Manual on Corporate Governance, among other resources, are available on the Company Website. See [Manuals on Corporate Governance and Articles of Incorporation and By-Laws](#)

VOTING MECHANISM

ICTSI has an effective Shareholder Voting Mechanism which is laid down in the Company's By-Laws and the Manual on Corporate Governance. The Mechanism is annually reiterated and updated as necessary in the Notice of Annual Stockholders Meeting (ASM) and the Philippine Securities and Exchange

Commission Form 20 – Information Statement (SEC Form 20-IS).

Only Shareholders of record are entitled to notice and to vote at the ASM. The Common Shares and Preferred B Shares will vote on matters scheduled to be taken up at the ASM. Each share, whether common or preferred, is entitled to cast one vote.

During the 2023 Virtual ASM, ICTSI partnered with Azeus Systems Limited (Azeus), a provider of secure virtual meeting solutions for companies worldwide. To ensure the integrity of the electronic voting process, ICTSI's Global Head of Information Security rigorously reviewed and tested the security measures implemented within the Azeus system.

In the ASM requirements and procedures for participation by remote communication and voting in absentia, the Shareholders were informed that they could register

to participate and vote during the 2023 Virtual ASM. Clear instructions were provided in Appendix "A" to the Notice to the Virtual ASM. Shareholders were allowed to cast their votes until the voting on the agenda item was closed during the meeting.

MINORITY SHAREHOLDERS

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.

DIVIDEND POLICY

The details of ICTSI's declaration of cash dividends are as follows:

Dividends may be declared only out of the unrestricted retained earnings. A board resolution is required for declaration of dividends. In addition, approval of stockholders representing at least two-thirds of the outstanding capital stock is required for the payment of stock dividends. Dividends are payable to all common shareholders, on the basis of outstanding shares held by them, each share being entitled to the same unit of dividend as any other share. Dividends are payable to stockholders whose names are recorded in the stock and transfer book as at the record date fixed by the Board. Preferred A shareholders are entitled to dividends at rates to be fixed by the Board. As of December 31, 2023, the Board has not set the dividend rate for Preferred A shares. On the other hand, Preferred B shareholders shall earn no dividends.

	2021	2022	2023
Date of Board approval	March 15, 2021; August 6, 2021	March 3, 2022	March 6, 2023
Cash dividends (regular) per share	US\$0.069 (₱3.38)	US\$0.106 (₱5.56)	US\$0.156 (₱8.56)
Cash dividends (special) per share	US\$0.032 (₱1.62)	US\$0.008 (₱0.44)	US\$0.026 (₱1.44)
Record date	March 30, 2021; August 20, 2021	March 18, 2022	March 20, 2023
Payment date	April 12, 2021; September 1, 2021	March 28, 2022	March 28, 2023

OPTIONAL: RECOMMENDATION 13.1

- 01 Company appoints an independent party to count and/or validate the votes at the Annual Shareholders' Meeting.

INDEPENDENT ASM VOTES VALIDATION

For the 2023 Annual Shareholders Meeting (ASM) held on April 20, 2023, the Company engaged SGV & Co., an independent party auditor, to verify

the registration requirements and count, tabulate, and validate all votes received for the ASM.

For the said ASM, the Office of the Corporate Secretary, Stock Transfer Services, Inc. (the Company's stock

transfer agent), and SGV & Co. (the third-party validator) validated the votes during the Proxy Validation Date on April 14, 2023. The Office of the Corporate Secretary led the validation of proxies in accordance with the procedure and guidelines set out in the ICTSI's By-

Laws and Rule 20(11)(b) of the Amended Implementing Rules and Regulations of the Securities Regulation Code.

On April 20, 2023, SGV counted and/or validated the votes casted during the ASM.

RECOMMENDATION 13.2

01

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.

SUPPLEMENTAL TO RECOMMENDATION 13.2

01

Company's Notice of Annual Stockholders' Meeting contains the following information:

- a. The profiles of directors (i.e., age, academic qualifications, date of first appointment, experience, and directorships in other listed companies)
- b. Auditors seeking appointment/re-appointment
- c. Proxy documents

NOTICE OF ANNUAL SHAREHOLDERS MEETING

The ICTSI Board encouraged active shareholder participation by sending the Notice for the 2023 Annual Shareholders' Meeting (ASM) with link to the ICTSI ASM Website and quick response code (QR Code) for the Company's Securities and Exchange Commission Form 20-Information Statement (SEC Form 20-IS). Such sending of the Notice was done through mail to each Shareholder by March 29, 2023. This served as advance notice to all Shareholders 22 days before the 2023 ASM.

Prior to the Notice, ICTSI also submitted to the Philippine Stock Exchange (PSE) on February 21, 2023 the Notice together with the SEC Form 20-IS. It was likewise filed with the PSE through the PSE Edge and uploaded as well on the Company Website. This public disclosure provided an even earlier notice to the Shareholders 58 days before the ASM to further encourage active shareholder participation.

The SEC Form 20-IS, which accompanied the Notice contained the: (1) profiles of the directors, including their age, academic qualifications, date of first appointment, experience, and directorships in other listed companies on Item 5, (2) External Auditors seeking re-appointment on Item 7, and (3) Proxy documents on Schedule 1.

OPTIONAL: RECOMMENDATION 13.2

- 01 Company provides rationale for the agenda items for the annual stockholders meeting.

RATIONALE FOR THE ASM AGENDA

In the Notice of the ASM, the Company provided the rationale for the agenda

items. The rationale for the agenda items comes after the agenda item. This provides the Shareholder a clear picture as to the reason the agenda item was included.

RECOMMENDATION 13.3

- 01 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.

- 02 Minutes of the Annual and Special Shareholders' Meetings were available on the company website within five business days from the end of the meeting.

SUPPLEMENT TO RECOMMENDATION 13.3

- 01 Board ensures the attendance of the external auditor and other relevant individuals to answer shareholders questions during the ASM and SSM.

RESULTS OF THE ASM

To ensure the safety and welfare of our stockholders, and other stakeholders, Company's Board of Directors approved on February 21, 2023, in accordance with the latest available SEC rules on the conduct of virtual stockholders' meeting, the holding of the 2023 ICTSI Virtual Annual Stockholders' Meeting (ASM) on April 20, 2023.

Every Resolution for approval by the Shareholders in the ASM was introduced

by a motion duly seconded through the online platform of the Virtual ASM. The Chairman asked if there was any objection to every motion. Since there were no objections, all the motions were carried.

The numbers of votes indicated below are the votes on the Resolution from: (a) votes of proxies with instructions; (b) votes submitted through the online voting platform; and (c) votes of the Chairman as a holder of proxies, which would have been counted if there was a voting on the Resolution.

AGENDA ITEMS	VOTING RESULTS		
	IN FAVOR	AGAINST	ABSTAIN
Approval of the Minutes of the Annual Meeting of Stockholders Held on April 21, 2022	2,356,912,172	-	160
Approval of the 2022 Audited Financial Statements	2,356,271,219	-	641,113
Election of Directors			
<i>Enrique K. Razon Jr.</i>	2,248,137,468	48,563,489	57,300,547
<i>Cesar A. Buenaventura*</i>	1,958,241,218	40,667,579	354,781,527
<i>Carlos C. Ejercito*</i>	2,151,157,322	38,813,779	163,719,223
<i>Chief Justice Diosdado M. Peralta (ret.)*</i>	2,341,247,686	10,501,100	1,941,508
<i>Jose C. Ibazeta</i>	2,097,126,632	48,385,349	208,178,393
<i>Stephen A. Paradies</i>	2,224,541,321	47,998,549	102,762,915
<i>Andres Soriano III</i>	2,213,890,936	48,222,179	91,577,359
Approval/Ratification of Acts, Contracts, Investments and Resolutions of the Board of Directors and Management since the 2022 Annual Stockholders' Meeting	2,354,352,891	1,730,588	828,853
Appointment of External Auditor	2,349,931,761	6,980,572	-

*Independent Directors

The Shareholders were also given the opportunity to ask questions. The Chairman opened the floor to entertain questions from the Shareholders and the Assistant Corporate Secretary also serving as moderator for the session, Atty. Silverio Benny J. Tan, read the questions asked for response by the Board of Directors.

The Company's Board encouraged active shareholder participation of the shareholders by making the result of the Annual Stockholders' Meeting held on April 20, 2023, available the next working day, April 21, 2023, through the PSE Edge.

through [Minutes of all General or Special Stockholders' Meetings | ICTSI Investors](#)

A total of 2,358,881,246 Shares or 86.34% of the total issued and outstanding Shares were represented in person, by proxy, or through voting in absentia during the ASM.

While no Special Stockholders' Meeting was held in 2023, the Company is committed to making minutes of any such future meetings available on its website within five days.

MINUTES OF SHAREHOLDERS MEETINGS

To promote active shareholder participation, the Company's Board made the results of the April 20, 2023 Annual Stockholders' Meeting promptly available on the PSE Edge the following working day, April 21, 2023.

The Minutes of the Annual Stockholders' Meeting (ASM) held on April 20, 2023 were posted on the Company Website on April 25, 2023 (within five days from the date of the meeting.) This can be accessed

RECOMMENDATION 13.4

- 01 Board makes available, at the option of a shareholder, an alternative dispute mechanism to resolve intra-corporate disputes in an amicable and effective manner.
- 02 The alternative dispute mechanism is included in the company's Manual on Corporate Governance.

INTRA-CORPORATE DISPUTES

ICTSI Manual on Corporate Governance**Section 2. Duties and Function of the Board**

Section 2.6.15. *Ensure that any dispute between ICTSI and its stockholders as well as ICTSI and third parties, including the regulatory authorities, shall be resolved in accordance with Republic Act 9285, otherwise known as "Alternative Dispute Resolution Act of 2004" with the approval or consent of such other parties in compliance with law.*

The Board makes available, at the option of a Shareholder, an alternative

dispute mechanism to resolve intra-corporate disputes in an amicable and effective manner. This mechanism is to institutionalize the mode of promoting Shareholder rights, allowing possibilities to seek redress for violation of their rights in accordance with law (6.7, Manual on Corporate Governance).

As additional facility for proper redress and Shareholder protection, the Company Secretary shall call a special meeting of shareholders whenever he is requested in writing to do so by holders of record of a majority of the subscribed capital stock of the Company entitled to vote at such meeting (Section 3, By-laws). Moreover, the Company's Investor Relations Office is in constant engagement with the Shareholders for any transparent and continuous dialog.

RECOMMENDATION 13.5

- 01 Board establishes an Investor Relations Office (IRO) to ensure constant engagement with its shareholders. Disclose the contact details of the officer/office responsible for investor relations, such as:
 - a. Name of the person
 - b. Telephone number
 - c. Fax number
 - d. E-mail address
- 02 IRO is present at every shareholder's meeting.

INVESTOR RELATIONS OFFICE

ICTSI's award-winning Investor Relations Office has the responsibility of integrating finance, communication, marketing, and securities law compliance.

It aims to ensure constant engagement and build understanding and relationships of trust with media, financial analysts, and stockholders, increase transparency and achieve an appropriate valuation of ICTSI's stock and liabilities in the capital market.

It works to provide transparent, continuous, and targeted dialog with all stakeholders, and aims to build understanding and trust with the financial media, analysts, and stockholders.

The Company discloses the contact details of the Investor Relations Office in the Company Website.

ICTSI was hailed as One of the Best Investor Relations Companies in the Philippines in *Corporate Governance Asia's* Asian Excellence Awards consistently for the period of 2013–2022. The Company was also recognized by *Alpha Southeast Asia Awards 2022* as having the Best Annual Report in the Philippines.

It was also hailed to be among the Most Organized Investor Relations, Strongest Adherence to Corporate Governance, second best in the Most Consistent Dividend Policy in Southeast Asia and second best in Best Investor Relations Team by *The Asset ESG Corporate Awards 2019-2022*.

ICTSI was also one of the Most Honored Companies during the *Institutional Investor All Asia Executive Team Awards* Recognition 2022. Rafael D. Consing, Jr., former Senior Vice President and Chief Financial Officer, was ranked third best CFO among Small and Midcap Companies, while Arthur R. Tabuena, Treasury Director and Head of Investor Relations, was ranked among the Best IR Professionals. Mr. Consing and Mr. Tabuena were both voted for by Buyside and Combined Categories.

ICTSI's Investor Relations Program was ranked third best in the group.

INVESTOR RELATIONS OFFICER

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

The Investor Relations Officer is always present during the Company's shareholders' meetings. He is responsible for the necessary disclosures to the PSE and SEC.

As a testament to his credible and effective performance, Mr. Tabuena was again recognized as one of the Best Investor Relations Professionals in the Philippines by *Corporate Governance Asia* during the 12th Asian Excellence Recognition Awards 2022, Best Senior Management IR Support in *Alpha Southeast Asia Awards 2021*, and Best Investor Relations Team by *The Asset ESG Corporate Awards* for 2019–2021. Mr. Tabuena was also honored as one of the Best IR Professionals in the Institutional Investor All Asia Executive Team Awards Recognition 2022.

SUPPLEMENTAL RECOMMENDATIONS TO PRINCIPLE 13

- 01 Board avoids anti-takeover measures or similar devices that may entrench ineffective management or the existing controlling shareholder group.
- 02 Company has at least thirty percent (30%) public float to increase liquidity in the market.

ANTI-TAKEOVER MEASURES

ICTSI avoids anti-takeover measures or similar devices that may entrench ineffective management or the existing controlling stockholder group. To ensure good governance of ICTSI, the Board establishes ICTSI's Purpose, strategic objectives, policies and procedures that guide and direct the business and corporate activities of ICTSI, the means to attain the same, and the mechanism for monitoring management's performance.

PUBLIC FLOAT

The Philippine Securities and Exchange Commission through its Memorandum

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

ICTSI has more than the prescribed or recommended public float to increase liquidity in the market. As of December 31, 2023, the public ownership level of the Company is at 51.28% based only on common shares. The public ownership level of the Company is at 38.14% if both common and Preferred B voting shares are considered.

OPTIONAL: PRINCIPLE 13

- 01 Company has policies and practices to encourage shareholders to engage with the beyond the Annual Stockholders' Meeting.
- 02 Company practices secure electronic voting in absentia at the Annual Shareholders' Meeting.

CHANNELS OF COMMUNICATION

ICTSI communicates with its Shareholders through various methods for effective information dissemination and encourage engagement with the Company beyond the Annual Shareholders Meeting. The Company implements various communication programs and optimizes media channels and platforms to achieve this purpose.

Company Announcements

- Emails (such as Investor Relations email distribution list)
- Press and photo releases and/or media advisories
- Magazine publications
- Print and digital publications (such as Annual Reports, company newsletters, and websites)
- Quarterly Investors' Briefing
- Corporate disclosures with regulatory agencies

Meetings

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

Website

ICTSI's official website is www.ictsi.com.

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

ICTSI welcomes inquiries from Shareholders and investors, as well as analysts and the financial community.

- The Company's website has "Contact Us" section to connect with the Company and share feedback, concerns or provide suggestions.
- The Company may also be reached via sending an email at investor@ictsi.com or visiting the Investors Site at www.investors.ictsi.com.

VOTING IN ABSENTIA

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

During the 2023 Virtual Annual Shareholders Meeting, ICTSI engaged the services of Azeus, a leading IT services provider with years of experience in successfully delivering IT solutions to various clients worldwide. The Azeus System ensured that the electronic voting in absentia was done in a secure manner.

Through the Virtual Annual Shareholders Meeting requirements and procedure for participation by remote and voting in absentia (Appendix "A" of the Notice of ICTSI Annual Stockholders' Meeting attached to SEC Form 20-IS), ICTSI Stockholders with successful and validated registration may participate in the meeting and will be allowed to vote until the voting on the agenda item is closed during the ASM.

DUTIES TO STAKEHOLDERS

VARIOUS 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.

ICTSI recognizes customers, suppliers and creditors as its external stakeholders under contractual relations and voluntary commitments that are vital to its operations. ICTSI established policies to protect their rights, promote healthy relations that will foster growth and sustainability.

RECOMMENDATION 14.1

- 01 Board identifies the company's various stakeholders and promotes cooperation between them and the company in creating wealth, growth and sustainability.

IDENTIFICATION OF STAKEHOLDERS

As a facilitator of global containerized trade, ICTSI serves the following Principal Stakeholders:

1. *Primary port users (commercial clients such as the shipping lines and landside/hinterland logistics players);*
2. *Public sector partners, especially port authorities;*
3. *Employees and industry organizations;*
4. *Providers of capital;*
5. *Suppliers; and*
6. *Various communities that serve as port hosts.*

The ICTSI Manual on Corporate Governance highlights the Board of Directors' commitment to foster ICTSI's

long-term success, and to sustain its competitiveness and profitability in a manner consistent with its corporate objectives and the best interests of its shareholders and other stakeholders.

The Board shall likewise identify stakeholders in the communities where ICTSI operates or are directly affected by its operations, and formulate a clear policy of accurate, timely and effective communication with them as may be necessary and maintain a meaningful corporate social responsibility program.

ICTSI identified and disclosed its stakeholders and key concerns as well as the approaches to these stakeholders in its Annual Sustainability Report.

RECOMMENDATION 14.2

01

Board establishes clear policies and programs to provide a mechanism on the fair treatment and protection of stakeholders.

FAIR TREATMENT OF STAKEHOLDERS

At ICTSI, the rights of Stakeholders as established by law, by contractual relations and through voluntary commitments are respected. ICTSI is fully committed to promoting the highest ethical standards to protect the welfare, safety, and human rights of its people.

Through its Diversity and Equal Opportunities Policy, ICTSI promotes the value and culture of equality, diversity, and inclusion in the workplace. It is committed to a set of core principles which include respect for human rights and giving value to diversity and inclusion.

ICTSI also ensures that Stakeholders are provided with an avenue to obtain redress for the violation of their rights. No less than the ICTSI Code of Business Conduct provides for policies and guidelines that provide a mechanism for the fair treatment of Stakeholders and the utmost protection of their rights. It strictly prohibits discrimination of any kind and any form of harassment, unprofessional or inappropriate work conduct shall not be tolerated.

RECOMMENDATION 14.3

01

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.

SUPPLEMENT TO RECOMMENDATION 14.3

01

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

WHISTLEBLOWING POLICY FOR STAKEHOLDERS

The ICTSI Code of Business Conduct and other related Company Policies provide Stakeholders, most especially the ICTSI employees, direct access to the Company's Office of the Chief Compliance Officer and, as may be applicable, the pertinent Human Resource Department for reporting of any violations of the Code and Company Policies.

The Code provides that any concerned party who becomes aware of any breach of the Code has the corresponding obligation to immediately report the same to the proper authorities at ICTSI.

The Policy on Fraud Reporting, Complaints and Non-Compliance of Policies (Fraud Reporting Policy) mandates Stakeholders to immediately report any concerns and violations. Anonymous reporting and disclosures are allowed subject to certain conditions such as the gravity of the concern and seriousness of issues raised, the credibility of the report and the reporter and the possibility of verification from other reliable sources.

The Fraud Reporting Policy provides Guidelines on the handling of disclosure and complaints on:

1. Violation of ICTSI Code of Business Conduct;

2. Violation of ICTSI Anti-Bribery Compliance Policy and Procedure;
3. Violation of the Policy on Conflict of Interest;
4. Violation of company's Code of Discipline and other company issued employee related rules and regulations;
5. Fraudulent reporting of accounting/auditing practices;
6. Unauthorized use of company funds;
7. Health and Safety risks;
8. Any illegal or unethical act and
9. Any other cases involving violation of other company policies.

The Fraud Reporting Policy likewise provides for specific processes for reporting and disclosure of violations. Reporting channels were expanded to include personal reporting of complaints and a dedicated e-mailbox (reportfraud@ictsi.com) and telephone hotlines. Any stakeholder may report a possible breach or non-compliance to the appropriate HRD of the Business Unit (BU) or the Global Human Resource Department (GHR) for Corporate Functions. Should there be a real threat of harassment and retaliation, or if any personnel from BU's HRD or GHR may be compromised, the report or disclosure may be filed directly with the Office of the Compliance Officer (OCO). The Policy also details steps in gathering evidence, conducting investigations, submitting recommendations and imposition of disciplinary action against erring individuals.

It also affords protection to the reporter or the whistleblower from any form of retaliation, reprisal and harassment and ensures confidentiality in the information provided in the disclosure and complaint.

ALTERNATIVE DISPUTE RESOLUTION FOR KEY STAKEHOLDERS

The policy on Alternative Dispute Resolution (ADR) seeks to encourage and promote the use of dispute resolution options, practices and processes thereby

avoiding, discouraging and preventing parties from resorting to litigation in the settlement of corporate governance related disputes and conflicts.

ICTSI's Manual on Corporate Governance provides that any dispute between ICTSI and its Principal Stakeholders, shall be resolved in accordance with Republic Act 9285, otherwise known as *Alternative Dispute Resolution Act of 2004*. Through the ADR mechanism, disputes and conflicts are expeditiously resolved in the most amicable, effective and efficient manner.

ADDITIONAL RECOMMENDATION TO PRINCIPLE 14

- 01 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.
- 02 Company respects intellectual property rights.

EXEMPTION FROM LAW

ICTSI complies and abides by the laws, rules and regulations of all the countries where it operates in. The Company has continued to follow best practices of corporate governance and did not seek any exemption from the application of a law, rule or regulation especially when it refers to a corporate governance issue.

ICTSI is committed to sound, prudent, and effective overall management, effective risk management, provision of efficient management information systems, providing access to reliable financial and operational information, cost effective and profitable business operations, alongside with compliance with laws, rules, regulations, and contracts.

INTELLECTUAL PROPERTY

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

OPTIONAL TO PRINCIPLE 14

- 01 Company discloses its policies and practices that address customers' welfare.
- 02 Company discloses its policies and practices that address supplier/contractor selection procedures.

CUSTOMER WELFARE

Nurturing Loyalty and Efficiency in 2023

For the year 2023, ICTSI furthered its commitment to prioritize Customer Welfare and Satisfaction as the Company recognize this as the pivotal key to our successes. The Company is pleased to showcase its initiatives at its flagship terminal, the Manila International Container Terminal (MICT), aimed at recognizing and rewarding the contribution of its valued Customers, and more importantly, enhancing service efficiency in many customer touchpoints to sustain the loyalty of these clientele.

RECOGNITION AND REWARDS

Flagship Elite Program

Building upon the success of the Flagship Elite Program launch in 2022, the Program continued to recognize the Top 10 Shipping Lines and Top 20 Beneficial Cargo Owners (BCOs) in 2023 based on their exceptional volume contributions to the MICT in the previous year. They were awarded the 2023 membership to this exclusive program and for the first time since its launch, all members were given privileged access to their own MICT Virtual Terminal. This innovative platform provides access holders visibility into real-time terminal reports as well as running cargo volume and vessel performance standing.

MICT Kalakbay Rewards

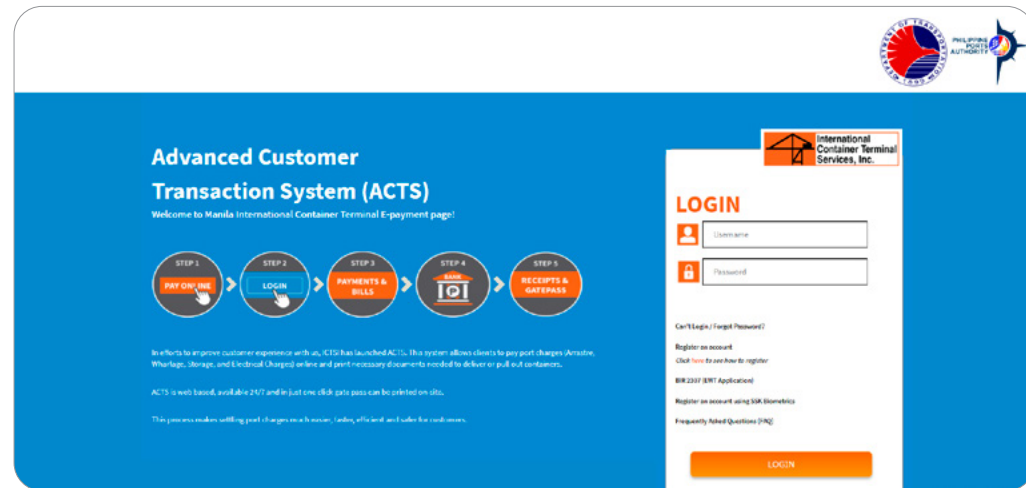
In alignment to ICTSI's unwavering commitment to rewarding loyalty, the MICT Kalakbay Rewards program was launched in 2023. This initiative goes beyond top-tier customers, extending benefits to the

grassroot port users, specifically those engaged in day-to-day processing, starting with our truck drivers.

A user-friendly app has been developed to enable drivers to effortlessly earn points for every port transaction. These accumulated points can be exchanged for electronic vouchers or gift cards from a diverse selection of merchants, providing tangible rewards for their invaluable contributions to the port ecosystem.



REWARDS



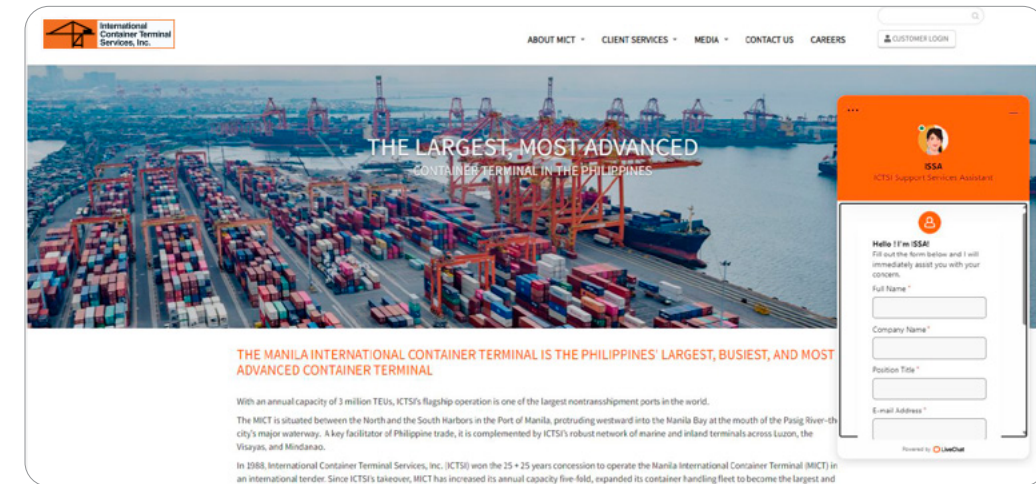
EFFICIENCY INITIATIVES

Landside Service Advancements: MICT e-Gate

- a. **Truck Manifesting:** Moving towards the full automation of our gate processing, this initiative incorporated in the Terminal Appointment Booking System of MICT is both a critical and fundamental step to fulfill that goal. Truck Manifesting targeted to simplify the gate process for drivers by eliminating multiple steps that they go through at the kiosk through the pre-entry submission of their transaction information.
- b. **RFID:** Going hand in hand with Truck Manifesting, the RFID initiative advances the Company towards its goal of fully automated gate process as this provides additional automated retrieval of transaction data of trucks upon arrival.
- c. **EIR Online Issuance:** By shifting to Equipment Interchange Receipts (EIR) issuance online, the Company is able to cut the processing time of trucks at the exit gate.

Payment Service Advancements

- a. **Electronic ADR:** By enforcing 24/7 funding capability through the Electronic Advance Deposit Receipt provided by the Company's banking partners, BDO and UnionBank, ICTSI is able to streamline financial transactions, ensuring continuous support for the Customers.
- b. **E-Wallet:** This system automating additional storage payments for containers loaded on an exit-bound truck provides a more expedited payment process and shorter truck dwell time.



CUSTOMER SUPPORT

ISSA (ICTSI Support Services Assistant)

In line with ICTSI's commitment to set standards for customer support in the industry, the Company proudly introduced the ISSA Customer Chat Support. ISSA offers both chatbot and live agent assistance, provided by our dedicated Customer Care Team. ISSA is initially made available on the MICT Website and in the ICTSI App web application for easy access.

Quality Assurance Monitoring Framework for Customer Care

To further ensure the highest quality of service, ICTSI implemented a Quality Assurance Monitoring Framework for the Customer Care Team in 2023. This proactive approach aims to continually improve and sustain the quality of customer support the Company provides and foster a positive experience for every Customer.

The creation of this new Team reflects ICTSI's relentless dedication towards customer satisfaction and pursuing excellence in every service delivery.

SUPPLIERS

In the dynamic realm of global logistics, ICTSI stands out not only for its operational excellence but also for its unwavering commitment to the protection and fair

treatment of its Suppliers (including contractors). As Stakeholders seek to understand the mechanisms in place to ensure ethical business practices within the company, ICTSI's policies and programs for Supplier Relations come into sharp focus.

ICTSI's dedication to fair treatment is enshrined when its Global Procurement Department rolled out its Global Policy on Supplier Code of Business Conduct last October 2022 with a mandatory annual re-cascade of the Code to its suppliers and contractors through the vendor re-accreditation process. This Code outlines ICTSI's non-negotiable expectations and minimum standards required of the Suppliers that the ICTSI terminals around the world have engaged and will engage with. This serves as a guiding compass for all business interactions and emphasizes the principles of transparency, integrity, and equitable dealings.

Accessible through the Company Website, the Supplier Code of Business Conduct articulates the expectations placed on the Suppliers and fosters a culture of mutual respect and collaboration.

Under this Code, the Suppliers are asked to submit a Disclosure of Conflict of Interest on an annual basis at the minimum. A Deputized Officer is designated by the Company to report of any conflict or violation of the Supplier Code of Business

ICTSI Global Policy on Supplier Code of Business Conduct
<https://investors.ictsi.com/corporate-governance/policies>

For any report of conflict or violation or any concern related to the Code: Email the **Deputized Officer** through globalhradmin@ictsi.com

Conduct. This team member must be unbiased and treat all reports fairly.

Furthermore, ICTSI maintains open lines of communication with the Suppliers through the conduct of an Annual Supplier’s Performance Evaluation based on dependability/timeliness, product/service quality, and social, health, safety, and environmental (HSE) compliance.

In line with this annual evaluation, the Company also holds an Annual ICTSI Supplier Quality Awards (ISQA) spearheaded by the Global Procurement Department. This event provides annual recognition of the efforts of the Suppliers who have done their best to support, comply with, and abide by the performance standards of the Company. This also serves as the venue to reiterate important corporate guidelines and cascade initiatives, ensuring Suppliers have ample information and opportunities to align their company objectives with ICTSI.

During the last ISQA held last August 10, 2023, the Global Sustainability Team encouraged the Suppliers on the need to work together with ICTSI towards achieving both their sustainable goals, and how they can join in the Company’s initiatives to disclose relevant sustainability performance indicators, especially related to supply chain and climate change.

By actively engaging with all its business partners, ICTSI ensures that its policies and ethical standards are not just words on paper, but tangible commitments reflected in day-to-day operations.

CREDITORS

The Company upholds creditors’ rights by honoring contracted obligations and providing information required under the Revised Disclosure Rules, Securities Regulation Code and other applicable local and global regulations, if applicable, audited financial statements prepared compliant with applicable financial reporting standards, and other periodic reports compliant with the provisions of law, loan and bond covenants and other regulatory requirements.

EMPLOYEE PARTICIPATION

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.

ICTSI recognizes the importance of its internal stakeholders, its employees. They play a vital role in living the ICTSI Values to achieve the Company’s Purpose. The Company established various policies to uphold and protect the rights and welfare of its employees, including but not limited to occupational health and safety and rewards/compensation policy for good performance. It provides training opportunities for learning and development as well as employee feedback mechanisms, anti-corruption measures, whistleblowing/fraud reporting and grievance machineries to create a sound and healthy working environment to its internal stakeholders.

RECOMMENDATION 15.1

- 01 Board establishes policies, programs and procedures that encourage employees to actively participate in the realization of the company’s goals and in its governance.

SUPPLEMENT TO RECOMMENDATION 15.1

- 01 Company has a reward/compensation policy that accounts for the performance of the company beyond short-term financial measures.
- 02 Company has policies and practices on health, safety and welfare of its employees.
- 03 Company has policies and practices on training and development of its employees.

EMPLOYEE ENGAGEMENT

STRENGTHS DISCOVERY

Focusing on self-awareness and aiming to strengthen employee engagement, the ICTSI Global Academy has adopted the use of CliftonStrengths as a self-assessment tool to identify individual talent themes and employee strengths in ICTSI Global Corporate and Terminals. The Program aims to promote employee engagement and well-being by discovering their unique talent themes to guide them in improving their ways of working and promote positive work environment. To ensure the validity of the results, the team conducted one-on-one coaching sessions with employees after completion of the assessment. This will ensure that employees are guided properly on how to invest their time and effort using identified talents to achieve their goals and be able to support the organizational targets and objectives.

VALUES CASCADE

Geared towards effective culture building, cascade on ICTSI Purpose and Values was conducted for the ICTSI Global Corporate and Philippine Terminals Management Committees. The primary objective of this Program is to identify and consolidate a set of behaviors for each value that will help drive the Company's purpose through shared effort among the Employees. Setting the tone from the top, the Management level's support will help ensure the dissemination campaign to the rest of the organization's members.

PERFORMANCE MANAGEMENT SYSTEM

Across the ICTSI Global Corporate, the Performance Management System (PMS) was launched, and a structure was created for the Employees to set their goals and manage their individual performance. This Program aims to ensure that employee performance, as a critical component in an organization, plays a vital role in measuring the success of the Company by achieving the targets and objectives.

The System was developed using SuccessFactors as a platform, where an Employee can document his/her performance on the agreed objectives with his/her immediate manager covering the entire cycle. This includes planning, monitoring, reviewing, and rating. The framework requires the Employee to set goals based on KPIs, special projects, or any individual development/training plan, as well as scenarios based on exhibited values and leadership engagement. Mid-year and year-end reviews are conducted to check the status and progress of the goals confirmed by the Department Head.

TEAM BUILDING ACTIVITIES

Team building activities were conducted for the Global Corporate & Terminals groups to promote employee engagement and ICTSI values through activities that will enhance creativity and interactive learning. The activities foster the culture of teamwork and camaraderie as key result areas to help in the achievement of departmental goals. The ICTSI Global Academy provides activities that drive knowledge, skills, and attitude of the employees towards building an effective outcome-based performance.

HEALTH, SAFETY, AND WELFARE OF EMPLOYEES

Placing great importance on the fundamental human right to health and well-being, ICTSI and the rest of the ICTSI Group has remained committed to always ensuring the health and well-being of all its stakeholders especially its Employees. Over the years, the Group has been continuously implementing programs and initiatives to foster a positive safety culture and enhance control measures for the critical HSE risks of its operational activities. The Group's injury frequency rate has steadily declined for the past two years with its severity rate also improving quite significantly in 2023 compared to previous year.



Following the issuance of the Global Health and Safety (H&S) Policy in 2022, an ICTSI Health and Safety Management System Framework has been developed and will soon be rolled-out to all ICTSI Terminals. It shall provide a practical, risk-based management system that will be used to support ICTSI Terminals and businesses globally in implementing, improving, and sustaining healthy, safe, reliable, and efficient operations.

Supplementing the Terminals' various health, safety and environmental initiatives that were deployed last year, global safety campaigns on slips/trips/falls prevention and hand injury prevention were also ramped up in 2023 to help address the safety hotspots in tasks associated with its vessel operations. These safety campaigns have been instrumental in increasing workers' situational awareness, especially on workplace hazards causing the most injuries.

Recognizing that people's behaviors are essential to ICTSI's performance, employees' competencies are periodically assessed with various fit-for-purpose trainings conducted in 2023 to help continuously develop the abilities and competencies of our workforce and thus helping them perform assigned work in a healthy and safe manner. Training events include the following:

- Basic Occupational Safety and Health (BOSH)
- Behavioral Based Safety
- Control of Hazardous Energy (Lockout/Tagout)
- Driving Safety
- Electrical Safety
- Emergency Preparedness and Response
- Environment Aspect and Impact Evaluation
- Equipment Operation Safety
- Equipment Operation Safety - QC
- Equipment Operation Safety - Reach Stacker
- Equipment Operation Safety - RTG
- Ergonomics
- Fire Safety
- First Aid and Basic Life Support (BLS)
- General Health and Safety Awareness
- Hazardous Material and DG Handling
- Health and Wellness
- Health and Wellness: Rabies Prevention Control
- Health and Wellness: Warning Signs of Heart Attack
- Hot Works Safety
- HSE Induction for Contractors
- HSE Induction for Workers
- Human Factors Analysis for Incident Investigation
- IMDG Code
- Incident Reporting and Investigation
- Lifting and Rigging Safety
- Line of Fire Awareness
- Loss Control Management (LCM)

- Maritime Security Awareness
- Office Safety: 5S Program
- OSHA General Certificates
- Radio Communications
- Risk Assessment
- Safety Culture
- Safety Leadership
- Work Environment Measurement (WEM)
- Working at Heights

Aside from these training sessions, toolbox talks, which are typically conducted prior to the start of any work activity, continue to be an important communication and consultation tool between line managers/supervisors and front-line workers. These brief but meaningful workforce engagement sessions not only create awareness for workers about workplace hazards and safety measures but also foster camaraderie amongst employees and contractors. Due to the regular coordination, potentially unsafe conditions are easily raised, and possible solutions are immediately tackled and implemented. For the past two years, there has been a substantial increase in the number of toolbox talks being conducted by line managers and supervisors. While these sessions led to a significant increase in near-miss reporting, the stronger collaboration has resulted in a higher closure rate of the reported near-misses and the prompt rectification of safety issues and concerns.

REWARDS POLICY

The Company provided special bonuses to acknowledge the exceptional performance of Officers and Employees who played a key role in surpassing productivity targets.

Officers and Employees of the Company may also receive remuneration through share-based payment transactions, whereby they are given awards in the form of ICTSI Common Shares as equity-settled transactions, in lieu of cash incentives and bonuses under the Share Incentive Program.

In addition, there is an Annual Incentive Program specifically designed for the Management Team, recognizing their individual contributions to the overall growth and performance of the organization. These incentive programs aim to recognize and reward deserving Employees for their valuable contributions to the continuous growth and performance excellence of the Company.

TRAINING AND DEVELOPMENT

In 2023, the ICTSI Global Academy conducted various training programs covering Business Performance, Leadership & Values, and Employee Engagement for various levels in the organization.

TERMINAL OPERATIONS MANAGEMENT (TOM)

This Program aims to enable participants to understand the terminal operations processes with the following overview and key objectives:

- Emphasizing the role of leaders in adding value to the business by raising performance of their teams, reducing cost and risks, and further strengthening our competitive advantage;
- Achieving targets and solving problems;
- Initiating continuous improvement in the way we do things;
- Focusing on operational program targeted for different managers in the terminal;
- Giving a holistic view of how various departments impact the efficiency in the terminal processes;
- Establishing continuous improvement as a key process to reduce waste, manage cost, and improve EBITDA; and
- Exposing participants to regional teams to create and establish internal network of expertise and support.

TERMINAL EXECUTIVE DIPLOMA (TED)

The ICTSI Terminal Executive Diploma (TED) was delivered by the ICTSI Global Academy, as part of ICTSI's commitment to:

- Build both technical and ICTSI company cultural skills across the business at senior levels to better position ICTSI in managing growth, enhancing business performance, and overcoming the challenges our industry is constantly facing;
- Create a common "language" and approach to key metrics, decision making processes, and business understanding to allow for quicker and more informed business decision making and enhance terminal performance;
- Establish internal network among global participants to share best practices; and
- Create an internal pipeline of executives / senior management for continuous growth of ICTSI.

DRIVING PERFORMANCE

The Driving Performance (DP) focuses on Basic Supervisory Program covering the fundamentals of Leadership and Terminal Operations. This Program covers the practical application of leadership

in the workplace while understanding the essentials of terminal operations in the scope of supervisory level. It aims to provide the necessary knowledge, skills, and attitude designed to align with terminal activities and in providing support and contribution to management, stakeholders, customers, and port users while ensuring people handling skills on their scope and functions.

Specifically, the Program covers the following:

1. Health, Safety, & Environment;
2. Knowing your terminal;
3. Operating with a customer focus;
4. Measuring and managing terminal performance;
5. Reducing waste;
6. Leadership essentials;
7. Planning, Organizing, & Controlling; and
8. Leading function.



RECOMMENDATION 15.2

- 01 Board sets the tone and makes a stand against corrupt practices by adopting an anti-corruption policy and program in its Code of Conduct.
- 02 Board disseminates the policy and program to employees across the organization through trainings to embed them in the company's culture.

SUPPLEMENT TO RECOMMENDATION 15.2

- 01 Company has clear and stringent policies and procedures on curbing and penalizing employee involvement in offering, paying and receiving bribes.

ANTI-CORRUPTION POLICY

ICTSI has zero tolerance for any form of bribery and corruption in all its business dealings. Bribery and corruption do not only involve giving and receiving of monetary consideration but may also involve anything of value such as cash equivalents, accommodation and travel and any other material gain and intangible benefits. Existing policies on bribery and corruption apply to all Directors, Officers, Employees, consultants, contractors, trainees, seconded staff, casual workers and agency staff, interns, agents, or any other person associated with ICTSI, including external third parties who are outside parties but acting with, for or on behalf of ICTSI.

ICTSI is committed to the deterrence, prevention and uncovering of bribery and corruption. The Policy Against Tipping expressly prohibits the Employees from asking for, accepting, or receiving bribes, or any other personal benefit that would induce them to breach their duty to act in good faith or to act impartially. They shall also not pay any bribes or offer any improper inducement to business partners or service providers. Non-compliance with this may lead to severe consequences including dismissal from employment.

In conformity with ICTSI's Anti-Bribery and Corruption Policy (ABC Policy), bribery and corruption, in any form, is strictly prohibited. Corporate gifts and hospitality which are given in the normal course of business may be allowed provide they are openly and transparently given, comply with the local law and business customs, reasonable and not excessively lavish and appropriate in the particular context.

Discussions on anti-bribery and corruption obligations are part of the onboarding programs for newly hired employees. For existing employees, refresher courses are consistently held for them to be abreast of the salient provisions of the Code of Business Conduct and the ABC Policy. The Terminal Legal Health Check Program keeps the Employees updated not only of the updates on the Code and the ABC Policy but also on other Company Policies for their compliance. The training is composed of lectures, interaction with participants and an open forum for questions on honest and ethical business practices including anti-bribery and corruption obligations.

RECOMMENDATION 15.3

- 01 Board establishes a suitable framework for whistleblowing that allows employees to freely communicate their concerns about illegal or unethical practices, without fear of retaliation.
- 02 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.
- 03 Board supervises and ensures the enforcement of the whistleblowing framework.

EMPLOYEE WHISTLEBLOWING POLICY

Pursuant to its commitment to ensure compliance with all applicable laws, rules and regulations, ICTSI further strengthened its Policy on Fraud Reporting, Complaints and Non-Compliance of Policies (Fraud Reporting Policy) by making it more accessible to the Employees through the provision of more reporting channels to include dedicated electronic mailbox and telephone hotlines. The Policy clearly provides for guidelines and procedure on from lodging of complaints, conduct of investigation up to imposition of disciplinary action for violations covered by the policy.

Employees are mandated to immediately report any concerns and violations. Anonymous reporting and disclosures are allowed subject to certain conditions such as the gravity of the concern and seriousness of issues raised, the credibility of the report and the reporter and the possibility of verification from other reliable sources.

A reporter has the option to submit a complaint through the Company's Chief Compliance Officer and/or Global Human Resource Department or Human Resource Department of the business units with the full assurance that the informant's identity shall be treated with utmost confidentiality and that his/her rights shall be protected based on applicable policies, laws and regulations. Once a complaint is received, a separate investigation and administrative due process is conducted. Through this, ICTSI shall gather more information and would not rely solely on the report of an employee thereby protecting the reporter's identity in the process.

Reporting Channels

For any report of violation or complaint, please contact:

Email:
reportfraud@ictsi.com

Telephone:
+632-8247-8241;
+632-8245-4101 ext. 8001;
+632-8247-8270;
+632-8245-4101 ext. 2123
+632-8245-4101 ext. 2142

SOCIAL RESPONSIBILITY

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.

For the ICTSI Group, Corporate Social Responsibility is a core value: As the Group grows, the communities each of the ICTSI Terminals grow with the Terminal. The economies that host the Group prosper as the Group prospers. The Company maintains a socially responsible value chain, adheres to the UN Sustainable Development Goals, ensures that the Company protects its environment as well as empower and improve the lives of the community where it operates.

RECOMMENDATION 16.1

01

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.

OPTIONAL TO PRINCIPLE 16

01

Company ensures that its value chain is environmentally friendly or is consistent with promoting sustainable development.

02

Company exerts effort to interact positively with the communities in which it operates.

SOCIAL RESPONSIBILITY

ICTSI aims to create an impact on our stakeholders and communities we serve. These are implemented through initiatives of our ICTSI Head Office or Global Corporate, the terminals, and the ICTSI Foundation. These initiatives include (IP) community development, health and wellness, education and sports.

As such, some terminals established policies for community relations and initiatives. Contecon Guayaquil S.A.(CGSA) located in Ecuador, in particular, launched a program in 2023 called Orange Hearts, wherein collaborators who are part of the program looked for needs in the community and worked on improving this program's sustainability. Manila International Container Terminal (MICT) in the Philippines has an Operations Manual for Sustainability. They have Taskforce Parola, a collaboration by stakeholders of the Parola South Access Road that focuses primarily on monitoring, improving, and developing the traffic situation along Parola South Access Road. The Parola Inter-Agency Network (PIAN) is an ICTSI-led and organized informal network of organizations that develops, implements, monitors, and evaluates social services, social welfare activities, and social development programs. Anchored on ICTSI's commitment to contribute to the United Nations Sustainable Development Goals (UN SDG), PIAN maintains inclusivity, sustainability, and shared responsibility with MICT's host community.

As with other aspects of the Company's business, ICTSI's CSR initiatives also involve training for our workforce. Twelve of the ICTSI Terminals have conducted training on social responsibility in the last three years. These training activities vary from health and safety awareness to learning sessions on communities and employees, skills enhancement seminars, sexuality seminars, and stress management.



Operadora Portuaria Centroamericana (OPC), located in Honduras, and MICT are the terminals with specific social responsibility training programs, continuing education relevant to program development, implementation, management and evaluation, comprehensive sexuality education, humanitarian charter, response, career orientation, capacity building, and skills enhancement training. Tecon Suape S.A. (TSSA), located in Brazil, lectured about raising awareness of the importance of blood donation in partnership with HEMOPE. South Pacific International Container Terminal (SPICT), located in Papua New Guinea, conducts school visits to their communities, providing sessions relevant to the environment and environmental protection.

ICTSI maintains an environmentally and socially responsible supply chain, the Company screens its suppliers with certain environmental and social criteria as it understands that procurement decisions influence local and international environmental, social, and economic conditions.

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



A thorough discussion of the Company's sustainability and social responsibility efforts can be found at the 2023 ICTSI Group Sustainability Report and the ICTSI Foundation Accomplishment Report.