COVER SHEET

0	0	0	0	0	6	3	8	2	4

S.E.C. Registration Number

C	T	S		G	L	O	B	A	L		E	Q	U	I	T	Y		G	R	O	U	P	,		I	N	C	.

(Company's Full Name)

2	7	F		E	A	S	T		T	O	W	E	R		T	E	K	T	I	T	E		T	O	W	E	R	S
E	X	C	H	A	N	G	E		R	O	A	D		O	R	T	I	G	A	S		C	E	N	T	E	R	
P	A	S	I	G		C	I	T	Y																			

(Business Address: No. Street City/Town/Province)

Juan Carlos G. Aquino

Contact Person

8635-5735

Company Telephone Number

1	2

Month

3	1

Day

Fiscal Year

I-ACGR

FORM TYPE

0	3

Month

Day

Annual Meeting

Secondary License Type, If Applicable

Dept. Requiring this Doc.

Amended Articles Number/Section

Total Number of Stockholders

Total Amount of Borrowings

	none
Domestic	Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

STAMPS

Remarks = pls. Use black ink for scanning purposes

SEC FORM – I-ACGR

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT

1. For the fiscal year ended **2023**

2. SEC Identification Number **63824** 3. BIR Tax Identification No. **322268**

4. Exact name of issuer as specified in its charter **CTS Global Equity Group, Inc.**

5. ..... 6. (SEC Use Only)

Province, Country or other jurisdiction of incorporation or organization

Industry Classification Code:

7. **Unit 27/F East Tower, Tektite Towers, Exchange Road, Ortigas Center, Pasig City 1605**
Address of principal office Postal Code

8. **(02) 8635-5735**
Issuer's telephone number, including area code

9. .....
Former name, former address, and former fiscal year, if changed since last report.

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT

	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
The Board's Governance Responsibilities			
Principle 1: The company should be headed by a competent, working board to foster the long-term success of the corporation, and to sustain its competitiveness and profitability in a manner consistent with its corporate objectives and the long- term best interests of its shareholders and other stakeholders.			
Recommendation 1.1			
1. Board is composed of directors with collective working knowledge, experience or expertise that is relevant to the company's industry/sector.	Compliant	The academic qualifications, industry knowledge, professional experience, and expertise of the Company's directors may be found in Part III, Item 10 of the Company's Annual Report (Annual Report). Annual Report: *https://www.ctsglobalgroup.com/_files/ugd/2bcc84_29e02c04dea34cf0b3fc80e81d22ac6d.pdf* The Company's Board of Directors has an appropriate mix of competence and expertise necessary to run a brokerage business and prove the continuing qualifications of the Directors that enable them to fulfill their roles and responsibilities to the Company and respond to the Company's needs. The qualifications and disqualifications of directors may be found in Art III, Sec 3.01 and 3.02 of the	
2. Board has an appropriate mix of competence and expertise.			
3. Directors remain qualified for their positions individually and collectively to enable them to fulfill their roles and responsibilities and respond to the needs of the organization.			

	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
		Company's Corporate Governance Manual (CG Manual). CG Manual: *https://www.ctsglobalgroup.com/_files/ugd/2bcc84_3f667958d4b14f3eb87f2e2062216d57.pdf*	
Recommendation 1.2			
1. Board is composed of a majority of non-executive directors.	Compliant	Majority of the Company's directors are non-executive directors. Kindly also refer to Art II Sec 1 of the Board Charter. Board Charter: *https://www.ctsglobalgroup.com/_files/ugd/2bcc84_6b6ba015b1b344adaf86c7e890bb8537.pdf* General Information Sheet: *https://www.ctsglobalgroup.com/_files/ugd/2bcc84_247de6174833409ba43050756cec999e.pdf*	
Recommendation 1.3			
1. Company provides in its Board Charter and Manual on Corporate Governance a policy on training of directors.	Compliant	Kindly refer to Art IX of the Board Charter and Art IX of the CG Manual. Board Charter: *https://www.ctsglobalgroup.com/_files/ugd/2bcc84_6b6ba015b1b344adaf86c7e890bb8537.pdf*	
2. Company has an orientation program for first time directors.	Compliant		

	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
		CG Manual: *https://www.ctsglobalgroup.com/_files/ugd/2bcc84_3f667958d4b14f3eb87f2e2062216d57.pdf*	
3. Company has relevant annual continuing training for all directors.	Compliant	Please see Art IX of the CG Manual. CG Manual: *https://www.ctsglobalgroup.com/_files/ugd/2bcc84_3f667958d4b14f3eb87f2e2062216d57.pdf* The certificates of attendance of the directors of CTS for the covered year are attached as Annex "A".	
Recommendation 1.4			
1. Board has a policy on board diversity.	Compliant	Art II, Sec 2.01 of the CG Manual states that as much as practicable, the Board of Directors of the Company shall be composed of a mix of competent directors from diverse backgrounds, which will enable each member to have a unique perspective and provide valuable and independent judgment and insight in the formulation of sound corporate strategies and policies. CG Manual: *https://www.ctsglobalgroup.com/_files/ugd/2bcc84_3f667958d4b14f3eb87f2e2062216d57.pdf* The same policy is reiterated in Art II, Sec 3 of the Board Charter.	

	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
		Board Charter: *https://www.ctsglobalgroup.com/_files/ugd/2bcc84_6b6ba015b1b344adaf86c7e890bb8537.pdf* With respect to gender diversity, for the covered year, there were two (2) female members of the Board of Directors.	
Optional: Recommendation 1.4			
1. Company has a policy on and discloses measurable objectives for implementing its board diversity and reports on progress in achieving its objectives.			
Recommendation 1.5			
1. Board is assisted by a Corporate Secretary.	Compliant	Atty. Sharon T. Lim is the Corporate Secretary of the Company. Mr. Juan Carlos G. Aquino, on the other hand, is the Compliance Officer. Their qualifications may be found in Part III, Item 10 of the Annual Report and Annex A of the Definitive Information Statement (Information Statement). Annual Report: *https://www.ctsglobalgroup.com/_files/ugd/2bcc84_29e02c04dea34cf0b3fc80e81d22ac6d.pdf* Information Statement:	
2. Corporate Secretary is a separate individual from the Compliance Officer.	Compliant		
3. Corporate Secretary is not a member of the Board of Directors.	Compliant		

	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
		https://www.ctsglobalgroup.com/_files/ugd/2bcc84_e93a5410958047d3b1fce9d1b0a1faca.pdf The duties and functions of the Corporate Secretary are in Art VII, Sec 6 of the Board Charter and Art V, Sec. 5.06 of the CG Manual. Board Charter: *https://www.ctsglobalgroup.com/_files/ugd/2bcc84_6b6ba015b1b344adaf86c7e890bb8537.pdf* CG Manual: *https://www.ctsglobalgroup.com/_files/ugd/2bcc84_3f667958d4b14f3eb87f2e2062216d57.pdf* Atty. Lim and Mr. Aquino were not members of the Board of Directors during the covered year.	
4. Corporate Secretary attends training/s on corporate governance.	Compliant	Please see the certificate of attendance of Atty. Lim attached as Annex "A." We likewise attach as Annex "A" the certification of training of the Assistant Corporate Secretaries, Ms. Sanida C. Tan, Atty. Stephanie Faye B. Reyes, and Atty. Steffi Nicole P. Flores.	
Optional: Recommendation 1.5			
1. Corporate Secretary distributes materials for board meetings at least five business days before scheduled meeting.			

	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
Recommendation 1.6			
1. Board is assisted by a Compliance Officer.	Compliant	Mr. Juan Carlos G. Aquino was appointed by the Board as its Compliance Officer. His qualifications may be found in Part III, Item 10 of the Annual Report. Annual Report: *https://www.ctsglobalgroup.com/_files/ugd/2bcc84_29e02c04dea34cf0b3fc80e81d22ac6d.pdf*	
2. Compliance Officer has a rank of Senior Vice President or an equivalent position with adequate stature and authority in the corporation.	Compliant		
3. Compliance Officer is not a member of the board.	Compliant	His duties and functions are in Art V, Sec. 5.07 of the CG Manual and Art VII, Sec 8 of the Board Charter. CG Manual: *https://www.ctsglobalgroup.com/_files/ugd/2bcc84_3f667958d4b14f3eb87f2e2062216d57.pdf* Board Charter: *https://www.ctsglobalgroup.com/_files/ugd/2bcc84_6b6ba015b1b344adaf86c7e890bb8537.pdf* He has the rank of Vice President and is also one of the Company's Associated Persons. These roles provide him with adequate stature and authority to supervise the Company's compliance with applicable rules and regulations. He is not a member of the Board of Directors.	

	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
4. Compliance Officer attends training/s on corporate governance.	Compliant	Please see Mr. Aquino's certificate of attendance attached as Annex "A".	
Principle 2: The fiduciary roles, responsibilities and accountabilities of the Board as provided under the law, the company's articles and by-laws, and other legal pronouncements and guidelines should be clearly made known to all directors as well as to stockholders and other stakeholders.			
Recommendation 2.1			
1. Directors act on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the company.	Compliant	The Directors review all board materials and actively take part in the discussions of the Board. Please see Item 18 of the Information Statement. Information Statement: *https://www.ctsglobalgroup.com/_files/ugd/2bcc84_58e8683cc7744799852d7e44bc1f6f3c.pdf*	
Recommendation 2.2			
1. Board oversees the development, review and approval of the Company's business objectives and strategy.	Compliant	The Board regularly reviews the Company's business objectives and strategy. On a quarterly basis, the President submits the Company's performance report for the review of the Board of Directors. In addition, the Board oversees all new initiatives of the Company and frequently requests for progress reports on existing Company projects.	
2. Board oversees and monitors the implementation of the company's business objectives and strategy.	Compliant		

	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
Supplement to Recommendation 2.2			
1. Board has a clearly defined and updated vision, mission and core values.	Compliant	A copy of the vision, mission, and core values may be found in the Company website at *https://www.ctsglobalgroup.com/ourpurpose*	
2. Board has a strategy execution process that facilitates effective management performance and is attuned to the company's business environment, and culture.	Compliant	Under the direction and supervision of the Board, the Company crafts its strategic objectives which are consistent with the Company's mission, vision, and core values. Upon approval, the Company then crafts its business plans, annual budgets including other resources needed, performance objectives, and key performance indicators to support the overall strategic objectives of the Company.	
Recommendation 2.3			
1. Board is headed by a competent and qualified Chairperson.	Compliant	The information and qualifications of the Company's Chairman, Mr. Edward K. Lee, may be found in Part III, Item 10 of the Annual Report. Annual Report: *https://www.ctsglobalgroup.com/_files/ugd/2bcc84_29e02c04dea34cf0b3fc80e81d22ac6d.pdf*	
Recommendation 2.4			

	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
1. Board ensures and adopts an effective succession planning program for directors, key officers, and management.	Compliant	The Board ensures that it appoints competent and qualified individuals to key positions in the organization. The Board, with the help of the Human Resources Department, maps out the duties and functions of each position together with the key knowledge, skills, and experience required. A professional development plan is created for high potential candidates to ensure that they receive continuous training to further develop their skills and equip them with the right knowhow and expertise to ensure that they are able to do their jobs well. The Board likewise assesses the training needs of each incumbent and provides the opportunity for them to further enhance their skills through internal or external trainings and seminars. The above likewise applies to the executives who may be elected as Board directors, including the Company's Chief Executive Officer, Chief Finance Officer, and the President. Under the Company's HR Manual, employees who reach the age of 60 shall be retired and entitled to a retirement benefit. The Company also allows early retirement at age 50 with 10 years of service. Employees who resign after a minimum of 5 years of service are also provided with separation pay.	
2. Board adopts a policy on the retirement for directors and key officers.	Compliant		
Recommendation 2.5			

	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
1. Board aligns the remuneration of key officers and board members with long-term interests of the company.	Compliant	As disclosed in Part III, Item 11 of the Annual Report, each director is entitled to a reasonable per diem, which amount shall, according to Art III, Sec 9 of the Company's Amended By-laws (By-laws), not exceed ten percent (10%) of the net income before income tax of the previous year. Annual Report: *https://www.ctsglobalgroup.com/_files/ugd/2bcc84_29e02c04dea34cf0b3fc80e81d22ac6d.pdf* By-laws: *https://www.ctsglobalgroup.com/_files/ugd/2bcc84_4d8a74847bc14a1b9761c27140e513ad.pdf* Aside from this, there are no other arrangements for compensation for directors. The Board reviews and bases the compensation of all employees, including its key officers, on several factors, including among others, the Company's overall performance, individual performance, the functions and responsibilities of the position, the qualifications and years of experience of the officer concerned, as well as market studies (as revealed in salary surveys).	
2. Board adopts a policy specifying the relationship between remuneration and performance.	Compliant		
3. Directors do not participate in discussions or deliberations involving his/her own remuneration.	Compliant		
Optional: Recommendation 2.5			

	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
1. Board approves the remuneration of senior executives.			
2. Company has measurable standards to align the performance-based remuneration of the executive directors and senior executives with long-term interest, such as claw back provision and deferred bonuses.			
Recommendation 2.6			
1. Board has a formal and transparent board nomination and election policy.	Compliant	The board nomination and election policy may be found in Art III, Sec 1(a) of the By-Laws, Sec 5 of the Charter of the Nomination Committee, and Art IV of the CG Manual. By-Laws: *https://www.ctsglobalgroup.com/_files/ugd/2bcc84_4d8a74847bc14a1b9761c27140e513ad.pdf* Nomination Committee Charter: *https://www.ctsglobalgroup.com/_files/ugd/2bcc84_b7410ef344c04ab199caeb0206110da4.pdf* CG Manual: *https://www.ctsglobalgroup.com/_files/ugd/2bcc84_3f667958d4b14f3eb87f2e2062216d57.pdf*	
2. Board nomination and election policy is disclosed in the company's Manual on Corporate Governance.	Compliant		
3. Board nomination and election policy includes how the company accepted nominations from minority shareholders.	Compliant		
4. Board nomination and election policy includes how the board shortlists candidates.	Compliant		
5. Board nomination and election policy includes an assessment of the	Compliant		

	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
effectiveness of the Board's processes in the nomination, election or replacement of a director.			
6. Board has a process for identifying the quality of directors that is aligned with the strategic direction of the company.	Compliant		
Optional: Recommendation to 2.6			
1. Company uses professional search firms or other external sources of candidates (such as director databases set up by director or shareholder bodies) when searching for candidates to the board of directors.			
Recommendation 2.7			
1. Board has overall responsibility in ensuring that there is a group-wide policy and system governing related party transactions (RPTs) and other unusual or infrequently occurring transactions.	Compliant	Please refer to the Company's Related Party Transaction (RPT) Policy included as part of the Company's Code of Business Conduct and Ethics. RPT Policy: *https://www.ctsglobalgroup.com/_files/ugd/2bcc84_fbaf67b0f811478e8920a77219264231.pdf*	
2. RPT policy includes appropriate review and approval of material RPTs, which	Compliant		

	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
uarantee fairness and transparency of the transactions.			
3. RPT policy encompasses all entities within the group, taking into account their size, structure, risk profile and complexity of operations.	Compliant		
Supplement to Recommendations 2.7			
1. Board clearly defines the threshold for disclosure and approval of RPTs and categorizes such transactions according to those that are considered *de minimis* or transactions that need not be reported or announced, those that need to be disclosed, and those that need prior shareholder approval. The aggregate amount of RPTs within any twelve (12) month period should be considered for purposes of applying the thresholds for disclosure and approval.	Compliant	Under the RPT Policy, Material RPTs are those which do not fall under the exceptions provided and which meet the threshold value of 10% of the total consolidated assets of the Company. All Material RPTs must be approved by at least 2/3 vote of the Board of Directors, with at least a majority of the independent directors voting to approve the same. If majority of the independent directors do not approve the Material RPT, the transaction needs to be ratified by the stockholders representing at least 2/3 of the outstanding capital stock of the Company.	
2. Board establishes a voting system whereby a majority of non-related party shareholders approve specific types of related party transactions during shareholders' meetings.	Compliant	RPT Policy: *https://www.ctsglobalgroup.com/_files/ugd/2bcc84_fbaf67b0f811478e8920a77219264231.pdf*	

	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
Recommendation 2.8			
1. Board is primarily responsible for approving the selection of Management led by the Chief Executive Officer (CEO) and the heads of the other control functions (Chief Risk Officer, Chief Compliance Officer and Chief Audit Executive).	Compliant	Please refer to Art VII, Sec 2(a) of the Board Charter on the Board's responsibility to appoint management officers. Board Charter: *https://www.ctsglobalgroup.com/_files/ugd/2bcc84_6b6ba015b1b344adaf86c7e890bb8537.pdf* The composition of the Company's Management Team appointed by the Board may be found in the Company website at *https://www.ctsglobalgroup.com/whoweare*	
2. Board is primarily responsible for assessing the performance of Management led by the Chief Executive Officer (CEO) and the heads of the other control functions (Chief Risk Officer, Chief Compliance Officer and Chief Audit Executive).	Compliant	The Board assesses the performance of management on at least an annual basis. In evaluating its key officers, the Board considers, at the minimum, the following criteria: (i) Company performance; (ii) individual performance; (iii) roles and responsibilities of the persons; and (iv) alignment with Company's mission, vision, and values.	
Recommendation 2.9			
1. Board establishes an effective performance management framework that ensures that Management's performance is at par with the standards	Compliant	The Board regularly assesses the performance of management. The Board considers the following criteria in its evaluation: (i) Company performance; (ii) individual performance; (iii) roles and	

	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
set by the Board and Senior Management.		responsibilities of the persons; and (iv) alignment with Company's mission, vision, and values.	
2. Board establishes an effective performance management framework that ensures that personnel's performance is at par with the standards set by the Board and Senior Management.	Compliant	Company personnel are likewise assessed during their probationary period and during the year-end evaluation. Their performance is rated based, among others, on their job knowledge, quality, and quantity of work. The Board likewise regularly reviews the performance management system to ensure that the same is in line with the Board's mission, vision, values, and strategic objectives.	
Recommendation 2.10			
1. Board oversees that an appropriate internal control system is in place.	Compliant	Please refer to Art V, Sec 5.04 of the CG Manual. CG Manual: *https://www.ctsglobalgroup.com/_files/ugd/2bcc84_3f667958d4b14f3eb87f2e2062216d57.pdf*	
2. The internal control system includes a mechanism for monitoring and managing potential conflict of interest of the Management, members and shareholders.	Compliant	Please refer to Art 3, Items A and I of the Code of Business Conduct and Ethics and the Company's RPT Policy. Code of Business Conduct and Ethics: *https://www.ctsglobalgroup.com/_files/ugd/2bcc84_fbaf67b0f81147 8e8920a77219264231.pdf*	

	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
3. Board approves the Internal Audit Charter.	Compliant	Please refer to the Internal Audit Charter. Internal Audit Charter: *https://www.ctsglobalgroup.com/_files/ugd/2bcc84_b143670717aa4d8ba90faa120fc23360.pdf*	
Recommendation 2.11			
1. Board oversees that the company has in place a sound enterprise risk management (ERM) framework to effectively identify, monitor, assess and manage key business risks.	Compliant	The responsibility of the Board to oversee the establishment of a sound risk management framework may be found in Art VII, Sec 2(h) of the Board Charter. Board Charter: *https://www.ctsglobalgroup.com/_files/ugd/2bcc84_6b6ba015b1b344adaf86c7e890bb8537.pdf* A discussion on how the Company, through the leadership of the Board, manages its risks may be found in Part I, Item 1 of the Annual Report. Annual Report: *https://www.ctsglobalgroup.com/_files/ugd/2bcc84_29e02c04dea34cf0b3fc80e81d22ac6d.pdf*	
2. The risk management framework guides the board in identifying units/business lines and enterprise-level risk exposures, as well as the effectiveness of risk management strategies.	Compliant		
Recommendation 2.12			
1. Board has a Board Charter that formalizes and clearly states its roles,	Compliant	The Board of Directors of the Company has a Board Charter. The Charter includes, among others, the	

	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
responsibilities and accountabilities in carrying out its fiduciary role.		duties and responsibilities of the Board as a whole and of each Director.	
2. Board Charter serves as a guide to the directors in the performance of their functions.	Compliant	Board Charter: *https://www.ctsglobalgroup.com/_files/ugd/2bcc84_6b6ba015b1b344adaf86c7e890bb8537.pdf*	
3. Board Charter is publicly available and posted on the company's website.	Compliant		
Additional Recommendation to Principle 2			
1. Board has a clear insider trading policy.	Compliant	Kindly refer to Art 3, Item G of the Code of Business Conduct and Ethics. Code of Business Conduct and Ethics: *https://www.ctsglobalgroup.com/_files/ugd/2bcc84_fbaf67b0f811478e8920a77219264231.pdf*	
Optional: Principle 2			
1. Company has a policy on granting loans to directors, either forbidding the practice or ensuring that the transaction is conducted at arm's length basis and at market rates.			
2. Company discloses the types of decision requiring board of directors' approval.			

	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
Principle 3: Board committees should be set up to the extent possible to support the effective performance of the Board's functions, particularly with respect to audit, risk management, related party transactions, and other key corporate governance concerns, such as nomination and remuneration. The composition, functions and responsibilities of all committees established should be contained in a publicly available Committee Charter.			
Recommendation 3.1			
1. Board establishes board committees that focus on specific board functions to aid in the optimal performance of its roles and responsibilities.	Compliant	The Board established the following committees to aid in the performance of its roles and responsibilities: Audit Committee, Nomination Committee, and Remuneration Committee.	
Recommendation 3.2			
1. Board establishes an Audit Committee to enhance its oversight capability over the company's financial reporting, internal control system, internal and external audit processes, and compliance with applicable laws and regulations.	Compliant	Please refer to Art VIII, Sec 8.01 of the CG Manual on the discussion of the Audit Committee, including its functions, as well as the Audit Committee Charter. Under Art VIII, Sec 8.01(d)(5) of the CG Manual and Sec 3.4(e) of the Audit Committee Charter, the Audit Committee is responsible for, among others, recommending to the Board the appointment, reappointment, removal, and fees of the external auditor.	

	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
		CG Manual: *https://www.ctsglobalgroup.com/_files/ugd/2bcc84_3f667958d4b14f3eb87f2e2062216d57.pdf* Audit Committee Charter: *https://www.ctsglobalgroup.com/_files/ugd/2bcc84_5f98874da89d434094daf5096429900c.pdf*	
2. Audit Committee is composed of at least three appropriately qualified non-executive directors, the majority of whom, including the Chairman is independent.	Non-Compliant	For the covered year, the members of the Audit Committee were Mr. Emmanuel L. Samson, Mr. Raymond C. Yu, and Mr. Hernan G. Lim, all of whom are non-executive directors. Mr. Emmanuel L. Samson, an independent director, chaired the committee. The qualifications of said directors may be found in Part III, Item 10 of the Annual Report. Annual Report: *https://www.ctsglobalgroup.com/_files/ugd/2bcc84_29e02c04dea34cf0b3fc80e81d22ac6d.pdf*	Given the workload of the Board Committees, it is in the Company's best interest that, as much as possible, each committee would have different members. Thus, with its current Board composition, it is physically impossible to make the Audit Committee be comprised of a majority of independent directors. The Company believes that with its current composition, the Committee is able to effectively perform its duties and functions.
3. All the members of the committee have relevant background, knowledge, skills, and/or experience in the areas of accounting, auditing and finance.	Compliant	Please refer to Part III, Item 10 of the Annual Report. Annual Report: *https://www.ctsglobalgroup.com/_files/ugd/2bcc84_29e02c04dea34cf0b3fc80e81d22ac6d.pdf*	

	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
4. The Chairman of the Audit Committee is not the Chairman of the Board or of any other committee.	Compliant	Mr. Emmanuel L. Samson, the Audit Committee Chairman, was neither the Chairman of the Board nor of any other committee.	
Supplement to Recommendation 3.2			
1. Audit Committee approves all non-audit services conducted by the external auditor.	Compliant	As stated in the Audit Committee Charter, the Audit Committee shall approve the non-audit work, if any, of the external auditor. Audit Committee Charter: *https://www.ctsglobalgroup.com/_files/ugd/2bcc84_5f98874da89d434094daf5096429900c.pdf*	
2. Audit Committee conducts regular meetings and dialogues with the external audit team without anyone from management present.	Non-Compliant	The external audit team directly coordinates with the Audit Committee for their meetings to discuss the Company's financial statements.	Select members of management were requested to attend the meetings so they can immediately respond to questions that may be raised by the Committee.
Optional: Recommendation 3.2			
1. Audit Committee meets at least four times during the year.			

	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
2. Audit Committee approves the appointment and removal of the internal auditor.			
Recommendation 3.3			
1. Board establishes a Corporate Governance Committee tasked to assist the Board in the performance of its corporate governance responsibilities, including the functions that were formerly assigned to a Nomination and Remuneration Committee.	Compliant	The Nomination Committee is in charge of assisting the Board in the performance of its corporate governance functions. Please refer to Sec 4.1 of the Nomination Committee Charter. Prior to the election of directors, it is the responsibility of the Nomination Committee to review the credentials of all nominees to ensure their alignment with the strategic direction, mission, vision, and values of the Board. Nomination Committee Charter: *https://www.ctsglobalgroup.com/_files/ugd/2bcc84_b7410ef344c04ab199caeb0206110da4.pdf*	
2. Corporate Governance Committee is composed of at least three members, all of whom should be independent directors.	Non-Compliant	The members of the Nomination Committee during the covered year were Mr. Donald R. Felbaum, Ms. Catherine L. Ong, and Atty. Sharon T. Lim. Mr. Felbaum, an independent director, chaired the committee.	Given the workload of the Board Committees, it is the Company's best interest that, as much as possible, each committee would have different members. Thus, with its current Board composition, it is physically impossible to make all members of the Nomination

	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
			Committee be independent directors. The Company believes that with its current composition, the Committee is able to effectively perform its duties and functions.
3. Chairman of the Corporate Governance Committee is an independent director.	Compliant	Mr. Donald R. Felbaum, an independent director, is the Chairman of the Nomination Committee.	
Optional: Recommendation 3.3			
1. Corporate Governance Committee meets at least twice during the year.			
Recommendation 3.4			
1. Board establishes a separate Board Risk Oversight Committee (BROC) that should be responsible for the oversight of a company's Enterprise Risk Management system to ensure its functionality and effectiveness.	Compliant	Given the size of the Company, the Board deemed it best that the Audit Committee takes on the task of overseeing the Company's risk management framework. Kindly refer to Sec 3.2 of the Audit Committee Charter. Audit Committee Charter: *https://www.ctsglobalgroup.com/_files/ugd/2bcc84_5f98874da89d434094daf5096429900c.pdf*	
2. BROC is composed of at least three members, the majority of whom should	Non-Compliant	The members of the Audit Committee for the covered year were Mr. Emmanuel L. Samson, Mr.	Given the workload of the Board Committees, it is in the Company's

	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
be independent directors, including the Chairman.		Raymond C. Yu, and Mr. Hernan G. Lim, all of whom are non-executive directors. Mr. Emmanuel L. Samson, an independent director, chaired the committee. The qualifications of said directors may be found in Part III, Item 10 of the Annual Report. Annual Report: *https://www.ctsglobalgroup.com/_files/ugd/2bcc84_29e02c04dea34cf0b3fc80e81d22ac6d.pdf*	best interest that each committee would have different members. Thus, with its current Board composition, it is physically impossible to make the Audit Committee be composed of a majority of independent directors. The Company believes that with its current composition, the Committee is able to effectively perform its duties and functions.
3. The Chairman of the BROC is not the Chairman of the Board or of any other committee.	Compliant	Mr. Emmanuel L. Samson, the 2023 Audit Committee Chairman, was neither the Chairman of the Board nor of any other committee.	
4. At least one member of the BROC has relevant thorough knowledge and experience on risk and risk management.	Compliant	The members of the Audit Committee are established in the business sector, and have more than sufficient knowledge and experience in the management of risks that are inherent in every business.	
Recommendation 3.5			
1. Board establishes a Related Party Transactions (RPT) Committee, which is tasked with reviewing all material related party transactions of the company.	Compliant	Given the limited RPTs, if any, entered into by the Company, the Audit Committee is able to review all material RPTs.	

	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
2. RPT Committee is composed of at least three non-executive directors, two of whom should be independent, including the Chairman.	Non-Compliant	The members of the Audit Committee for the covered year were Mr. Emmanuel L. Samson, Mr. Raymond C. Yu, and Mr. Hernan G. Lim, all of whom are non-executive directors. Mr. Emmanuel L. Samson, an independent director, chaired the committee. The qualifications of said directors may be found in Part III, Item 10 of the Annual Report. Annual Report: *https://www.ctsglobalgroup.com/_files/ugd/2bcc84_29e02c04dea34cf0b3fc80e81d22ac6d.pdf*	Given the workload of the Board Committees, it is in the Company's best interest that each committee would have different members. Thus, with its current Board composition, it is physically impossible to make the Audit Committee be composed of a majority of independent directors. The Company believes that with its current composition, the Committee is able to effectively perform its duties and functions.
Recommendation 3.6			
1. All established committees have a Committee Charter stating in plain terms their respective purposes, memberships, structures, operations, reporting process, resources and other relevant information.	Compliant	The committee charters of each Board committee may be found in the following links: Audit Committee: *https://www.ctsglobalgroup.com/_files/ugd/2bcc84_5f98874da89d434094daf5096429900c.pdf* Nomination Committee: *https://www.ctsglobalgroup.com/_files/ugd/2bcc84_b7410ef344c04ab199caeb0206110da4.pdf*	
2. Committee Charters provide standards for evaluating the performance of the Committees.	Compliant		
3. Committee Charters were fully disclosed on the company's website.	Compliant		

	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
		Remuneration Committee: *https://www.ctsglobalgroup.com/_files/ugd/2bcc84_1918a27968ae4d90b9fc631ab56ae08c.pdf* Said charters contain, among others, the standards for evaluating the performance of each of the Committees.	
Principle 4: To show full commitment to the company, the directors should devote the time and attention necessary to properly and effectively perform their duties and responsibilities, including sufficient time to be familiar with the corporation's business.			
Recommendation 4.1			
1. The Directors attend and actively participate in all meetings of the Board, Committees and shareholders in person or through tele-/videoconferencing conducted in accordance with the rules and regulations of the Commission.	Compliant	The certification on the attendance of the Board for the covered year is disclosed in the Company website. The Company complies with the applicable rules and regulations of the Commission for meetings held through tele-/ video-conferencing. Certification on Attendance: *https://www.ctsglobalgroup.com/_files/ugd/2bcc84_54028c7ad920410bbf052a9b9fa3857e.pdf*	
2. The directors review meeting materials for all Board and Committee meetings.	Compliant	The Board members are provided with copies of all materials which they review in order to actively participate in the Board meetings.	

	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
3. The directors ask the necessary questions or seek clarifications and explanations during the Board and Committee meetings.	Compliant	During the meetings, the Board members are actively engaged by asking intelligent questions that are pertinent to the topic at hand.	
Recommendation 4.2			
1. Non-executive directors concurrently serve in a maximum of five publicly-listed companies to ensure that they have sufficient time to fully prepare for minutes, challenge Management's proposals/views, and oversee the long-term strategy of the company.	Compliant	Art II Sec 2.02 of the CG Manual and Art III, Sec 1 of the Board Charter require non-executive directors to limit their directorships to a maximum of 5 listed companies. CG Manual: *https://www.ctsglobalgroup.com/_files/ugd/2bcc84_3f667958d4b14f3eb87f2e2062216d57.pdf* Board Charter: *https://www.ctsglobalgroup.com/_files/ugd/2bcc84_6b6ba015b1b344adaf86c7e890bb8537.pdf*	
Recommendation 4.3			
1. The directors notify the company's board before accepting a directorship in another company.	Compliant	As required by the Board Charter, all directors should notify the Board regarding their directorships in other companies. Board Charter: *https://www.ctsglobalgroup.com/_files/ugd/2bcc84_6b6ba015b1b344adaf86c7e890bb8537.pdf*	

	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
Optional: Principle 4			
1. Company does not have any executive directors who serve in more than two boards of listed companies outside of the group.			
2. Company schedules board of directors' meetings before the start of the financial year.			
3. Board of directors meets at least six times during the year.			
4. Company requires as minimum quorum of at least 2/3 for board decisions.			
Principle 5: The board should endeavor to exercise an objective and independent judgment on all corporate affairs.			
Recommendation 5.1			
1. The Board has at least 3 independent directors or such number as to constitute one-third of the board, whichever is higher.	Compliant	The Board has 3 independent directors, namely Mr. Martin T. Lee, Mr. Emmanuel L. Samson, and Mr. Donald R. Felbaum.	

	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
		General Information Sheet: *https://www.ctsglobalgroup.com/_files/ugd/2bcc84_247de6174833409ba43050756cec999e.pdf*	
Recommendation 5.2			
1. The independent directors possess all the qualifications and none of the disqualifications to hold the positions.	Compliant	Kindly refer to the certificates of the independent directors attached as Annex "C" of the Information Statement. Information Statement: *https://www.ctsglobalgroup.com/_files/ugd/2bcc84_e93a5410958047d3b1fce9d1b0a1faca.pdf*	
Supplement to Recommendation 5.2			
1. Company has no shareholder agreements, by-laws provisions, or other arrangements that constrain the directors' ability to vote independently.	Compliant	There are no existing shareholder agreements, by law provisions, or other arrangements that constrain the director's ability to vote independently. By-laws: *https://www.ctsglobalgroup.com/_files/ugd/2bcc84_4d8a74847bc14a1b9761c27140e513ad.pdf*	
Recommendation 5.3			
1. The independent directors serve for a cumulative term of nine years (reckoned from 2012).	Compliant	Please refer to Art II, Sec 2.04 of the CG Manual on the term requirements of independent directors.	

	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
		CG Manual: *https://www.ctsglobalgroup.com/_files/ugd/2bcc84_3f667958d4b14f3eb87f2e2062216d57.pdf* Mr. Martin T. Lee has served as an independent director for more than 9 years. His re-election as independent director was approved by the shareholders during the annual shareholders' meeting.	
2. The company bars an independent director from serving in such capacity after the term limit of nine years.	Compliant		
3. In the instance that the company retains an independent director in the same capacity after nine years, the board provides meritorious justification and seeks shareholders' approval during the annual shareholders' meeting.	Compliant		
Recommendation 5.4			
1. The positions of Chairman of the Board and Chief Executive Officer are held by separate individuals.	Compliant	The Chairman of the Board is Mr. Edward K. Lee while Mr. Lawrence Lee is the Company's Chief Executive Officer.	
2. The Chairman of the Board and Chief Executive Officer have clearly defined responsibilities.	Compliant	Please refer to Art II, Sec 2.03 of the CG Manual for the relationship between the Company's Chairman and Chief Executive Officer. Their roles and responsibilities may be found in Art 5, Sec 5.01 and 5.05 of the same Manual and Art 7, Sec 3 and 5 of the Board Charter. CG Manual: *https://www.ctsglobalgroup.com/_files/ugd/2bcc84_3f667958d4b14f3eb87f2e2062216d57.pdf*	

	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
		Board Charter: *https://www.ctsglobalgroup.com/_files/ugd/2bcc84_6b6ba015b1b344adaf86c7e890bb8537.pdf*	
Recommendation 5.5			
1. If the Chairman of the Board is not an independent director, the board designates a lead director among the independent directors.	Compliant	As the Chairman is not an independent director, the Board appointed Mr. Martin T. Lee as the lead independent director.	
Recommendation 5.6			
1. Directors with material interest in a transaction affecting the corporation abstain from taking part in the deliberations on the transaction.	Compliant	Under the RPT Policy, directors with material interest in a transaction affecting the Company are required to abstain from taking part in the deliberations thereof. Kindly refer to Art 3, Item I (5)(c)(iii) of the RPT Policy. RPT Policy: *https://www.ctsglobalgroup.com/_files/ugd/2bcc84_fbaf67b0f811478e8920a77219264231.pdf*	
Recommendation 5.7			
1. The non-executive directors (NEDs) have separate periodic meetings with the external auditor and heads of the internal	Non-Compliant	The non-executive officers have delegated this task to the Audit Committee. The Audit Committee	Select members of management were requested to attend the meetings so they can immediately

	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
audit, compliance and risk functions, without any executive present.		conducts regular meetings with the external audit team.	respond to questions that may be raised by the Committee.
2. The meetings are chaired by the lead independent director.	Non-Compliant	The meetings are chaired by the Chairman of the Audit Committee who is an independent director.	As the task involves audit and risk management matters, the Chairman of the Audit Committee, who is also an independent director, is in the best position to lead the meetings.
Optional: Principle 5			
1. None of the directors is a former CEO of the company in the past 2 years.			
Principle 6: The best measure of the Board's effectiveness is through an assessment process. The Board should regularly carry out evaluations to appraise its performance as a body, and assess whether it possesses the right mix of backgrounds and competencies.			
Recommendation 6.1			
1. Board conducts an annual self-assessment of its performance as a whole.	Compliant	The Board underwent an assessment process intended to provide insights on the performance of the Board, its Committees, the Chairman, and the directors. This review and assessment show how the Board as a body, the Board committees, the individual directors, and the Chairman are able to	
2. The Chairman conducts a self-assessment of his performance.			

	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
3. The individual members conduct a self-assessment of their performance. 4. Each committee conducts a self-assessment of its performance.		perform their responsibilities effectively as well as provide a means to assess a director's attendance at board and committee meetings, participation in boardroom discussions and manner of voting on material issues. The overall results may be found in Item 5 of the of the Definitive Information Statement. Information Statement: *https://www.ctsglobalgroup.com/_files/ugd/2bcc84_58e8683cc7744799852d7e44bc1f6f3c.pdf*	
5. Every three years, the assessments are supported by an external facilitator.	Non-Compliant		The Corporation intends to have the assessment process supported by an external facilitator every three years.
Recommendation 6.2			
1. Board has in place a system that provides, at the minimum, criteria and process to determine the performance of the Board, individual directors and committees.	Compliant	The Board established an annual evaluation process to determine the performance of the Board, individual directors, and committees. The evaluation for Board performance includes a review of its structure, strategy and performance, governance and organization, and board function and team dynamics. Individual directors assess themselves based on (i) their understanding and contribution to the Company's objectives, strategic plans, key issues, mandates, (ii) their ability to	

	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
		uphold effective corporate governance; (iii) their contribution to corporate leadership and issue resolution, (iv) their leadership, communication skills, interpersonal relationships, and qualifications, knowledge, experiences, and (v) the way they discharge their duties as directors. Committees are evaluated based on: (i) their structure; (ii) commitment to the role; (iii) training and resources available; (iv) ability to fulfil duties and complete committee tasks; and (v) relationship with the Board and communication with shareholders.	
2. The system allows for a feedback mechanism from the shareholders.	Compliant	The shareholders are given ample opportunities to provide their feedback. They are able to raise their concerns, if any, during the annual. They may also easily get in touch with the corporate secretary and the investor relations office of the Company.	
Principle 7: Members of the Board are duty-bound to apply high ethical standards, taking into account the interests of all stakeholders.			
Recommendation 7.1			
1. Board adopts a Code of Business Conduct and Ethics, which provide standards for professional and ethical behavior, as well as articulate acceptable	Compliant	The Board has adopted a Code of Business Conduct and Ethics.	

	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
and unacceptable conduct and practices in internal and external dealings of the company.		Code of Business Conduct and Ethics: *https://www.ctsglobalgroup.com/_files/ugd/2bcc84_fbaf67b0f811478e8920a77219264231.pdf*	
2. The Code is properly disseminated to the Board, senior management and employees.	Compliant	The Code of Business Conduct and Ethics was reviewed by the Board and Senior Management prior to its implementation. Its salient provisions are integrated in the Company's Employee Manual and Office Handbook which are discussed with all personnel upon joining the Company and annually during the HR Roadshow.	
3. The Code is disclosed and made available to the public through the company website.	Compliant	The Code of Business Conduct and Ethics is disclosed through the Company website at *https://www.ctsglobalgroup.com/_files/ugd/2bcc84_fbaf67b0f811478e8920a77219264231.pdf*	
Supplement to Recommendation 7.1			
1. Company has clear and stringent policies and procedures on curbing and penalizing company involvement in offering, paying and receiving bribes.	Compliant	The Company's Anti-Bribery and Anti-Corruption Policy may be found in Art 3, Item H of the Code of Business Conduct and Ethics. Code of Business Conduct and Ethics: *https://www.ctsglobalgroup.com/_files/ugd/2bcc84_fbaf67b0f811478e8920a77219264231.pdf*	
Recommendation 7.2			

	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
1. Board ensures the proper and efficient implementation and monitoring of compliance with the Code of Business Conduct and Ethics.	Compliant	All directors, officers, employees, and agents are required to comply with the Code of Business Conduct & Ethics. The Company's HR Department is responsible for monitoring compliant and resolving violations of the same, if any. For the covered year, there were no findings of non-compliance	
2. Board ensures the proper and efficient implementation and monitoring of compliance with company internal policies.	Compliant	.	
Disclosure and Transparency			
Principle 8: The company should establish corporate disclosure policies and procedures that are practical and in accordance with best practices and regulatory expectations.			
Recommendation 8.1			
1. Board establishes corporate disclosure policies and procedures to ensure a comprehensive, accurate, reliable and	Compliant	Kindly refer to Art 3, Item K of the Code of Business Conduct and Ethics for the Company's Disclosure Policy.	

	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
timely report to shareholders and other stakeholders that gives a fair and complete picture of a company's financial condition, results and business operations.		Code of Business Conduct and Ethics: *https://www.ctsglobalgroup.com/_files/ugd/2bcc84_fbaf67b0f811478e8920a77219264231.pdf* The Company reports / disclosures to shareholders may be found in the Company's website and in PSE Edge. Disclosures: *https://www.ctsglobalgroup.com/disclosures*	
Supplement to Recommendations 8.1			
1. Company distributes or makes available annual and quarterly consolidated reports, cash flow statements, and special audit revisions. Consolidated financial statements are published within ninety (90) days from the end of the fiscal year, while interim reports are published within forty-five (45) days from the end of the reporting period.	Compliant	The Company files its annual and quarterly reports within the period allowed under the pertinent SEC laws, rules, and regulations. The interim reports were submitted on 15 May 2023, 17 August 2023, and 17 November 2023. The Annual Report for the fiscal year 2023 was submitted on 12 April 2024. The Company believes that the discussions in the Annual Report, together with other disclosures in the Information Statement on the absence of a voting trust or similar agreement, provide the shareholders with sufficient information regarding the principal risks associated with shareholder ownership.	
Recommendation 8.2			

	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
1. Company has a policy requiring all directors to disclose/report to the company any dealings in the company's shares within three business days.	Compliant	Kindly refer to Art 3, Item K of the Code of Business Conduct and Ethics. Code of Business Conduct and Ethics: *https://www.ctsglobalgroup.com/_files/ugd/2bcc84_fbaf67b0f811478e8920a77219264231.pdf* All disclosures on changes in Company shareholdings are disclosed to the PSE and uploaded in the PSE Edge website with the template name "Change in Shareholdings of Directors and Principal Officers." PSE Edge: *https://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=693*	
2. Company has a policy requiring all officers to disclose/report to the company any dealings in the company's shares within three business days.	Compliant		
Supplement to Recommendation 8.2			
1. Company discloses the trading of the corporation's shares by directors, officers (or persons performing similar functions) and controlling shareholders. This includes the disclosure of the company's purchase of its shares from the market (e.g. share buy-back program).	Compliant	The Company discloses the trading of the Corporation's directors and officers to the PSE and uploaded in the PSE Edge website under the template name "Change in Shareholdings of Directors and Principal Officers". The Company likewise discloses in the same site its public ownership report which can be found in the same site with the template name "Public Ownership Report."	

	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
		PSE Edge: *https://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=693*	
Recommendation 8.3			
1. Board fully discloses all relevant and material information on individual board members to evaluate their experience and qualifications, and assess any potential conflicts of interest that might affect their judgment.	Compliant	The relevant and material information on directors and key officers are disclosed in Part III, Item 10 of the Annual Report. Their shareholdings, on the other hand, are disclosed to the PSE and uploaded in the PSE Edge website may be found in under the template name "Public Ownership Report." Annual Report: *https://www.ctsglobalgroup.com/_files/ugd/2bcc84_29e02c04dea34cf0b3fc80e81d22ac6d.pdf* PSE Edge: *https://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=693*	
2. Board fully discloses all relevant and material information on key executives to evaluate their experience and qualifications, and assess any potential conflicts of interest that might affect their judgment.	Compliant		
Recommendation 8.4			
1. Company provides a clear disclosure of its policies and procedure for setting Board remuneration, including the level and mix of the same.	Compliant	The remuneration of the directors may be found in Part III, Item 11 of the Annual Report. Annual Report: *https://www.ctsglobalgroup.com/_files/ugd/2bcc84_29e02c04dea34cf0b3fc80e81d22ac6d.pdf*	

	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
2. Company provides a clear disclosure of its policies and procedure for setting executive remuneration, including the level and mix of the same.	Compliant	Executive remuneration is approved by the Board based on industry practice, as revealed by compensation surveys, the qualifications and responsibilities of said executive, as well as their past performance.	
3. Company discloses the remuneration on an individual basis, including termination and retirement provisions.	Non-Compliant		The Company provides a clear disclosure of its policies and procedure for Board and Executive remuneration, in accordance with industry standards. It is the position of the Company that the disclosure of the remuneration of the Executives and Officers in an aggregated basis substantially complies with Principle 8 in a manner that balances both the interest of the public and that of the Company. There are several practical benefits to the aggregate nature of the compensation disclosures concerning top executives, such as allowing the Company a degree of flexibility with regard to the same, ensuring the security and safety of the Executives and Officers, as well as discouraging the poaching of

	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
			top executives, which would be easier if competitors had access to individual remuneration. Disclosing the remuneration of top executives in an aggregate manner still allows interested parties to draw a correlation between such remuneration and the Company's performance, particularly because the Company encourages a culture of shared responsibility, where its top executives operate and are held accountable as a team, rather than as individuals.
Recommendation 8.5			
1. Company discloses its policies governing Related Party Transactions (RPTs) and other unusual or infrequently occurring transactions in their Manual on Corporate Governance.	Compliant	Please refer to Art XV of the CG Manual. CG Manual: *https://www.ctsglobalgroup.com/_files/ugd/2bcc84_3f667958d4b14f3eb87f2e2062216d57.pdf*	
2. Company discloses material or significant RPTs reviewed and approved during the year.	Compliant	The Company's material RPTs for the covered year are disclosed under Part III, Item 13 of the Annual Report and Note 17 of the Audited Financial Statements attached to the same.	

	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
		These RPTs mostly consist of related parties who availed of the Company's brokerage services. Annual Report: *https://www.ctsglobalgroup.com/_files/ugd/2bcc84_29e02c04dea34cf0b3fc80e81d22ac6d.pdf*	
Supplement to Recommendation 8.5			
1. Company requires directors to disclose their interests in transactions or any other conflict of interests.	Compliant	Kindly refer to the RPT Policy. RPT Policy: *https://www.ctsglobalgroup.com/_files/ugd/2bcc84_fbaf67b0f811478e8920a77219264231.pdf*	
Optional : Recommendation 8.5			
1. Company discloses that RPTs are conducted in such a way to ensure that they are fair and at arms' length.			
Recommendation 8.6			
1. Company makes a full, fair, accurate and timely disclosure to the public of every material fact or event that occur, particularly on the acquisition or disposal of significant assets, which could adversely affect the viability or the	Compliant	All Company disclosures of material facts / events are disclosed to the PSE and uploaded in the PSE Edge website under the template name "Material Information/ Transactions."	

	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
interest of its shareholders and other stakeholders.		PSE Edge: *https://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=693*	
2. Board appoints an independent party to evaluate the fairness of the transaction price on the acquisition or disposal of assets.	Compliant	The Company did not acquire or dispose substantial assets during the covered year.	
Supplement to Recommendation 8.6			
1. Company discloses the existence, justification and details on shareholder agreements, voting trust agreements, confidentiality agreements, and such other agreements that may impact on the control, ownership, and strategic direction of the company.	Compliant	The Company is not aware of any shareholder agreements, voting trust agreements, confidentiality agreements, or such other agreements that may impact the control, ownership, or strategic direction of the Company.	
Recommendation 8.7			
1. Company's corporate governance policies, programs and procedures are contained in its Manual on Corporate Governance (MCG).	Compliant	The CG Manual may be found at *https://www.ctsglobalgroup.com/_files/ugd/2bcc84_3f667958d4b14f3eb87f2e2062216d57.pdf*	

	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
2. Company's MCG is submitted to the SEC and PSE.	Compliant		
3. Company's MCG is posted on its company website.	Compliant		
Supplement to Recommendation 8.7			
1. Company submits to the SEC and PSE an updated MCG to disclose any changes in its corporate governance practices.	Compliant	The Company submitted its latest updated CG Manual to the SEC. The same was likewise disclosed to the PSE. CG Manual: *https://www.ctsglobalgroup.com/_files/ugd/2bcc84_3f667958d4b14f3eb87f2e2062216d57.pdf*	
Optional: Principle 8			
1. Does the company's Annual Report disclose the following information:			
a. Corporate Objectives			
b. Financial performance indicators			
c. Non-financial performance indicators			
d. Dividend Policy			

	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
e. Biographical details (at least age, academic qualifications, date of first appointment, relevant experience, and other directorships in listed companies) of all directors			
f. Attendance details of each director in all directors meetings held during the year			
g. Total remuneration of each member of the board of directors			
2. The Annual Report contains a statement confirming the company's full compliance with the Code of Corporate Governance and where there is non-compliance, identifies and explains reason for each such issue.			
3. The Annual Report/Annual CG Report discloses that the board of directors conducted a review of the company's material controls (including operational, financial and compliance controls) and risk management systems.			
4. The Annual Report/Annual CG Report contains a statement from the board of			

	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
directors or Audit Committee commenting on the adequacy of the company's internal controls/risk management systems.			
5. The company discloses in the Annual Report the key risks to which the company is materially exposed to (i.e. financial, operational including IT, environmental, social, economic).			
Principle 9: The company should establish standards for the appropriate selection of an external auditor, and exercise effective oversight of the same to strengthen the external auditor's independence and enhance audit quality.			
Recommendation 9.1			
1. Audit Committee has a robust process for approving and recommending the appointment, reappointment, removal, and fees of the external auditors.	Compliant	The Audit Committee annually reviews the work and remuneration of the external auditors against best practices and industry standards. Upon finding the work satisfactory and the fees reasonable given, the Audit Committee recommends the reappointment of the external auditor to the Board. If the Board agrees with the recommendations of the Audit Committee, it will	

	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
		present the resolution for approval of the shareholders during the annual meeting.	
2. The appointment, reappointment, removal, and fees of the external auditor is recommended by the Audit Committee, approved by the Board and ratified by the shareholders.	Compliant	The reappointment of the external auditor was recommended by the Audit Committee, approved by the Board, and ratified by at least a majority of the shareholders present during the Annual Stockholders Meeting for the covered year.	
3. For removal of the external auditor, the reasons for removal or change are disclosed to the regulators and the public through the company website and required disclosures.	Compliant	The external auditor was reappointed.	
Supplement to Recommendation 9.1			
1. Company has a policy of rotating the lead audit partner every five years.	Compliant	The Company's policy on rotating the lead partner every 5 years may be found in Sec 3.4(e) (vi) of the Audit Committee Charter. Audit Committee Charter: *https://www.ctsglobalgroup.com/_files/ugd/2bcc84_5f98874da89d434094daf5096429900c.pdf*	
Recommendation 9.2			
1. Audit Committee Charter includes the Audit Committee's responsibility on:	Compliant	The Audit Committee Charter indicates the Audit Committee's responsibility in various areas,	

	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
i. assessing the integrity and independence of external auditors; ii. exercising effective oversight to review and monitor the external auditor's independence and objectivity; and iii. exercising effective oversight to review and monitor the effectiveness of the audit process, taking into consideration relevant Philippine professional and regulatory requirements.		including among others, oversight over the external auditors, the audit process, and the external auditors' integrity, independence, objectivity, suitability, and effectiveness. Audit Committee Charter: *https://www.ctsglobalgroup.com/_files/ugd/2bcc84_5f98874da89d434094daf5096429900c.pdf*	
2. Audit Committee Charter contains the Committee's responsibility on reviewing and monitoring the external auditor's suitability and effectiveness on an annual basis.	Compliant		
Supplement to Recommendations 9.2			
1. Audit Committee ensures that the external auditor is credible, competent and has the ability to understand complex related party transactions, its counterparties, and valuations of such transactions.	Compliant	The Audit Committee is responsible for ensuring that the external auditor is able to dispense their responsibilities well by, among others, reviewing their qualifications and audit procedures.	

	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
2. Audit Committee ensures that the external auditor has adequate quality control procedures.	Compliant	Audit Committee Charter: *https://www.ctsglobalgroup.com/_files/ugd/2bcc84_5f98874da89d434094daf5096429900c.pdf*	
Recommendation 9.3			
1. Company discloses the nature of non-audit services performed by its external auditor in the Annual Report to deal with the potential conflict of interest.	Compliant	Sec 3.4 (e)(v) of the Audit Committee Charter provides guidelines on non-audit services. Audit Committee Charter: *https://www.ctsglobalgroup.com/_files/ugd/2bcc84_5f98874da89d434094daf5096429900c.pdf*	
2. Audit Committee stays alert for any potential conflict of interest situations, given the guidelines or policies on non-audit services, which could be viewed as impairing the external auditor's objectivity.	Compliant		
Supplement to Recommendation 9.3			
1. Fees paid for non-audit services do not outweigh the fees paid for audit services.	Compliant	Sec 3.4 (e)(v) of the Audit Committee Charter provides guidelines on non-audit services. Audit Committee Charter: *https://www.ctsglobalgroup.com/_files/ugd/2bcc84_5f98874da89d434094daf5096429900c.pdf*	
Additional Recommendation to Principle 9			

	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
1. Company's external auditor is duly accredited by the SEC under Group A category.	Compliant	The audit partner assigned to handle the Company's account is Mr. Emmanuel V. Clarino with BOA Accreditation No. 4782/P-004, valid until June 6, 2024. RT's head office is located at 26th Floor BDO Towers Valero, 8741 Paseo de Roxas, Makati City. Other details may be found on the Cover Page of the Audited Financial Statements, attached to the Annual Report. Annual Report: *https://www.ctsglobalgroup.com/_files/ugd/2bcc84_29e02c04dea34cf0b3fc80e81d22ac6d.pdf*	
2. Company's external auditor agreed to be subjected to the SEC Oversight Assurance Review (SOAR) Inspection Program conducted by the SEC's Office of the General Accountant (OGA).	Compliant	The Company's external auditor agreed to be subjected to the SOAR Inspection Program of SEC. The last SOAR inspection was on 2020.	
Principle 10: The company should ensure that the material and reportable non-financial and sustainability issues are disclosed.			
Recommendation 10.1			
1. Board has a clear and focused policy on the disclosure of non-financial information, with emphasis on the management of economic,	Compliant	Kindly refer to Art. 3, Item K of the Code of Business Conduct and Ethics.	

	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
environmental, social and governance (EESG) issues of its business, which underpin sustainability.		Code of Business Conduct and Ethics: *https://www.ctsglobalgroup.com/_files/ugd/2bcc84_fbaf67b0f811478e8920a77219264231.pdf*	
2. Company adopts a globally recognized standard/framework in reporting sustainability and non-financial issues.	Compliant	The Company's Sustainability Report for the covered year is attached to its Annual Report. Annual Report: *https://www.ctsglobalgroup.com/_files/ugd/2bcc84_29e02c04dea34cf0b3fc80e81d22ac6d.pdf*	
Principle 11: The company should maintain a comprehensive and cost-efficient communication channel for disseminating relevant information. This channel is crucial for informed decision-making by investors, stakeholders and other interested users.			
Recommendation 11.1			
1. Company has media and analysts' briefings as channels of communication to ensure the timely and accurate dissemination of public, material and relevant information to its shareholders and other investors.	Compliant	The Company regularly prepares and upon request, disseminates investor briefing materials to interested parties. Copies of investor presentations may be found in the Company's investor relations page under the heading "Financial Reports." Financial Reports Page: *https://www.ctsglobalgroup.com/financialreports*	
Supplemental to Principle 11			

	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
1. Company has a website disclosing up-to-date information on the following:	Compliant	All materials may be found in the Company's Investor Relations page under the headings "Disclosures", and "Financial Reports". Company website: *https://www.ctsglobalgroup.com/*	
a. Financial statements/reports (latest quarterly)			
b. Materials provided in briefings to analysts and media			
c. Downloadable annual report			
d. Notice of ASM and/or SSM			
e. Minutes of ASM and/or SSM			
f. Company's Articles of Incorporation and By-Laws			
Additional Recommendation to Principle 11			
1. Company complies with SEC-prescribed website template.	Compliant	Kindly refer to the Company's website: *https://www.ctsglobalgroup.com/*	
Internal Control System and Risk Management Framework			
Principle 12: To ensure the integrity, transparency and proper governance in the conduct of its affairs, the company should have a strong and effective internal control system and enterprise risk management framework.			
Recommendation 12.1			

	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
1. Company has an adequate and effective internal control system in the conduct of its business.	Compliant	The Company has implemented internal controls across all aspects of its business.	
2. Company has an adequate and effective enterprise risk management framework in the conduct of its business.	Compliant	Kindly refer to Part I, Item 1 of the Annual Report for a discussion of its enterprise risk management framework. Annual Report: *https://www.ctsglobalgroup.com/_files/ugd/2bcc84_29e02c04dea34cf0b3fc80e81d22ac6d.pdf*	
Supplement to Recommendations 12.1			
1. Company has a formal comprehensive enterprise-wide compliance program covering compliance with laws and relevant regulations that is annually reviewed. The program includes appropriate training and awareness initiatives to facilitate understanding, acceptance and compliance with the said issuances.	Compliant	The Company, on at least an annual basis, reviews its compliance with existing and new laws and regulations. Upon notice of a new law or regulation that is relevant to the Company's business and operations, the Compliance Department informs the Department Heads of the same. It is the duty of the Department Heads to assess whether the new law or regulation will affect their processes and procedures and if so, coordinate on the implementation of the necessary changes to ensure compliance. Further, in coordination with the HR Department, the Company conducts training sessions with the employees and traders on compliance issues.	

	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
Optional: Recommendation 12.1			
1. Company has a governance process on IT issues including disruption, cyber security, and disaster recovery, to ensure that all key risks are identified, managed and reported to the board.			
Recommendation 12.2			
1. Company has in place an independent internal audit function that provides an independent and objective assurance, and consulting services designed to add value and improve the company's operations.	Non-Compliant		The Company has outsourced the conduct of its AML internal audit. It is also looking for an internal auditor who can competently assess its internal control mechanisms and formalizing its internal audit structure. The Company currently has an in-house team with extensive audit experience.
Recommendation 12.3			
1. Company has a qualified Chief Audit Executive (CAE) appointed by the Board.	Compliant	Ms. Catherine L. Ong has been appointed by the Board as the Company's Chief Audit Executive. Her duties and functions may be found in Art VII, Sec 9 of the Board Charter.	
2. CAE oversees and is responsible for the internal audit activity of the organization,			

	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
including that portion that is outsourced to a third party service provider. 3. In case of a fully outsourced internal audit activity, a qualified independent executive or senior management personnel is assigned the responsibility for managing the fully outsourced internal audit activity.		Board Charter: *https://www.ctsglobalgroup.com/_files/ugd/2bcc84_6b6ba015b1b344adaf86c7e890bb8537.pdf*	
Recommendation 12.4			
1. Company has a separate risk management function to identify, assess and monitor key risk exposures.	Non-Compliant		Given the Company's size, risk profile, and the nature of its operations, the Company currently does not have a company-wide risk management function. Risk management is handled by the concerned department facing the risk. A discussion on the Company's risk factors and risk management may be found in Part I, Item 1 of the Annual Report. Annual Report: *https://www.ctsglobalgroup.com/_files/ugd/2bcc84_29e02c04dea34cf0b3fc80e81d22ac6d.pdf*

	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
Supplement to Recommendation 12.4			
1. Company seeks external technical support in risk management when such competence is not available internally	Compliant	The Company remains primarily responsible in ensuring that its risks are properly managed. However, to help address the risks enumerated in Part I, Item 1 of the Annual Report and depending on the kind and nature of the risk, the Company has engaged the services of various vendors. Annual Report: *https://www.ctsglobalgroup.com/_files/ugd/2bcc84_29e02c04dea34cf0b3fc80e81d22ac6d.pdf*	
Recommendation 12.5			
1. In managing the company's Risk Management System, the company has a Chief Risk Officer (CRO), who is the ultimate champion of Enterprise Risk Management (ERM).	Compliant	Ms. Catherine L. Ong has been appointed by the Board as the Company's Chief Risk Officer. Her duties and responsibilities are indicated in Art VII, Sec 10 of the Board Charter. Board Charter: *https://www.ctsglobalgroup.com/_files/ugd/2bcc84_6b6ba015b1b344adaf86c7e890bb8537.pdf*	
2. CRO has adequate authority, stature, resources and support to fulfill his/her responsibilities.	Compliant	Ms. Ong's position in the Company gives her more than adequate authority, stature, and resources to support her in the fulfillment of her role.	
Additional Recommendation to Principle 12			

	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
1. Company's Chief Executive Officer and Chief Audit Executive attest in writing, at least annually, that a sound internal audit, control and compliance system is in place and working effectively.	Non-Compliant		The Company is currently sourcing its internal auditor and formalizing its internal audit structure. The execution of such an attestation will be implemented after an internal audit is formally in place.
Cultivating a Synergic Relationship with Shareholders			
Principle 13: The company should treat all shareholders fairly and equitably, and also recognize, protect and facilitate the exercise of their rights.			
Recommendation 13.1			
1. Board ensures that basic shareholder rights are disclosed in the Manual on Corporate Governance.	Compliant	Shareholder rights are disclosed in Sec XII of the CG Manual. CG Manual: *https://www.ctsglobalgroup.com/_files/ugd/2bcc84_3f667958d4b14f3eb87f2e2062216d57.pdf*	
2. Board ensures that basic shareholder rights are disclosed on the company's website.	Compliant	The rights of shareholders are disclosed in the Company's website. Shareholder Rights: *https://www.ctsglobalgroup.com/investorfaq*	
Supplement to Recommendation 13.1			

	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
1. Company's common share has one vote for one share.	Compliant	Each share is entitled to one vote as stated in Item 4 of the Information Statement. Information Statement: *https://www.ctsglobalgroup.com/_files/ugd/2bcc84_e93a5410958047d3b1fce9d1b0a1faca.pdf*	
2. Board ensures that all shareholders of the same class are treated equally with respect to voting rights, subscription rights and transfer rights.	Compliant	The Company only issues common shares. The same rules govern the voting, subscription, and transfer of all common shares.	
3. Board has an effective, secure, and efficient voting system.	Compliant	The voting procedure is included in Item 4 of the Information Statement. Information Statement: *https://www.ctsglobalgroup.com/_files/ugd/2bcc84_e93a5410958047d3b1fce9d1b0a1faca.pdf*	
4. Board has an effective shareholder voting mechanisms such as supermajority or "majority of minority" requirements to protect minority shareholders against actions of controlling shareholders.	Non-Compliant		Given the size of the Company and the ease by which its shareholders are able to interact with the Board members, the rights of all shareholders, minority or otherwise, are adequately protected and as such, the implementation of shareholder voting mechanisms such as

	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
			supermajority or majority of minority may not be necessary.
5. Board allows shareholders to call a special shareholders' meeting and submit a proposal for consideration or agenda item at the AGM or special meeting.	Compliant	Under Art II Sec 5 of the By-laws, shareholders representing a majority of the Company's outstanding capital stock may call for a special meeting. By-laws: *https://www.ctsglobalgroup.com/_files/ugd/2bcc84_4d8a74847bc14a1b9761c27140e513ad.pdf*	
6. Board clearly articulates and enforces policies with respect to treatment of minority shareholders.	Compliant	Please refer to Art XII of the CG Manual. CG Manual: *https://www.ctsglobalgroup.com/_files/ugd/2bcc84_3f667958d4b14f3eb87f2e2062216d57.pdf*	
7. Company has a transparent and specific dividend policy.	Compliant	Under Art VI of the By-laws, the payment of dividends shall be taken out of the surplus profits of the Company. By-laws: *https://www.ctsglobalgroup.com/_files/ugd/2bcc84_4d8a74847bc14a1b9761c27140e513ad.pdf*	
Optional: Recommendation 13.1			

	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
1. Company appoints an independent party to count and/or validate the votes at the Annual Shareholders' Meeting.			
Recommendation 13.2			
1. Board encourages active shareholder participation by sending the Notice of Annual and Special Shareholders' Meeting with sufficient and relevant information at least 28 days before the meeting.	Compliant	For 2023, the notice of shareholders' meeting was first disclosed on 08 March 2023, or 65 days before the annual stockholders meeting on 12 May 2023. The agenda was disclosed on 31 March 2023, or 42 days before the meeting. PSE Edge: *https://edge.pse.com.ph/openDiscViewer.do?edge_no=0aa06874ad0e3d3e9e4dc6f6c9b65995*	
Supplemental to Recommendation 13.2			
1. Company's Notice of Annual Stockholders' Meeting contains the following information:	Compliant	The profiles of the Company's directors are included as Annex "A" of the Information Statement. The identity of the external auditor seeking re-appointment is disclosed in Item 7 of the Information Statement.	
a. The profiles of directors (i.e., age, academic qualifications, date of first appointment, experience, and directorships in other listed companies)			

	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
b. Auditors seeking appointment/re-appointment		The Company does not require shareholders to send proxy documents. Information Statement: *https://www.ctsglobalgroup.com/_files/ugd/2bcc84_e93a5410958047d3b1fce9d1b0a1faca.pdf*	
c. Proxy documents			
Optional: Recommendation 13.2			
1. Company provides rationale for the agenda items for the annual stockholders meeting			
Recommendation 13.3			
1. Board encourages active shareholder participation by making the result of the votes taken during the most recent Annual or Special Shareholders' Meeting publicly available the next working day.	Compliant	The minutes of the annual stockholders meeting, containing the votes taken by poll, and questions asked and answers thereto, if any, are disclosed in the Company website. Minutes of Annual Stockholders Meeting: *https://www.ctsglobalgroup.com/_files/ugd/2bcc84_8e2e5cde1d424427a601f38c9bc71929.pdf* The minutes were uploaded one business day after the shareholders' meeting.	
2. Minutes of the Annual and Special Shareholders' Meetings were available on the company website within five business days from the end of the meeting.	Compliant		
Supplement to Recommendation 13.3			

	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
1. Board ensures the attendance of the external auditor and other relevant individuals to answer shareholders questions during the ASM and SSM.	Compliant	The external auditor and other relevant individuals were present during the annual stockholders meeting.	
Recommendation 13.4			
1. Board makes available, at the option of a shareholder, an alternative dispute mechanism to resolve intra-corporate disputes in an amicable and effective manner.	Compliant	The alternative dispute mechanism instituted by the Company for the amicable and effective resolution of intra-corporate disputes may be found in Art XVI of the CG Manual. CG Manual: *https://www.ctsglobalgroup.com/_files/ugd/2bcc84_3f667958d4b14f3eb87f2e2062216d57.pdf*	
2. The alternative dispute mechanism is included in the company's Manual on Corporate Governance.	Compliant		
Recommendation 13.5			

	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
1. Board establishes an Investor Relations Office (IRO) to ensure constant engagement with its shareholders.	Compliant	The Company's investor relations office may be reached by email through ir@ctsglobalgroup.com.	
2. IRO is present at every shareholder's meeting.	Compliant	It is the Company's policy that representatives of the IRO are present every shareholders' meeting.	
Supplemental Recommendations to Principle 13			
1. Board avoids anti-takeover measures or similar devices that may entrench ineffective management or the existing controlling shareholder group.	Compliant	There were no anti-takeover measures or similar devices attempted during the covered year.	
2. Company has at least thirty percent (30%) public float to increase liquidity in the market.	Compliant	As of 31 December 2023, the Company's public float is 32.52%. PSE Edge: *https://edge.pse.com.ph/openDiscViewer.do?edge_no=aa1c754175567be0abca0fa0c5b4e4d0*	
Public ownership Optional: Principle 13			
1. Company has policies and practices to encourage shareholders to engage with the company beyond the Annual Stockholders' Meeting			

	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
2. Company practices secure electronic voting in absentia at the Annual Shareholders' Meeting.			
Duties to Stakeholders			
Principle 14: The rights of stakeholders established by law, by contractual relations and through voluntary commitments must be respected. Where stakeholders' rights and/or interests are at stake, stakeholders should have the opportunity to obtain prompt effective redress for the violation of their rights.			
Recommendation 14.1			
1. Board identifies the company's various stakeholders and promotes cooperation between them and the company in creating wealth, growth and sustainability.	Compliant	The Company recognizes its various stakeholders, including, among others, its clients, employees, suppliers, and shareholders. The Company touches base with its shareholders during the annual meetings as well as during its regular disclosures. The Company, through its HR Department, creates various programs for the benefit and continued training of its employees. Lastly, the Company has also instituted certain policies in order to protect its suppliers, including the whistleblower policy.	
Recommendation 14.2			
1. Board establishes clear policies and programs to provide a mechanism on the fair treatment and protection of stakeholders.	Compliant	Kindly refer to the additional information provided under Recommendation 14.1.	

	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
Recommendation 14.3			
1. Board adopts a transparent framework and process that allow stakeholders to communicate with the company and to obtain redress for the violation of their rights.	Compliant	A copy of the Company's Whistleblower policy may be found in Art.3, Item J. of the Code of Business Conduct and Ethics. Reports should be submitted to the HR Department or Compliance Department. Code of Business Conduct and Ethics: *https://www.ctsglobalgroup.com/_files/ugd/2bcc84_fbaf67b0f811478e8920a77219264231.pdf*	
Supplement to Recommendation 14.3			
1. Company establishes an alternative dispute resolution system so that conflicts and differences with key stakeholders is settled in a fair and expeditious manner.	Compliant	The Company's alternative dispute resolution system may be found in Part XVI of the CG Manual. CG Manual: *https://www.ctsglobalgroup.com/_files/ugd/2bcc84_3f667958d4b14f3eb87f2e2062216d57.pdf*	
Additional Recommendations to Principle 14			
1. Company does not seek any exemption from the application of a law, rule or regulation especially when it refers to a	Compliant	The Company did not seek any exemption from any law, rule, or regulation related to a corporate governance issue.	

	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
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.			
2. Company respects intellectual property rights.	Compliant	The Company respects intellectual property rights. It is noted that it did not encounter any intellectual property related claims or demands during the covered year.	
Optional: Principle 14			
1. Company discloses its policies and practices that address customers' welfare			
2. Company discloses its policies and practices that address supplier/contractor selection procedures			
Principle 15: A mechanism for employee participation should be developed to create a symbiotic environment, realize the company's goals and participate in its corporate governance processes.			
Recommendation 15.1			

	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
1. Board establishes policies, programs and procedures that encourage employees to actively participate in the realization of the company's goals and in its governance.	Compliant	The Company conducts planning meetings to discuss strategic plans and objectives for the ensuing year. During said meetings, Company employees are given the opportunity to make proposals on how Company goals can be achieved.	
Supplement to Recommendation 15.1			
1. Company has a reward/ compensation policy that accounts for the performance of the company beyond short-term financial measures.	Compliant	The Company adopts a compensation policy that ensures that personnel costs do not exceed an identified portion of the Company's resources. In addition, the Company has a retirement plan for its employees which they may enjoy upon separation from the Company.	
2. Company has policies and practices on health, safety and welfare of its employees.	Compliant	The Company's policies on the health, safety, and welfare of its personnel may be found in Art 3, Item N of the Code of Business Conduct and Ethics. The Company is further compliant with labor laws that require the appointment and certification of a safety officer and first aider. The Company also offers health insurance for all regular employees and, in coordination with its external provider, conducts an annual physical exam. Code of Business Conduct and Ethics: *https://www.ctsglobalgroup.com/_files/ugd/2bcc84_fbaf67b0f811478e8920a77219264231.pdf*	

	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
3. Company has policies and practices on training and development of its employees.	Compliant	The Company's HR Department regularly coordinates with the different department heads to determine the training needs of its employees and addresses the same to the best of its abilities. The list of trainings attended for the covered year is included in the Sustainability Report attached as a supplementary schedule of the Annual Report. Annual Report: *https://www.ctsglobalgroup.com/_files/ugd/2bcc84_29e02c04dea34cf0b3fc80e81d22ac6d.pdf*	
Recommendation 15.2			
1. Board sets the tone and makes a stand against corrupt practices by adopting an anti-corruption policy and program in its Code of Conduct.	Compliant	The Company's Anti-Bribery and Anti-Corruption Policy is included as Art 3, Item H of the Code of Business Conduct and Ethics. Code of Business Conduct and Ethics: *https://www.ctsglobalgroup.com/_files/ugd/2bcc84_fbaf67b0f811478e8920a77219264231.pdf*	
2. Board disseminates the policy and program to employees across the organization through trainings to embed them in the company's culture.	Compliant	The Anti-Bribery and Anti-Corruption Policy is integrated in the Company's Office Manual, which is disseminated to all Company personnel. The Company also conducts separate trainings on its Anti-Bribery and Anti-Corruption policy.	
Supplement to Recommendation 15.2			

	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
1. Company has clear and stringent policies and procedures on curbing and penalizing employee involvement in offering, paying and receiving bribes.	Compliant	Please refer to the Anti-Bribery and Anti-Corruption policy located in Art 3, Item H of the Code of Business Conduct and Ethics. There were no findings of violations of this policy during the covered year. Code of Business Conduct and Ethics: *https://www.ctsglobalgroup.com/_files/ugd/2bcc84_fbaf67b0f811478e8920a77219264231.pdf*	
Recommendation 15.3			
1. Board establishes a suitable framework for whistleblowing that allows employees to freely communicate their concerns about illegal or unethical practices, without fear of retaliation	Compliant	The Company's Whistleblower policy is included as Art 3, Item J of the Code of Business Conduct and Ethics. Reports should be submitted to the HR Department or Compliance Department. Code of Business Conduct and Ethics: *https://www.ctsglobalgroup.com/_files/ugd/2bcc84_fbaf67b0f811478e8920a77219264231.pdf*	
2. Board establishes a suitable framework for whistleblowing that allows employees to have direct access to an independent member of the Board or a unit created to handle whistleblowing concerns.	Compliant		
3. Board supervises and ensures the enforcement of the whistleblowing framework.	Compliant	The Board approved the Whistleblowing policy and framework prior to its implementation. It regularly reviews the framework and its enforcement to	

	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
		ensure that it remains relevant and accessible to all concerned persons.	
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.			
Recommendation 16.1			
1. Company recognizes and places importance on the interdependence between business and society, and promotes a mutually beneficial relationship that allows the company to grow its business, while contributing to the advancement of the society where it operates.	Compliant	As part of the Company's commitment to establishing the Philippines as the lead proprietary trading hub in the world and uplifting world-class Filipino talent into the global trading arena, the Company has built a robust trader development ecosystem and continues to invest in technology that strengthens its ability to efficiently produce and distribute valuable content and information to traders. The Company's internship program and global trader training also gives its clients and stakeholders the opportunity to participate in the global capital markets. Aside from the above, as part of its commitment to protect the environment, the Company regularly partners with environmental organizations.	
Optional: Principle 16			

	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
1. Company ensures that its value chain is environmentally friendly or is consistent with promoting sustainable development			
2. Company exerts effort to interact positively with the communities in which it operates			

Pursuant to the requirement of the Securities and Exchange Commission, this Integrated Annual Corporate Governance Report is signed on behalf of the registrant by the undersigned, thereunto duly authorized in the City of Pasig on 29th May 2024.

SIGNATURES

EDWARD K. LEE
Chairman

LAWRENCE C. LEE
President and Chief Executive Officer

MARTIN T. LEE
Independent Director

DONALD R. FELBAUM
Independent Director

EMMANUEL L. SAMSON
Independent Director

JUAN CARLOS G. AQUINO
Compliance Officer

SHARON T. LIM
Corporate Secretary

SUBSCRIBED AND SWORN to before me this 29th day of May 2024, affiants personally appeared and exhibited to me their competent evidence of identification as follows:

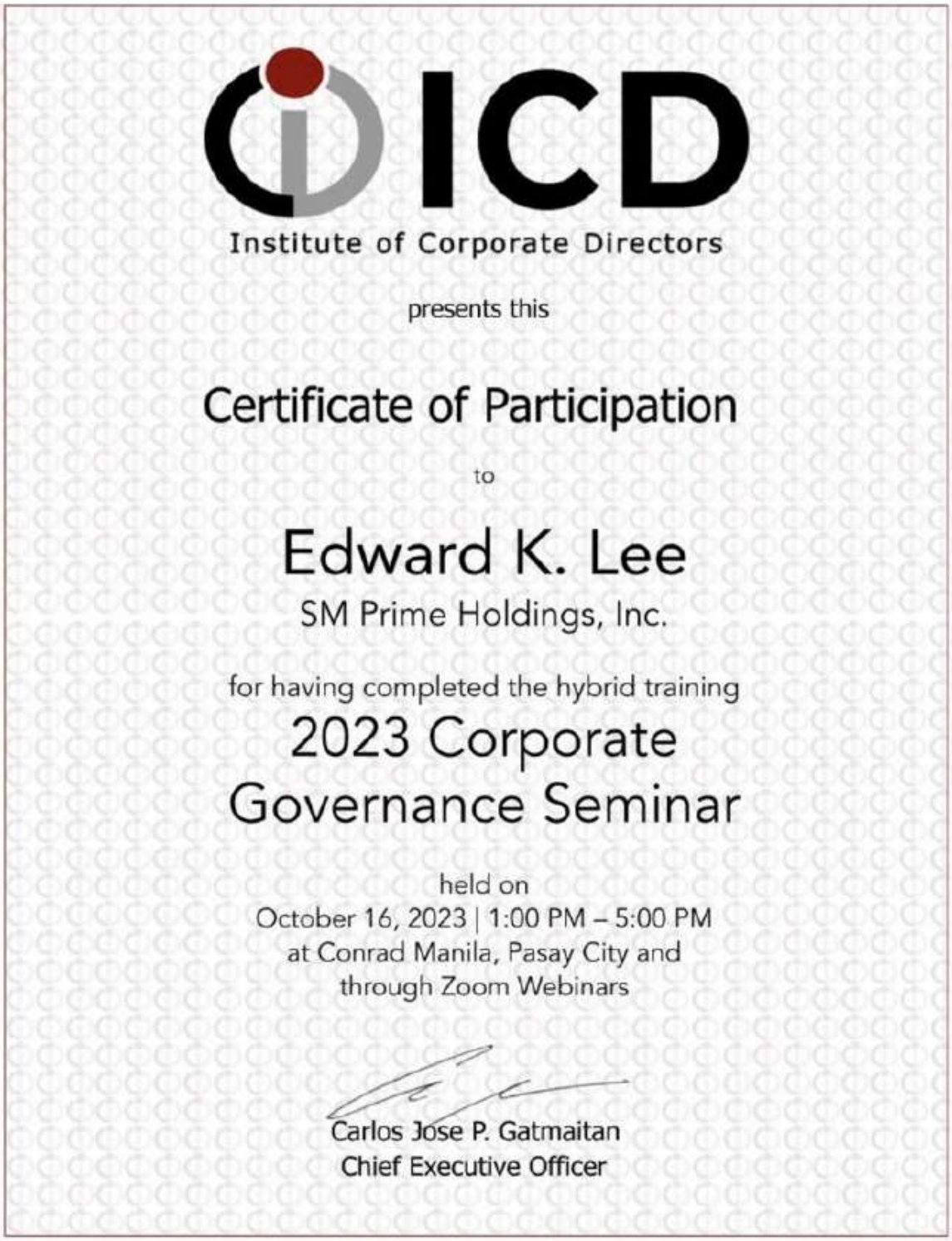
Name	Type of Identification	Number	Date of Issue	Place of Issue
Edward K. Lee	Passport			
Lawrence C. Lee	Passport			
Martin T. Lee	Passport			
Donald R. Felbaum	TIN			
Emmanuel L. Samson	Passport			
Juan Carlos G. Aquino	Passport			
Sharon T. Lim	Passport			

Doc. No. 96
Page No. 21
Book No. 3
Series of 2024

ATTY. STEFFI NICOLE P. FLORES
For the City of Pasig and the Municipality of Pateros
Expiring on 31 December 2025
Appointment No. 89 (2024-2025) Pasig City
Roll No. 74089/ IBP No. 392582/01-03-24/Quezon City
PTR No. 0173795/01.03.2024/Pasig City
MCLE Compliance No. VII-0012504/03.08.22
2703C East Tower Tektite Towers (formerly PSE Centre),
Exchange Road, Ortigas Center, Pasig City 1605

ANNEX "A"

CERTIFICATION OF ATTENDANCE



ICD

Institute of Corporate Directors

presents this

Certificate of Participation

to

Edward K. Lee

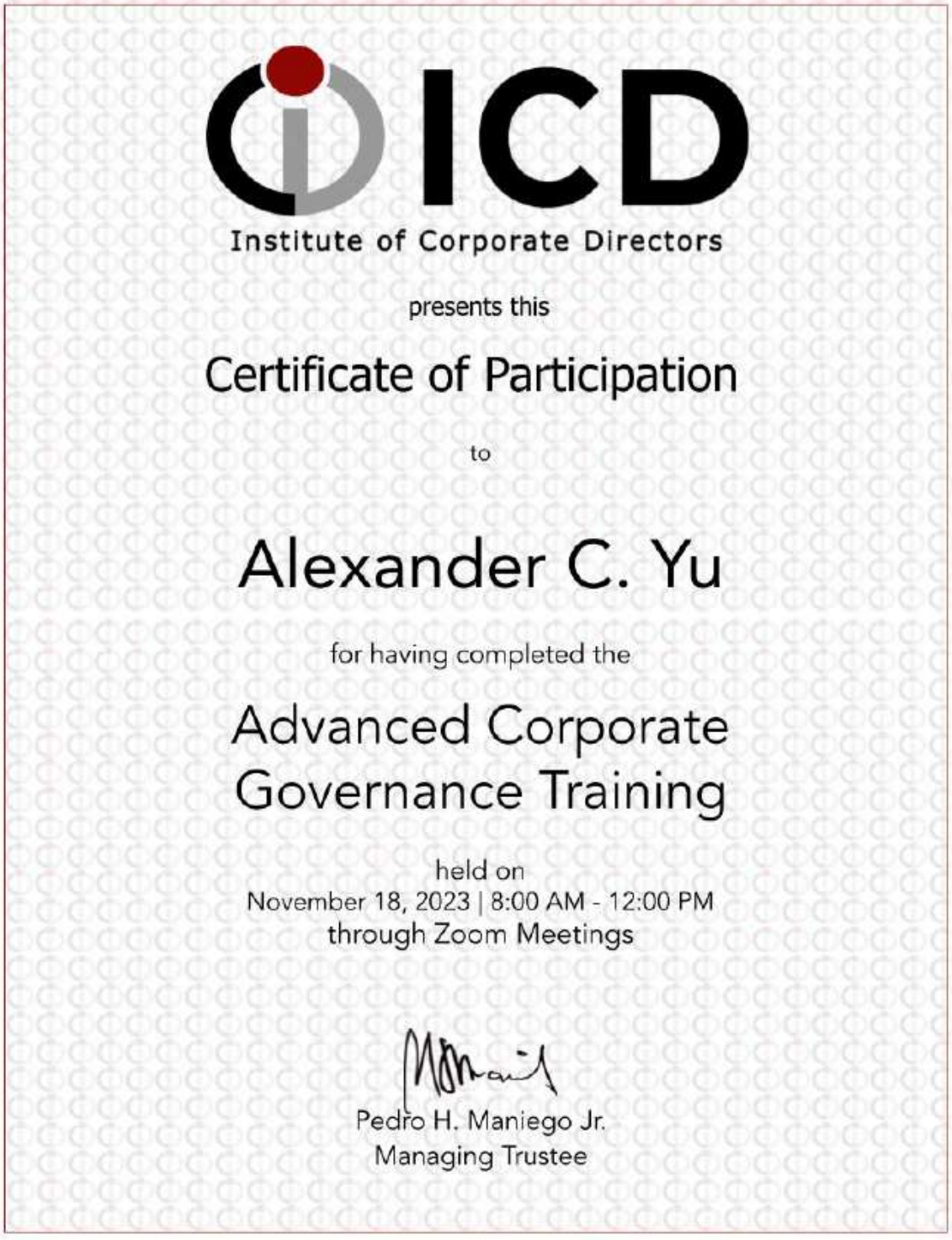
SM Prime Holdings, Inc.

for having completed the hybrid training

2023 Corporate Governance Seminar

held on
October 16, 2023 | 1:00 PM – 5:00 PM
at Conrad Manila, Pasay City and
through Zoom Webinars

Carlos Jose P. Gatmaitan
Chief Executive Officer



ICD

Institute of Corporate Directors

presents this

Certificate of Participation

to

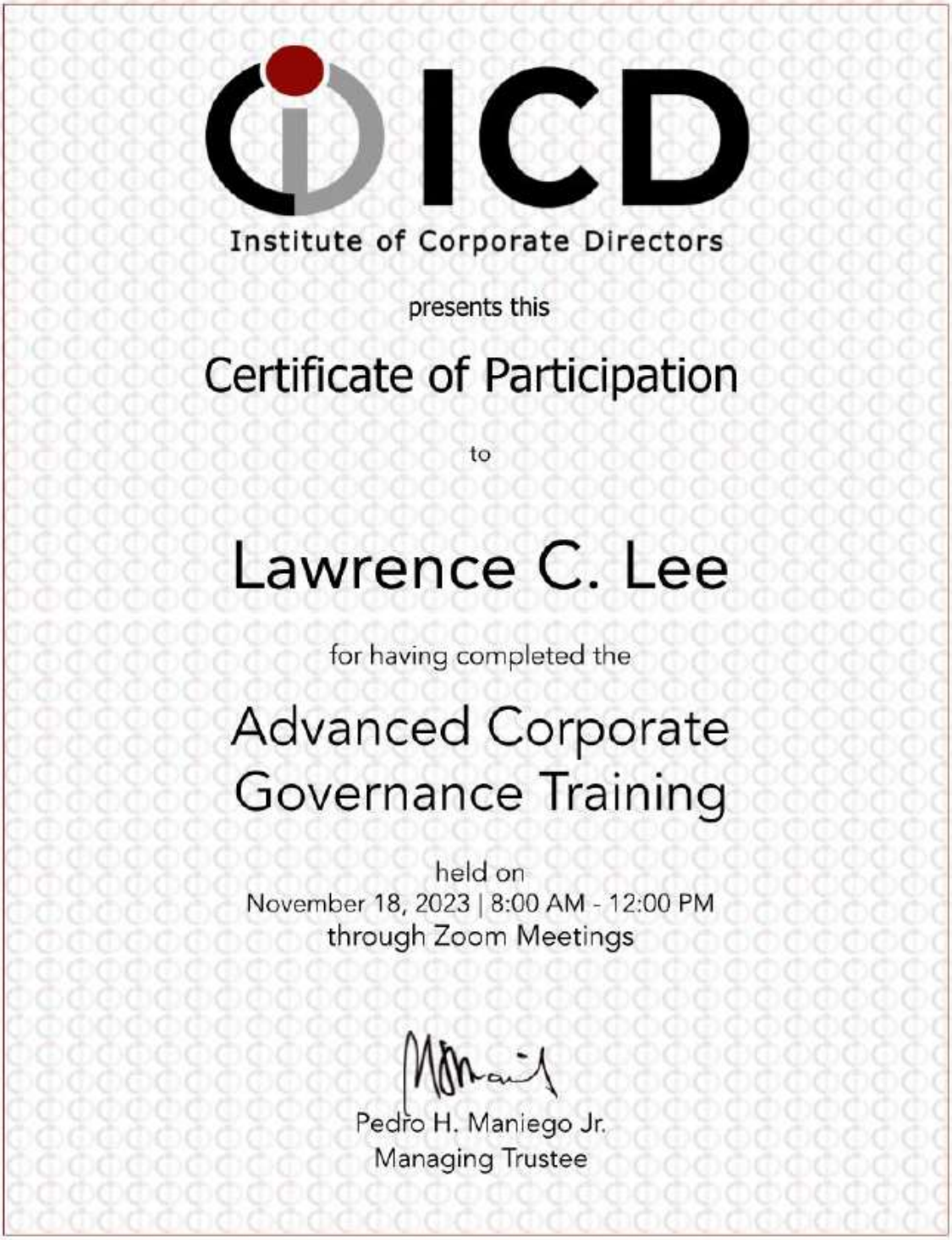
Alexander C. Yu

for having completed the

Advanced Corporate Governance Training

held on
November 18, 2023 | 8:00 AM - 12:00 PM
through Zoom Meetings

Pedro H. Maniego Jr.
Managing Trustee



ICD

Institute of Corporate Directors

presents this

Certificate of Participation

to

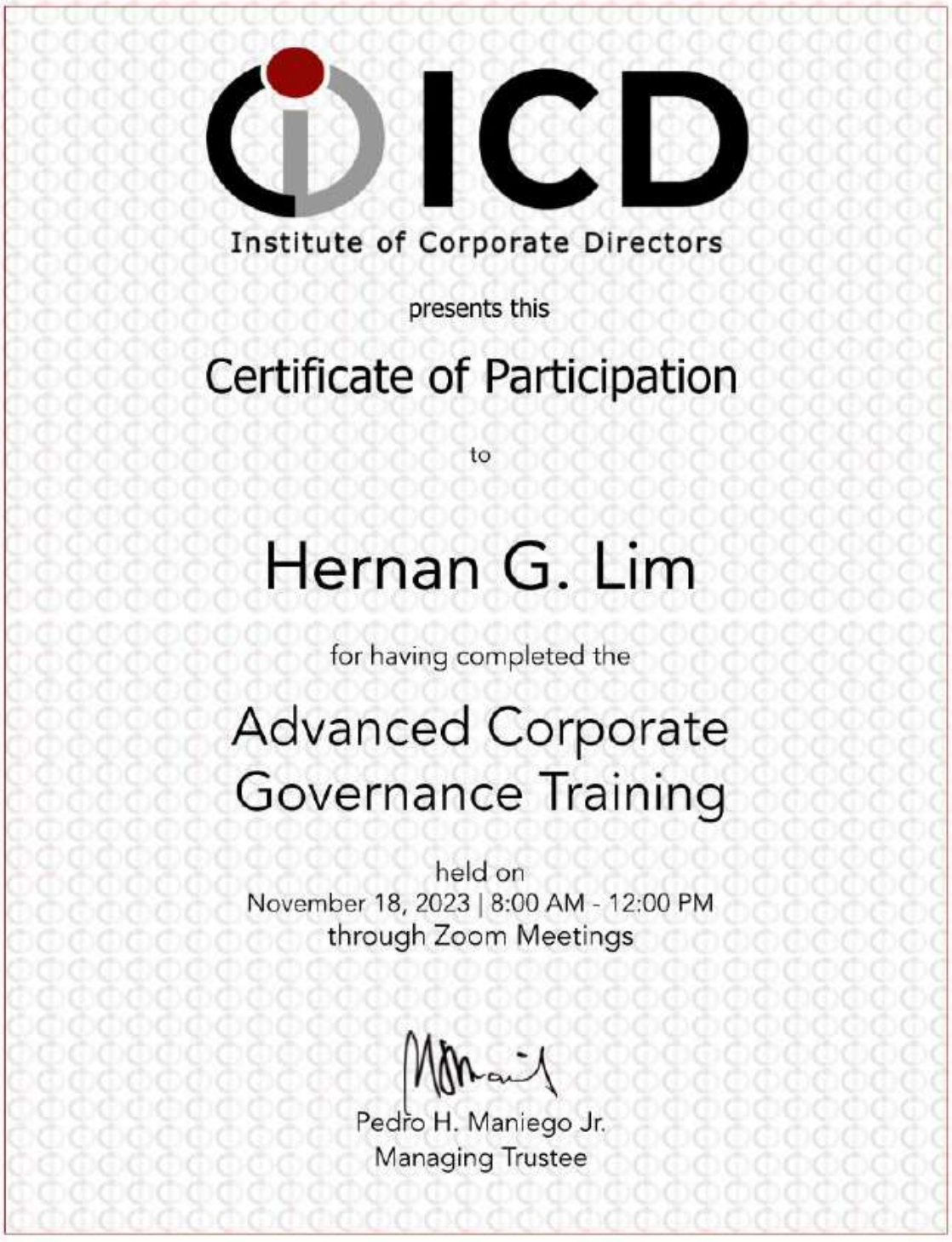
Lawrence C. Lee

for having completed the

Advanced Corporate Governance Training

held on
November 18, 2023 | 8:00 AM - 12:00 PM
through Zoom Meetings

Pedro H. Maniego Jr.
Managing Trustee



ICD

Institute of Corporate Directors

presents this

Certificate of Participation

to

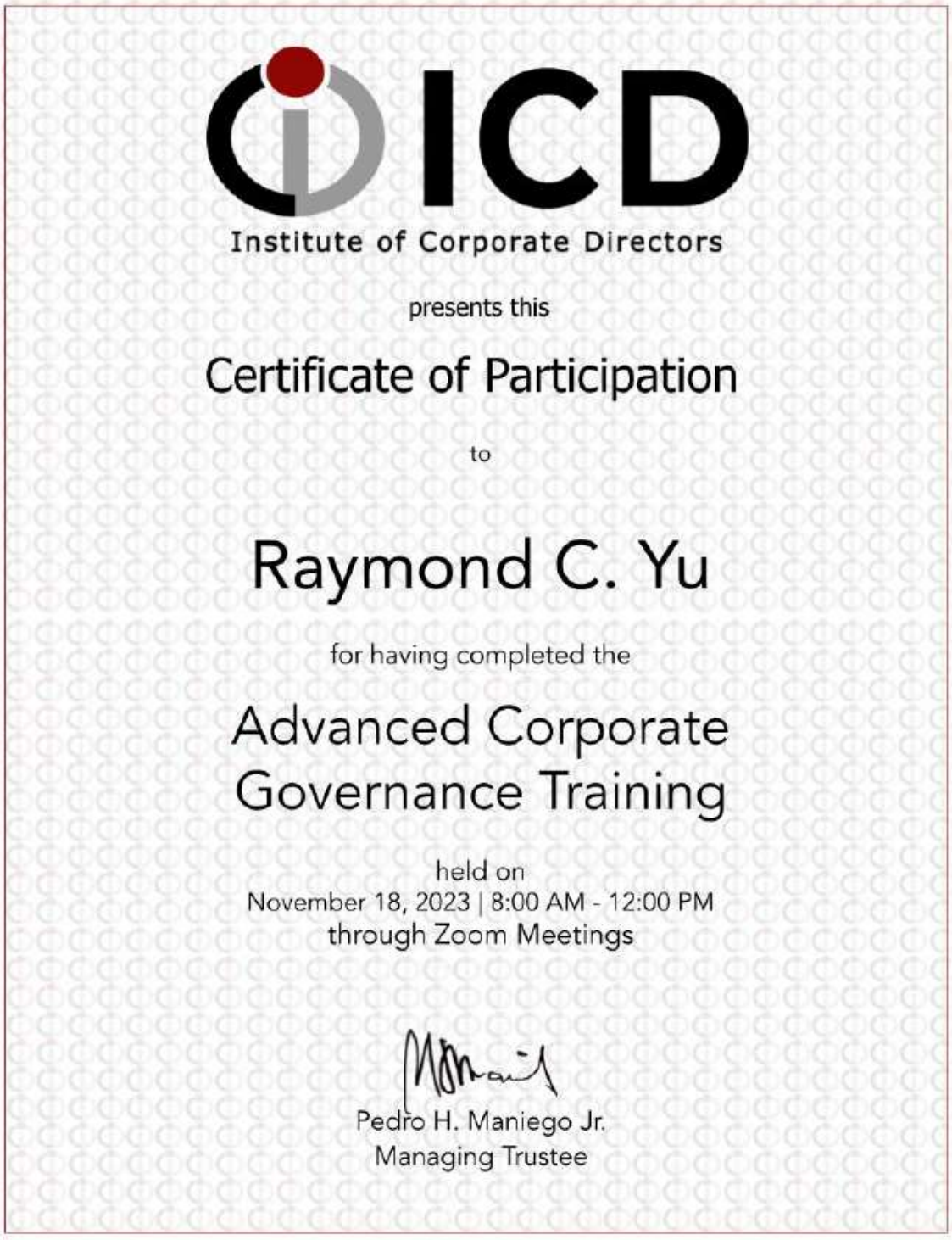
Hernan G. Lim

for having completed the

Advanced Corporate Governance Training

held on
November 18, 2023 | 8:00 AM - 12:00 PM
through Zoom Meetings

Pedro H. Maniego Jr.
Managing Trustee



ICD

Institute of Corporate Directors

presents this

Certificate of Participation

to

Raymond C. Yu

for having completed the

Advanced Corporate Governance Training

held on
November 18, 2023 | 8:00 AM - 12:00 PM
through Zoom Meetings

Pedro H. Maniego Jr.
Managing Trustee

ICD

Institute of Corporate Directors

presents this

Certificate of Participation

to

Edmund C. Lee

for having completed the

Advanced Corporate Governance Training

held on
November 18, 2023 | 8:00 AM - 12:00 PM
through Zoom Meetings

Pedro H. Maniego Jr.
Managing Trustee

ICD

Institute of Corporate Directors

presents this

Certificate of Participation

to

Catherine L. Ong

for having completed the

Advanced Corporate Governance Training

held on
November 18, 2023 | 8:00 AM - 12:00 PM
through Zoom Meetings

Pedro H. Maniego Jr.
Managing Trustee



ICD

Institute of Corporate Directors

presents this

Certificate of Participation

to

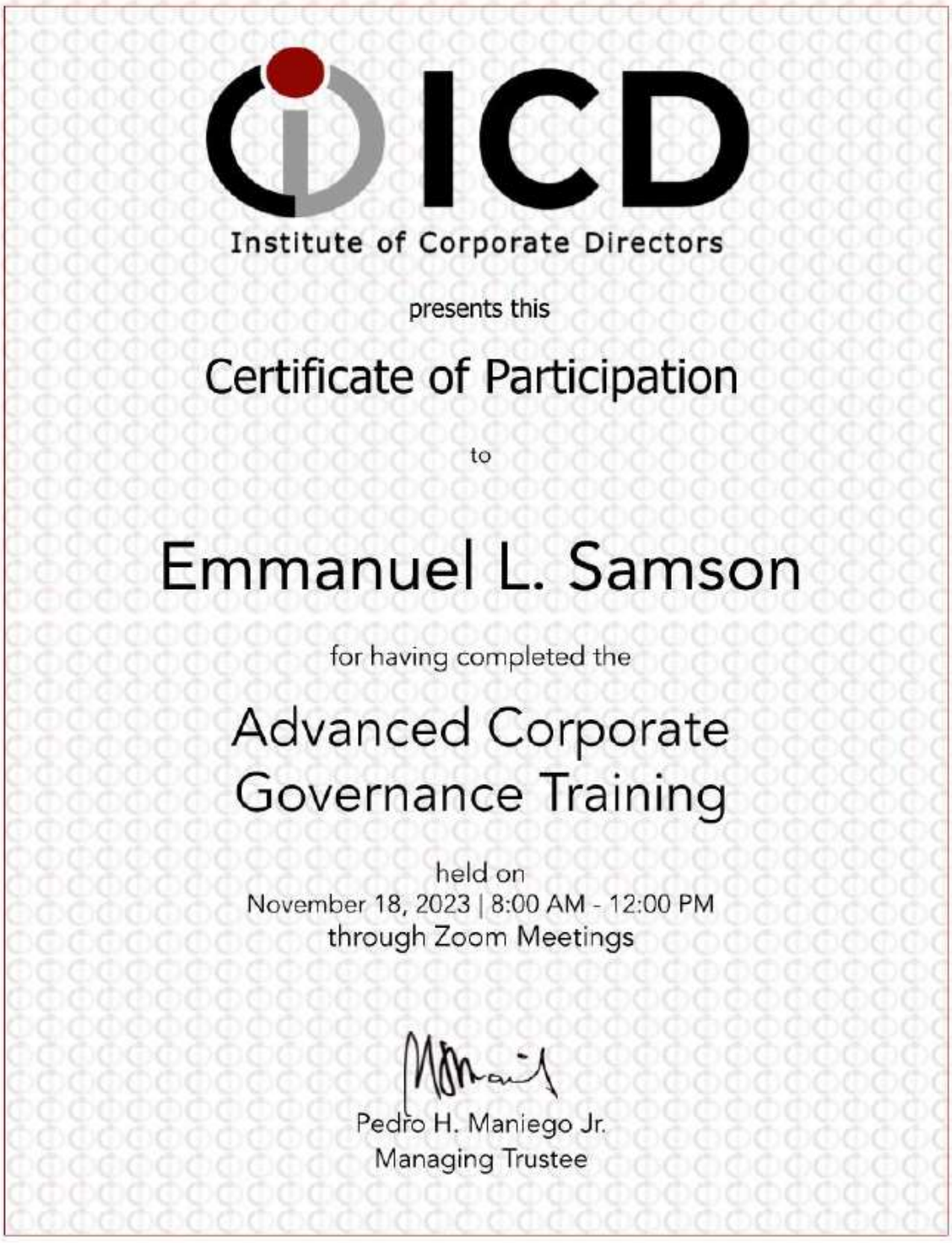
Michelle Angeline N. Yu

for having completed the

Advanced Corporate Governance Training

held on
November 18, 2023 | 8:00 AM - 12:00 PM
through Zoom Meetings

Pedro H. Maniego Jr.
Managing Trustee



ICD

Institute of Corporate Directors

presents this

Certificate of Participation

to

Emmanuel L. Samson

for having completed the

Advanced Corporate Governance Training

held on
November 18, 2023 | 8:00 AM - 12:00 PM
through Zoom Meetings

Pedro H. Maniego Jr.
Managing Trustee



ICD

Institute of Corporate Directors

presents this

Certificate of Participation

to

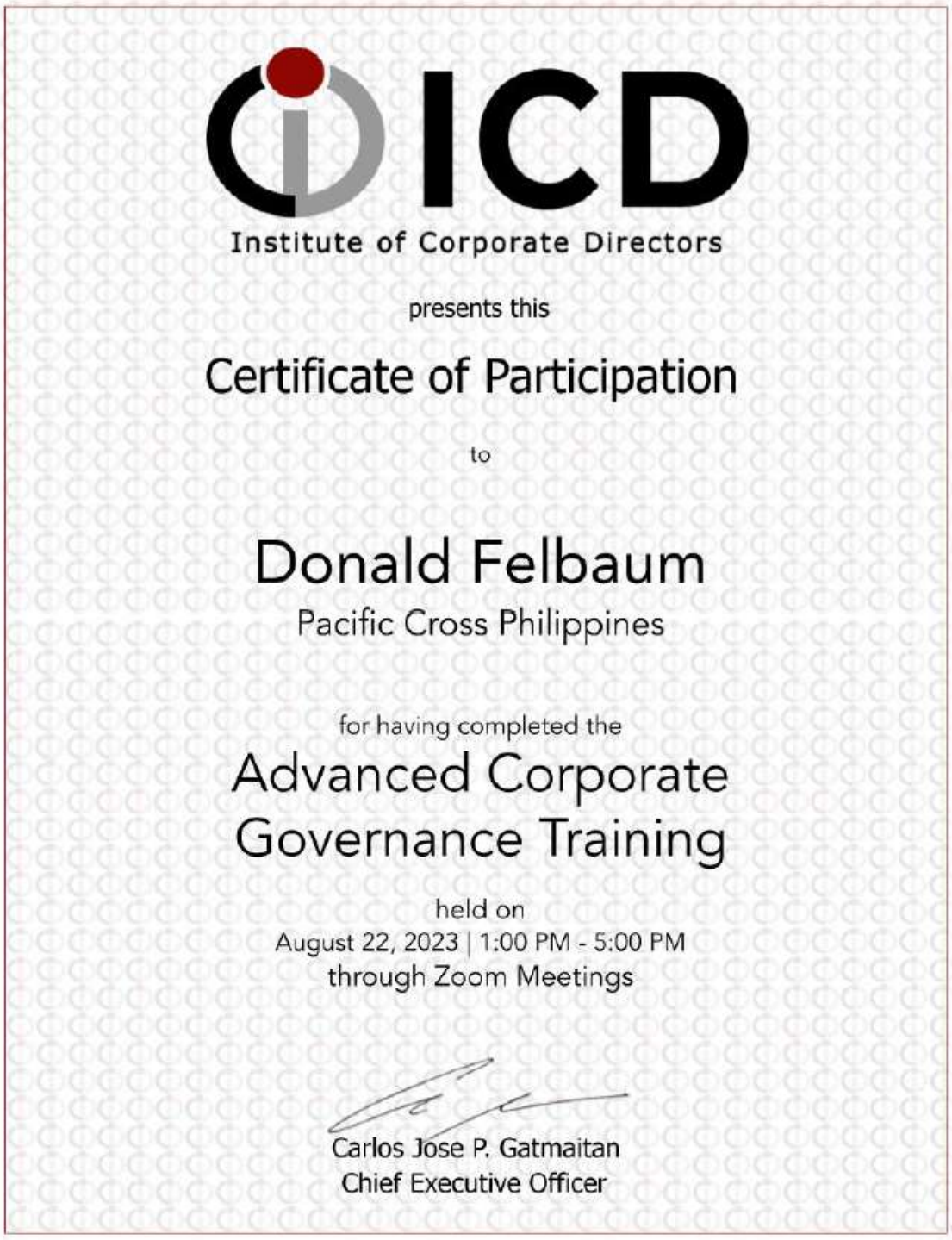
Martin T. Lee

for having completed the

Advanced Corporate Governance Training

held on
November 18, 2023 | 8:00 AM - 12:00 PM
through Zoom Meetings

Pedro H. Maniego Jr.
Managing Trustee



ICD

Institute of Corporate Directors

presents this

Certificate of Participation

to

Donald Felbaum

Pacific Cross Philippines

for having completed the

Advanced Corporate Governance Training

held on

August 22, 2023 | 1:00 PM - 5:00 PM

through Zoom Meetings

Carlos Jose P. Gatmaitan

Chief Executive Officer



ICD

Institute of Corporate Directors

presents this

Certificate of Participation

to

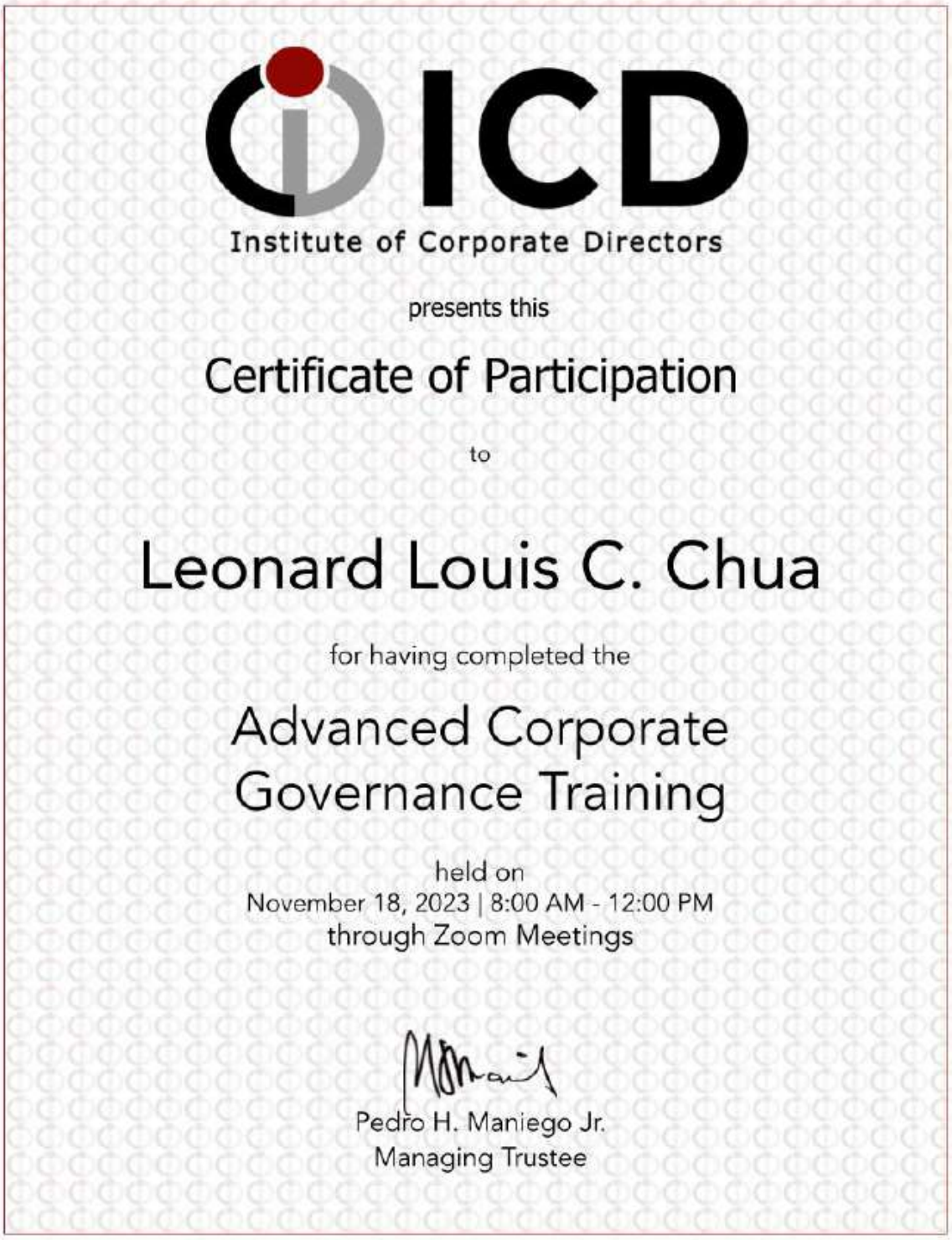
Richard Lemuel U. Pacheco

for having completed the

Advanced Corporate Governance Training

held on
November 18, 2023 | 8:20 AM - 12:00 PM
through Zoom Meetings

Pedro H. Maniego Jr.
Managing Trustee



ICD

Institute of Corporate Directors

presents this

Certificate of Participation

to

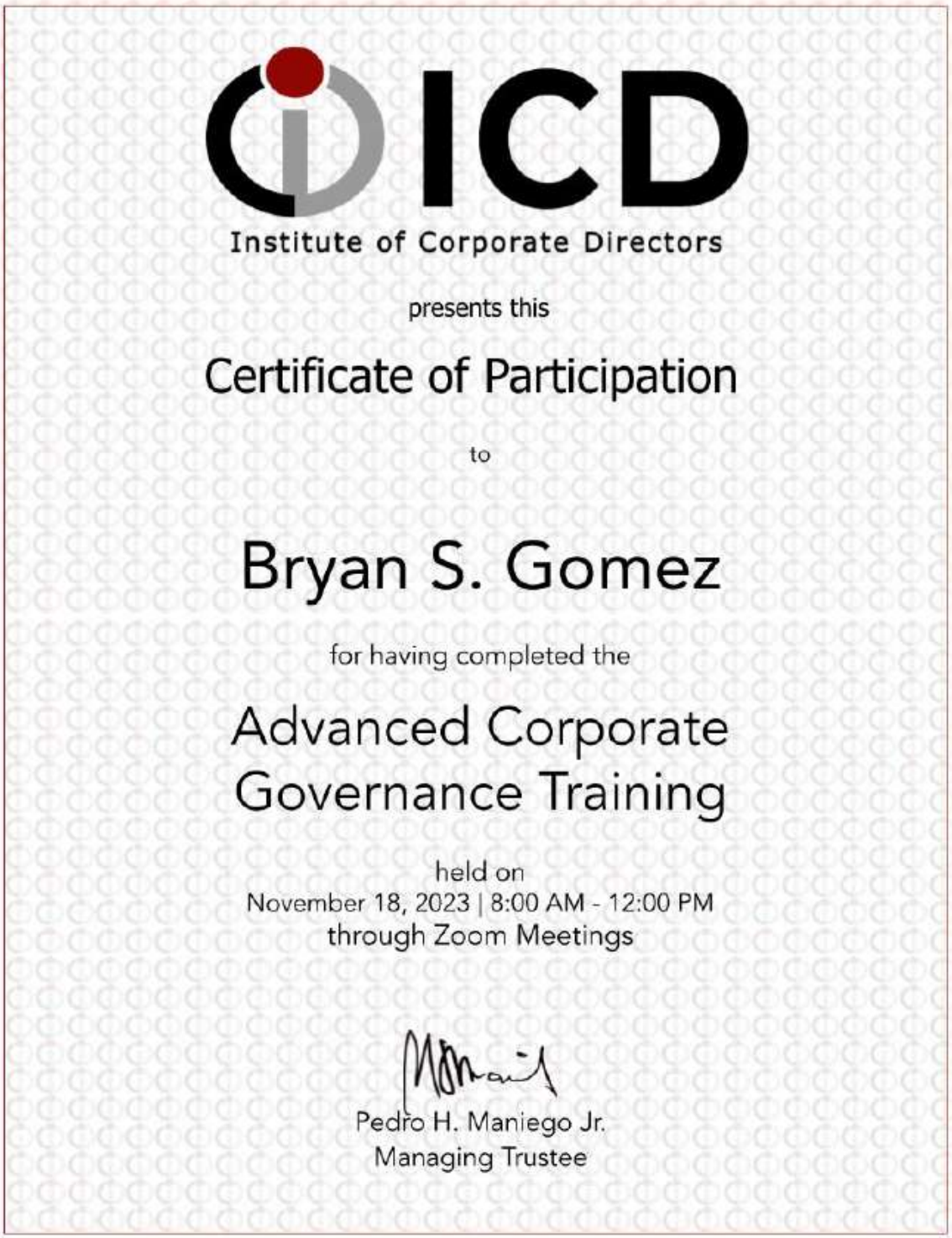
Leonard Louis C. Chua

for having completed the

Advanced Corporate Governance Training

held on
November 18, 2023 | 8:00 AM - 12:00 PM
through Zoom Meetings

Pedro H. Maniego Jr.
Managing Trustee



ICD

Institute of Corporate Directors

presents this

Certificate of Participation

to

Bryan S. Gomez

for having completed the

Advanced Corporate Governance Training

held on
November 18, 2023 | 8:00 AM - 12:00 PM
through Zoom Meetings

Pedro H. Maniego Jr.
Managing Trustee



ICD

Institute of Corporate Directors

presents this

Certificate of Participation

to

Terence L. Chan

for having participated in the

Advanced Corporate Governance Training

held on
November 18, 2023 | 8:00 AM - 10:00 AM
through Zoom Meetings

Pedro H. Maniego Jr.
Managing Trustee



ICD

Institute of Corporate Directors

presents this

Certificate of Participation

to

Mark Jason C. Mariposa

for having completed the

Advanced Corporate Governance Training

held on
November 18, 2023 | 8:00 AM - 12:00 PM
through Zoom Meetings

Pedro H. Maniego Jr.
Managing Trustee



ICD

Institute of Corporate Directors

presents this

Certificate of Participation

to

Lorena E. Velarde

for having completed the

Advanced Corporate Governance Training

held on
November 18, 2023 | 8:00 AM - 12:00 PM
through Zoom Meetings

Pedro H. Maniego Jr.
Managing Trustee



ICD

Institute of Corporate Directors

presents this

Certificate of Participation

to

Juan Carlos G. Aquino

for having completed the

Advanced Corporate Governance Training

held on
November 18, 2023 | 8:00 AM - 12:00 PM
through Zoom Meetings

Pedro H. Maniego Jr.
Managing Trustee



ICD

Institute of Corporate Directors

presents this

Certificate of Participation

to

Sharon T. Lim

for having completed the

Advanced Corporate Governance Training

held on
November 18, 2023 | 8:00 AM - 12:00 PM
through Zoom Meetings

Pedro H. Maniego Jr.
Managing Trustee



ICD

Institute of Corporate Directors

presents this

Certificate of Participation

to

Stephanie Faye B. Reyes

for having completed the

Advanced Corporate Governance Training

held on
November 18, 2023 | 8:00 AM - 12:00 PM
through Zoom Meetings

Pedro H. Maniego Jr.
Managing Trustee



ICD

Institute of Corporate Directors

presents this

Certificate of Participation

to

Sanida C. Tan

for having participated in the

Advanced Corporate Governance Training

held on
November 18, 2023 | 8:00 AM - 10:00 AM
through Zoom Meetings

Pedro H. Maniego Jr.
Managing Trustee



ICD

Institute of Corporate Directors

presents this

Certificate of Participation

to

Steffi Nicole P. Flores

for having completed the

Advanced Corporate Governance Training

held on
November 18, 2023 | 8:00 AM - 12:00 PM
through Zoom Meetings

Pedro H. Maniego Jr.
Managing Trustee