



SEC FORM – I-ACGR

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT

1. For the fiscal year ended: **2021**
2. SEC Identification Number: **62596**
3. BIR Tax Identification No.: **000-163-715-000**
4. Exact name of issuer as specified in its charter **KEPPEL PHILIPPINES HOLDINGS, INC.**
5. **Makati City, Philippines**  
Province, Country or other jurisdiction of incorporation or organization
6.  (SEC Use Only)  
Industry Classification Code:
7. **Unit 3-B Country Space 1 Building, 133 Sen. Gil Puyat Avenue, Salcedo Village, Barangay Bel-Air, Makati City, 1200**  
Address of principal office Postal Code
8. **(632) 8892 1816**  
Issuer's telephone number, including area code
9. **N/A**  
Former name, former address, and former fiscal year, if changed since last report.

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT			
	COMPLIANT/ NON- COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
<b>The Board's Governance Responsibilities</b>			
<b>Principle 1:</b> 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.			
<b>Recommendation 1.1</b>			
1. Board is composed of directors with collective working knowledge, experience or expertise that is relevant to the company's industry/sector.	Compliant	The profile/qualifications of the directors of Keppel Philippines Holdings, Inc. (KPHI) is stated in SEC Form 17A – 2021 Annual Report, Part III, Item 9 (a)(link: <a href="https://www.keppelph.com/images/pdfs/SEC_Form_17A_-_Annual_Report_2021.pdf">https://www.keppelph.com/images/pdfs/SEC_Form_17A_-_Annual_Report_2021.pdf</a> ) and SEC Form 20 IS –2022 Statement, Part 1, Item B.5 (a) (link: <a href="https://www.keppelph.com/images/pdfs/KPH_-_SEC_Form_20IS_2022_-_DIS.pdf">https://www.keppelph.com/images/pdfs/KPH_-_SEC_Form_20IS_2022_-_DIS.pdf</a> ).	
2. Board has an appropriate mix of competence and expertise.	Compliant		
3. Directors remain qualified for their positions individually and collectively to enable them to fulfill their roles and responsibilities and respond to the needs of the organization.	Compliant	Per Article 3.1.1 of the Corporation's New Manual on Corporate Governance (NMCG) (link: <a href="http://www.keppelph.com/images/pdfs/KPHI_New_Manual_on_Corporate_Governance_as_Revised.pdf">http://www.keppelph.com/images/pdfs/KPHI_New_Manual_on_Corporate_Governance_as_Revised.pdf</a> ) "The Board will always ensure that it has an appropriate mix of competence and expertise and that its members remain qualified for their positions individually and collectively, to enable it to fulfill its roles and responsibilities and respond to the needs of the organization based on the evolving business environment and strategic direction."	
<b>Recommendation 1.2</b>			
1. Board is composed of a majority of non-executive directors.	Compliant	Based on the Corporation's latest GIS (filed on 28 July 2021), only 3 out of the 7 total directors occupy executive positions, therefore, non-executive directors still compose the majority of the board. (link: <a href="https://www.keppelph.com/images/pdfs/KPH_-_GIS_Y2021_PSE.r.pdf">https://www.keppelph.com/images/pdfs/KPH_-_GIS_Y2021_PSE.r.pdf</a> ).	

**Recommendation 1.3**

1. Company provides in its Board Charter and Manual on Corporate Governance a policy on training of directors.	Compliant	<p>Per Article 3.1.3 of the Corporation's NMCG, as revised, (link: <a href="http://www.keppelph.com/images/pdfs/KPHI_New_Manual_on_Corporate_Governance_as_Revised.pdf">http://www.keppelph.com/images/pdfs/KPHI_New_Manual_on_Corporate_Governance_as_Revised.pdf</a>) "KPHI will provide in its Board Charter and Manual on Corporate Governance a policy on the training of directors, including an orientation program for first-time directors and relevant annual continuing training for all directors. The orientation or training programs will cover SEC mandated topics on corporate governance and the like conducted by a duly SEC accredited private or government institute."</p> <p>The Board Charter can be found in the KPHI website in this link: <a href="https://www.keppelph.com/corporate-governance/board-committees.html">https://www.keppelph.com/corporate-governance/board-committees.html</a></p>	
2. Company has an orientation program for first time directors.	Compliant	There was no first time director elected for year 2021.	In the future, the Company will develop a formal orientation program for incoming first-time directors.
3. Company has relevant annual continuing training for all directors.	Compliant	All the Directors attended the seminar conducted by Punongbayan and Araullo's Grant Thornton (P&A GT) on June 17, 2021 via WebEx. (link: <a href="https://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=87#viewer">https://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=87#viewer</a> ).	

**Recommendation 1.4**

1. Board has a policy on board diversity.	Compliant	Article 3.1.4 of the Corporation's NMCG, as revised, (link: <a href="http://www.keppelph.com/images/pdfs/KPHI_New_Manual_on_Corporate_Governance_as_Revised.pdf">http://www.keppelph.com/images/pdfs/KPHI_New_Manual_on_Corporate_Governance_as_Revised.pdf</a> ) provides that: "KPHI will have a policy on board diversity. It recognizes the significance of a diverse Board in order to avoid groupthink and ensure that optimal-decision making is achieved. The Board is diverse in age, skills, competence, knowledge and gender."	
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		<p>The average age of the 7-member Board is 61 years old with an age range from 49 to 75 years old. Moreover, the Board members have diverse skills, competencies, and knowledge drawn from their professional background and experience in financial management, planning and control, accounting, audit, banking, insurance, corporate affairs, administration, human resource development, and real estate.</p> <p>Gender-wise, the Board of Directors is comprised of six (6) male directors and one (1) female director. (link: <a href="https://www.keppelph.com/images/pdfs/KPH_-_GIS_Y2021_PSE.r.pdf">https://www.keppelph.com/images/pdfs/KPH_-_GIS_Y2021_PSE.r.pdf</a>).</p>	
<b>Optional: Recommendation 1.4</b>			
1. Company has a policy on and discloses measurable objectives for implementing its board diversity and reports on progress in achieving its objectives.	Compliant	Article 3.1.4 of the Corporation's NMCG, as revised, (link: <a href="http://www.keppelph.com/images/pdfs/KPHI_New_Manual_on_Corporate_Governance_as_Revised.pdf">http://www.keppelph.com/images/pdfs/KPHI_New_Manual_on_Corporate_Governance_as_Revised.pdf</a> ) provides that: "KPHI will have a policy on board diversity. It recognizes the significance of a diverse Board in order to avoid groupthink and ensure that optimal-decision making is achieved. The Board is diverse in age, skills, competence, knowledge and gender."	
<b>Recommendation 1.5</b>			
1. Board is assisted by a Corporate Secretary.	Compliant	Based on the Company's latest GIS, the current Corporate Secretary is <b>Atty. Ma. Melva E. Valdez</b> , 62, Filipino, who has been the Corporate Secretary of the Company since 1999.	
2. Corporate Secretary is a separate individual from the Compliance Officer.	Compliant	She also served as Director of the Company from 24 June 2008 to 11 June 2009. She is a Senior Partner of the law firm of Bello Valdez & Fernandez;	

3. Corporate Secretary is not a member of the Board of Directors.	Compliant	<p>Details about the Corporate Secretary can be accessed in the notes in 1.2 Item 1 and the link below.  (links:<a href="https://www.keppelph.com/images/pdfs/KPH_-_GIS_Y2021_PSE.r.pdf">https://www.keppelph.com/images/pdfs/KPH_-_GIS_Y2021_PSE.r.pdf</a>;  <a href="https://www.keppelph.com/images/pdfs/SEC_Form_17A_-_Annual_Report_2021.pdf">https://www.keppelph.com/images/pdfs/SEC_Form_17A_-_Annual_Report_2021.pdf</a>).</p> <p>The Corporate Secretary is not a member of the Board of Directors and not the Compliance Officer.</p>	
4. Corporate Secretary attends training/s on corporate governance.	Compliant	<p><b>Atty. Ma. Melva E. Valdez</b>, Corporate Secretary and <b>Atty. Pamela Ann T. Cayabyab</b>, Assistant Corporate Secretary, attended the online seminar on Corporate Governance dated 17 June 2021 conducted by P&amp;A Grant Thornton (link:  <a href="https://edge.pse.com.ph/companyDisclosures/form.do?company_id=87#viewer">https://edge.pse.com.ph/companyDisclosures/form.do?company_id=87#viewer</a>).</p>	
<b>Optional: Recommendation 1.5</b>			
1. Corporate Secretary distributes materials for board meetings at least five business days before scheduled meeting.	Compliant	The Board meeting materials are distributed at least five business days before scheduled meeting either by hand delivery or via email.	
<b>Recommendation 1.6</b>			
1. Board is assisted by a Compliance Officer.	Compliant	<p>Based on the Company's latest GIS, the current Compliance Officer is <b>Ms. Felicidad V. Razon</b>, 61, Filipino. She has been elected as a regular Director of the Company since May 2014. The Company is a small organization and she is the highest ranking officer after the President.</p> <p>(links: <a href="https://www.keppelph.com/images/pdfs/KPH_-_GIS_Y2021_PSE.r.pdf">https://www.keppelph.com/images/pdfs/KPH_-_GIS_Y2021_PSE.r.pdf</a>;</p>	
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.	Non-Compliant	<p><a href="https://www.keppelph.com/images/pdfs/SEC Form 17A - Annual Report 2021.pdf">https://www.keppelph.com/images/pdfs/SEC Form 17A - Annual Report 2021.pdf</a></p> <p>Article 3.1.6 of the Corporation's NMCG, as revised (link: <a href="http://www.keppelph.com/images/pdfs/KPHI New Manual on Corporate Governance as Revised.pdf">http://www.keppelph.com/images/pdfs/KPHI New Manual on Corporate Governance as Revised.pdf</a>), provides that: "The Board will ensure that it is assisted in its duties by a Compliance Officer, who will have a rank of Vice President or an equivalent position with adequate stature and authority in KPHI."</p> <p>The Duties of the Compliance Officer are enumerated from (a) to (i) of Article 3.1.6 of the NMCG.</p>	Due to the simple structure and operation of the Company, its current Compliance Officer is a member of the Board of Directors and the Vice President / Treasurer. Notwithstanding, being a member of the Board will not prejudice the compliance function since she will adhere to the rules and regulations of the SEC and other governing bodies.
4. Compliance Officer attends training/s on corporate governance.	Compliant	On 29 July 2020, the Corporation submitted to the PSE <b>Ms. Felicidad V. Razon's</b> Certificate of Attendance in the Corporate Governance Seminar dated 17 June 2021 (links: <a href="https://edge.pse.com.ph/companyDisclosures/form.do?cmpr_id=87#viewer">https://edge.pse.com.ph/companyDisclosures/form.do?cmpr_id=87#viewer</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 Corporation held nine (9) Board meetings in 2021: five (5) regular meetings, one (1) organizational meeting and three (3) special meetings, details of which are indicated in the SEC Form 20-IS—2022 Information Statement submitted by the company to the SEC. (link: <a href="https://www.keppelph.com/images/pdfs/KPHI - SEC Form 20IS 2022 - DIS.pdf">https://www.keppelph.com/images/pdfs/KPHI - SEC Form 20IS 2022 - DIS.pdf</a> )	
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#### Recommendation 2.2

1. Board oversees the development, review and approval of the company's business objectives and strategy.	Compliant	The business objectives and strategies are reviewed and discussed by the Board during the board meetings.	
2. Board oversees and monitors the implementation of the company's business objectives and strategy.	Compliant	The Board and management review the Company objectives during the preparation of the annual report, budget preparation, and during discussion of result of annual external audit.	
<b>Supplement to Recommendation 2.2</b>			
1. Board has a clearly defined and updated vision, mission and core values.	Compliant	The company has been guided by the Keppel Corporation Ltd.'s (KCL) mission and vision. Keppel's core value is shown in its NMCG, as revised. It is also indicated on the Corporation's website at <a href="http://www.keppelph.com/home/our-company/mission-vision-and-values.html">http://www.keppelph.com/home/our-company/mission-vision-and-values.html</a>	KPHI will develop its own mission vision statements.
2. Board has a strategy execution process that facilitates effective management performance and is attuned to the company's business environment, and culture.	Compliant	Article 3.2.2 of the Corporation's NMCG, as revised, (link: <a href="http://www.keppelph.com/images/pdfs/KPHI_New_Manual_on_Corporate_Governance_as_Revised.pdf">http://www.keppelph.com/images/pdfs/KPHI_New_Manual_on_Corporate_Governance_as_Revised.pdf</a> ) provides the policy. The Board oversees the development of and approval of KPHI's business objectives and strategy, and monitors their implementation, to sustain KPHI's long-term viability and strength.  The Board reviews and discusses strategy execution process during the board meetings.	
<b>Recommendation 2.3</b>			
1. Board is headed by a competent and qualified Chairperson.	Compliant	Based on the Company's SEC Form 17-A 2021 Annual Report Part III, Item 9 (a) and the latest GIS, the current Chairman is <b>Mr. Kevin Chng Chee Keong</b> , 49, Malaysian who has been elected as Chairman of the Board since 8 May 2020.	

		The details about the Chairman can be accessed through <a href="https://www.keppelph.com/images/pdfs/KPH - GIS Y2021 PSE.r.pdf">https://www.keppelph.com/images/pdfs/KPH - GIS Y2021 PSE.r.pdf</a> and <a href="https://www.keppelph.com/images/pdfs/SEC Form 17A - Annual Report 2021.pdf">https://www.keppelph.com/images/pdfs/SEC Form 17A - Annual Report 2021.pdf</a> ).	
<b>Recommendation 2.4</b>			
1. Board ensures and adopts an effective succession planning program for directors, key officers and management.	Compliant	CGNC reviews the list of directors on an annual basis to determine if they are qualified to be nominated in the next election as members of the Board.	
2. Board adopts a policy on the retirement for directors and key officers.	Compliant	For key officers, KPHI is guided by KCL's policy on succession planning for its officers approved by the KPHI Chairman.	
<b>Recommendation 2.5</b>			
1. Board aligns the remuneration of key officers and board members with long-term interests of the company.	Compliant	Article 3.2.5 of the Corporation's NMCG, as revised, (link: <a href="http://www.keppelph.com/images/pdfs/KPHI New Manual on Corporate Governance as Revised.pdf">http://www.keppelph.com/images/pdfs/KPHI New Manual on Corporate Governance as Revised.pdf</a> ) provides that "the Board will align the remuneration of key officers and board members with the long-term interests of KPHI. In doing so, it will formulate and adopt a policy specifying the relationship between remuneration and performance. Further, no director will participate in discussions or deliberations involving his own remuneration.	
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	The directors' compensation, if any, will be in accordance with the By-laws of KPHI and/or as approved by the stockholders during the annual stockholders' meeting. The Board will, from time to time, approve reasonable per diem that a director may receive for attendance in the Board and Board Committee meetings." (link: <a href="https://www.keppelph.com/images/pdfs/KPH - SEC Form 17-C-Results of 18Jun2021 ASM.pdf">https://www.keppelph.com/images/pdfs/KPH - SEC Form 17-C-Results of 18Jun2021 ASM.pdf</a> ).	



		<p>Article 3.3.1(c) (iv) of the Corporation NMCG, as revised, provides that the Corporate Governance and Nomination Committee has Compensation functions, which include "disallowing any director ensuing to decide his or her own remuneration."</p> <p>The SEC Forms 17-Q and 17-A, which contains disclosures on the total compensation and remuneration of KPHI, is presented and approved by the board.</p>	
<b>Optional: Recommendation 2.5</b>			
1. Board approves the remuneration of senior executives.	Compliant	<p>Part III, Item 10 Executive Compensation of SEC Form 17A-2021 Annual Report as approved by the Board, provides the senior executives' remuneration (link: <a href="https://www.keppelph.com/images/pdfs/SEC Form 17A - Annual Report 2021.pdf">https://www.keppelph.com/images/pdfs/SEC Form 17A - Annual Report 2021.pdf</a>) and also to Part I, B. Item 6 Compensation of Directors and Executive Officers of SEC Form 20IS - 2022 Information Statement (link: <a href="https://www.keppelph.com/images/pdfs/KPH - SEC Form 20IS 2022 - DIS.pdf">https://www.keppelph.com/images/pdfs/KPH - SEC Form 20IS 2022 - DIS.pdf</a> ).</p> <p>The SEC form 17-Q and 17-A which contains disclosures on the total compensation and remuneration of KPHI is presented and approved by the board.</p> <p>The KPH is guided by KCL's policy on compensation and remuneration for its officers approved by the KPH Chairman.</p> <p>The details of the senior executives' compensation are available to the Directors upon request.</p>	
2. Company has measurable standards to align the performance-based remuneration of the executive directors and senior executives with long-term	Compliant	<p>The Company conducts an annual review of the performance of executive directors and senior executives to determine performance against objectives set at the start of the year. KPHI also considers the compensation and compares it to the market.</p>	

interest, such as claw back provision and deferred bonuses.			
<b>Recommendation 2.6</b>			
1. Board has a formal and transparent board nomination and election policy.	Compliant	<p>Article 3.2.6 of the Corporation's NMCG, as revised, (link: <a href="http://www.keppelph.com/images/pdfs/KPHI_New_Manual_on_Corporate_Governance_as_Revised.pdf">http://www.keppelph.com/images/pdfs/KPHI_New_Manual_on_Corporate_Governance_as_Revised.pdf</a>) provides that "the Board, through its Corporate Governance and Nomination Committee, will have a formal and transparent board nomination and election policy that will include how it accepts nominations from minority shareholders and reviews nominated candidates. The policy will also include an assessment of the effectiveness of the Board's processes and procedures in the nomination, election, or replacement of a director. In addition, its process of identifying the quality of directors will be aligned with the strategic direction of KPHI." (emphasis supplied)</p> <p>Article 3.3.1.c of the Corporation's NMCG, as revised, provides the function of the CGNC (link: <a href="http://www.keppelph.com/images/pdfs/KPHI_New_Manual_on_Corporate_Governance_as_Revised.pdf">http://www.keppelph.com/images/pdfs/KPHI_New_Manual_on_Corporate_Governance_as_Revised.pdf</a>)</p>	
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 effectiveness of the Board's processes in the nomination, election or replacement of a director.	Compliant		
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.	Compliant	The Company does not use professional search firms. It taps the network of existing directors and business associates to short list potential candidates for 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	Article 3.2.7 of the Corporation's NMCG, as revised, (link: <a href="http://www.keppelph.com/images/pdfs/KPHI_New_Manual_on_Corporate_Governance_as_Revised.pdf">http://www.keppelph.com/images/pdfs/KPHI_New_Manual_on_Corporate_Governance_as_Revised.pdf</a> ) provides that: "the Board will have the 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, particularly those which pass certain thresholds of materiality. The policy will include the appropriate review and approval of material or significant RPTs, which guarantee fairness and transparency of the transactions. The policy will encompass all entities within the group, considering their size, structure, risk profile and complexity of operations."	
2. RPT policy includes appropriate review and approval of material RPTs, which guarantee fairness and transparency of the transactions.	Compliant	<p>One of the functions of the ARMC is to review all material RPTs of KPHI to ensure that it is an arms-length, market based and in compliance with all applicable laws. The RPT functions of the ARMC are provided in 3.3.1 b, item (i) to (vi) of the Corporation's NMCG. (link: <a href="http://www.keppelph.com/images/pdfs/KPHI_New_Manual_on_Corporate_Governance_as_Revised.pdf">http://www.keppelph.com/images/pdfs/KPHI_New_Manual_on_Corporate_Governance_as_Revised.pdf</a>)</p> <p>The Company's RPTs can be found on page 18 of the Corporation's SEC Form 17-A—2021 Annual Report and on its Note 10 of the Consolidated Audited Financial Statements (link: <a href="https://www.keppelph.com/images/pdfs/SEC_Form_17A_-">https://www.keppelph.com/images/pdfs/SEC_Form_17A_-</a></p>	

		<a href="#">Annual Report 2021.pdf</a> ) and in SEC Form 20IS – 2022 Information Statement (link: <a href="https://www.keppelph.com/images/pdfs/KPH - SEC Form 20IS 2022 - DIS.pdf">https://www.keppelph.com/images/pdfs/KPH - SEC Form 20IS 2022 - DIS.pdf</a> ).	
<b>Supplement to Recommendations 2.7</b>			
1. Board clearly defines the threshold for disclosure and approval of RPTs and categorizes such transactions according to those that are considered <i>de minimis</i> or transactions that need not be reported or announced, those that need to be disclosed, and those that need prior shareholder approval. The aggregate amount of RPTs within any twelve (12) month period should be considered for purposes of applying the thresholds for disclosure and approval.	Compliant	<p>All RPT Transactions are disclosed according to accounting standards. Significant RPT are also discussed and approved during the board meetings.</p> <p>Related Party Transactions of the Corporation can be found on page 18 of the Corporation's SEC Form 17-A—2021 Annual Report and on its Note 11 of the Consolidated Audited Financial Statements (link: <a href="https://www.keppelph.com/images/pdfs/SEC Form 17A - Annual Report 2021.pdf">https://www.keppelph.com/images/pdfs/SEC Form 17A - Annual Report 2021.pdf</a>) and in SEC Form 20IS – 2022 Information Statement (link: <a href="https://www.keppelph.com/images/pdfs/KPH - SEC Form 20IS 2022 - DIS.pdf">https://www.keppelph.com/images/pdfs/KPH - SEC Form 20IS 2022 - DIS.pdf</a>) and Annex H of I-ACGR.</p>	
2. Board establishes a voting system whereby a majority of non-related party shareholders approve specific types of related party transactions during shareholders' meetings.	Compliant	<p>There is no specific voting system whereby a majority of non-related party shareholders approves specific types of related party transactions during shareholders' meetings. However, during the annual stockholders' meeting, all the acts and proceedings of the Board of Directors, officer, and management of the corporation during the preceding year are ratified by the stockholders. (link: <a href="https://www.keppelph.com/images/pdfs/KPH - SEC Form 17-C-Results of 18Jun2021 ASM.pdf">https://www.keppelph.com/images/pdfs/KPH - SEC Form 17-C-Results of 18Jun2021 ASM.pdf</a>)</p> <p>Related party transactions are disclosed in the AFS, SEC 17-IS, SEC 17-A, SEC 17-Q and provided to the shareholders.</p>	
<b>Recommendation 2.8</b>			

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	<p>Article 3.2.8 of the Corporation's NMCG, as revised, (link: <a href="http://www.keppelph.com/images/pdfs/KPHI New Manual on Corporate Governance as Revised.pdf">http://www.keppelph.com/images/pdfs/KPHI New Manual on Corporate Governance as Revised.pdf</a>) provides that: "the Board will be primarily responsible for approving the selection and assessing the performance of the Management led by the Chief Executive Officer (CEO) or the President, and control functions led by their respective heads."</p> <p>Concerned Officers are:</p> <ul style="list-style-type: none"> <li>• <b>Alan I. Claveria</b> (re-appointed as President on 18 June 2021)</li> <li>• <b>Felicidad V. Razon</b> (re-appointed as Vice-President / Treasurer / Compliance Officer on 18 June 2021)</li> </ul> <p>KPHI does not have a CRO &amp; CAE. The Internal Auditor of a related party assists in KPHI's ERM and Internal Audit functions.</p>	KPH will develop its own ERM & IA Functions through recruitment, hiring and training.
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	<p>Article 3.3.1.c.ii page 16 of the Corporation's NMCG, as revised, (link: <a href="http://www.keppelph.com/images/pdfs/KPHI New Manual on Corporate Governance as Revised.pdf">http://www.keppelph.com/images/pdfs/KPHI New Manual on Corporate Governance as Revised.pdf</a>) provides that:</p> <p>The Board also conducts its own annual Self-Assessment based on KCL's Board Self-Assessment approach. Two (2) out of the seven-member board are executive officers and three (3) of the five (5) non-executive board members are independent directors.</p>	
<b>Recommendation 2.9</b>			
1. Board establishes an effective performance management framework that ensures that	Compliant	Article 3.2.9 of the Corporation's NMCG, as revised, (link: <a href="http://www.keppelph.com/images/pdfs/KPHI New Manual on Corporate Governance as Revised.pdf">http://www.keppelph.com/images/pdfs/KPHI New Manual on Corporate Governance as Revised.pdf</a> ) provides	

Management's performance is at par with the standards set by the Board and Senior Management.		that: "The Board will establish an effective performance management framework that will ensure that the Management, including the President, and personnel's performance is at par with the standards set by the Board and Senior Management."	
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	<p>Management submits a summary of the annual performance review and appraisal to the Chairman.</p> <p>The Board reviews the performance of Management and compares it against prior year's financial performance.</p>	
<b>Recommendation 2.10</b>			
1. Board oversees that an appropriate internal control system is in place.	Compliant	Article 3.2.2(f) of the Corporation's NMCG, as revised, ( <a href="http://www.keppelph.com/images/pdfs/KPHI_New_Manual_on_Corporate_Governance_as_Revised.pdf">link: http://www.keppelph.com/images/pdfs/KPHI_New_Manual_on_Corporate_Governance_as_Revised.pdf</a> ) provides that one of the functions of the Board is to:	
2. The internal control system includes a mechanism for monitoring and managing potential conflict of interest of the Management, members and shareholders.	Compliant	<p>"Adopt a system of check and balances within the Board. A regular review of the effectiveness of such system will be conducted to ensure the integrity of the decision-making, and reporting processes always. There will be a continuing review of KPHI's internal control system to maintain its adequacy and effectiveness."</p> <p>Article 3.2.10 of the Corporation's NMCG, as revised, provides that "the Board will oversee that an appropriate internal control system is in place, including setting up a mechanism for monitoring and managing potential conflicts of interest of Management, board members, and shareholders."</p> <p>KPHI also uses controlled self-assessment (CSA) as part of the mechanism for monitoring and managing potential conflict of interest. In January 2021, KPHI submitted the eCSA for year 2020 to KCL via online submission.</p>	

		The KPHI is guided by KCL's policy on internal control systems.	
3. Board approves the Internal Audit Charter.	Compliant	<p>The Board approves recommendations from the Audit and Risk Management Committee.</p> <p>One of the Audit Functions of said Committee under Article 3.3.1(b) of the NMCG, as revised, is to "Recommend the approval of the Internal Audit Charter (IA Charter), which formally defines the role of Internal Audit and the audit plan as well as oversees the implementation of the IA Charter." (link: <a href="http://www.keppelph.com/corporate-governance/board-committees.html">http://www.keppelph.com/corporate-governance/board-committees.html</a>)</p>	The Internal Audit Charter, which is part of the Internal Audit Manual, was presented to the ARMC in November 2017.
<b>Recommendation 2.11</b>			
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	Article 3.2.11 of the Corporation's NMCG, as revised, (link: <a href="http://www.keppelph.com/images/pdfs/KPHI_New_Manual_on_Corporate_Governance_as_Revised.pdf">http://www.keppelph.com/images/pdfs/KPHI_New_Manual_on_Corporate_Governance_as_Revised.pdf</a> ) provides that "the Board will oversee that a sound enterprise risk management (ERM) framework is in place to effectively identify, monitor, assess and manage key business risks. The risk management framework will guide the Board in identifying units/business lines and enterprise-level risk exposures, as well as the effectiveness of risk management strategies. This function will be undertaken by the Audit and Risk Management Committee."	
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	<p>Article 3.3.1 (b) of the Corporation's NMCG, as revised, (link: <a href="http://www.keppelph.com/images/pdfs/KPHI_New_Manual_on_Corporate_Governance_as_Revised.pdf">http://www.keppelph.com/images/pdfs/KPHI_New_Manual_on_Corporate_Governance_as_Revised.pdf</a>) provides for an Audit and Risk Management Committee. The ERM functions (i) to (ix) are enumerated on page 14 of the NMGC.</p> <p>The Enterprise Risk Management Framework following the Keppel Group Framework was submitted to the Board for discussion and continuous improvement last May 6, 2022.</p>	

<b>Recommendation 2.12 1</b>			
1. Board has a Board Charter that formalizes and clearly states its roles, responsibilities and accountabilities in carrying out its fiduciary role.	Compliant	Article 3.3.1 of the Corporation's NMCG, as revised, (link: <a href="http://www.keppelph.com/images/pdfs/KPHI_New_Manual_on_Corporate_Governance_as_Revised.pdf">http://www.keppelph.com/images/pdfs/KPHI_New_Manual_on_Corporate_Governance_as_Revised.pdf</a> ) states that the Board will provide Board committees that focus on specific board functions to aid in the optimal performance and responsibilities.	
2. Board Charter serves as a guide to the directors in the performance of their functions.	Compliant	The Board Charters are available at the Corporation's website at <a href="http://www.keppelph.com/corporate-governance/board-committees.html">http://www.keppelph.com/corporate-governance/board-committees.html</a>	
3. Board Charter is publicly available and posted on the company's website.	Compliant		
<b>Additional Recommendation to Principle 2</b>			
1. Board has a clear insider trading policy.	Compliant	The corporation's insider trading policy can be found on its website at <a href="http://keppelph.com/images/pdfs/INSIDER_TRADING_POLICY.pdf">http://keppelph.com/images/pdfs/INSIDER_TRADING_POLICY.pdf</a>	
<b>Optional: Principle 2</b>			
1. Company has a policy on granting loans to directors, either forbidding the practice or ensuring that the transaction is conducted at arm's length basis and at market rates.	Compliant	Loans, if any, are conducted at arm's length basis and at market rates provided by banks.  The company does not grant loan to its directors. However, executive positions are entitled to company loans as part of their compensation package.	
2. Company discloses the types of decision requiring board of directors' approval.	Compliant	As provided in Article 4.1.1 of the Corporation's NMCG, as revised, (link: <a href="http://www.keppelph.com/images/pdfs/KPHI_New_Manual_on_Corporate_Governance_as_Revised.pdf">http://www.keppelph.com/images/pdfs/KPHI_New_Manual_on_Corporate_Governance_as_Revised.pdf</a> ), "the Board will establish corporate disclosure policies and procedures to ensure a comprehensive, accurate, reliable and timely report to shareholders and other stakeholders that gives a	



		<p>fair and complete picture of KPHI's financial condition, results and business operations."</p> <p>The types of decision that Management submits to the Board of Directors for approval are as follows:</p> <ol style="list-style-type: none"> <li>Amendment or appeal of by-laws or the adoption of new by-laws,</li> <li>Distribution of dividends,</li> <li>Sale or purchase of investment property,</li> <li>Entering into merging or joint venture,</li> <li>Filling up of vacancies in the Board</li> <li>Bank signatories and level of authority</li> <li>Approval of quarterly or annual financial reports as required by SEC, PSE and Bureau of Internal Revenue</li> <li>All items approved by Audit and Risk Management Committee and the CGNC.</li> <li>Other disclosable matters required by SEC &amp; PSE.</li> </ol>	
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**Principle 3:** Board committees should be set up to the extent possible to support the effective performance of the Board's functions, particularly with respect to audit, risk management, related party transactions, and other key corporate governance concerns, such as nomination and remuneration. The composition, functions and responsibilities of all committees established should be contained in a publicly available Committee Charter.

**Recommendation 3.1**

1. Board establishes board committees that focus on specific board functions to aid in the optimal performance of its roles and responsibilities.	Compliant	<p>Article 3.3 of the Corporation's NMCG, as revised, (link: <a href="http://www.keppelph.com/images/pdfs/KPHI_New_Manual_on_Corporate_Governance_as_Revised.pdf">http://www.keppelph.com/images/pdfs/KPHI_New_Manual_on_Corporate_Governance_as_Revised.pdf</a>) states that: "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 compensation."</p> <p>Further, Article 3.3.1 of the NMCG states that: "the Board will establish board committees that focus on specific board functions to aid in the optimal performance of its roles and responsibilities."</p>	
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		<p>The Board will constitute the following Committees:</p> <ul style="list-style-type: none"> <li>• Executive Committee</li> <li>• Audit and Risk Management Committee <ul style="list-style-type: none"> <li>- Audit</li> <li>- Enterprise Risk Management</li> <li>- Related Party Transactions</li> </ul> </li> <li>• Corporate Governance and Nomination Committee <ul style="list-style-type: none"> <li>- Corporate Governance</li> <li>- Nomination</li> <li>- Compensation</li> </ul> </li> </ul>	
<b>Recommendation 3.2</b>			
1. Board establishes an Audit Committee to enhance its oversight capability over the company's financial reporting, internal control system, internal and external audit processes, and compliance with applicable laws and regulations.	Compliant	<p>Information on the Audit and Risk Management Committee (ARMC) can be found in Article 3.3(b) of the Corporation's NMCG, as revised, (link: <a href="http://www.keppelph.com/images/pdfs/KPHI_New_Manual_on_Corporate_Governance_as_Revised.pdf">http://www.keppelph.com/images/pdfs/KPHI_New_Manual_on_Corporate_Governance_as_Revised.pdf</a>).</p> <p>The ARMC has the following functions:</p> <ul style="list-style-type: none"> <li>- Audit</li> <li>- Enterprise Risk Management</li> <li>- Related Party Transaction</li> </ul> <p>One of the functions of the Audit and Risk Management Committee under Article 3.3.1(b)xii of the NMCG, as revised, is to "Recommend to the Board the appointment, reappointment, removal and fees of the External Auditor, duly accredited by the Commission, who undertakes an independent audit of KPHI, and provide an objective assurance on the manner by which the financial statements will be prepared and presented to the stockholders."</p>	
2. Audit Committee is composed of at least three appropriately qualified non-executive directors,	Compliant	<p>Article 3.3.(b) of the Corporation's NMCG, as revised, (link: <a href="http://www.keppelph.com/images/pdfs/KPHI_New_Manual_on_Corporate_Governance_as_Revised.pdf">http://www.keppelph.com/images/pdfs/KPHI_New_Manual_on_Corporate_Governance_as_Revised.pdf</a>) provides</p>	

the majority of whom, including the Chairman is independent.		<p>that: "The ARMC will be composed of at least three (3) appropriately qualified non-executive directors, the majority of whom, including the Chairman, will be independent."</p> <p>The ARMC is composed of the following non-executive directors:</p> <ol style="list-style-type: none"> <li>1. Celso P. Vivas, Chairman, Lead Independent Director</li> <li>2. Ramon J. Abejuela, Independent Director</li> <li>3. Leonardo R. Arguelles, Jr., Independent Director</li> <li>4. Stefan <u>Tong</u> Wai Mun, Member</li> </ol> <p>(link: <a href="http://www.keppelph.com/corporate-governance/board-committees.html">http://www.keppelph.com/corporate-governance/board-committees.html</a>)</p>	
3. All the members of the committee have relevant background, knowledge, skills, and/or experience in the areas of accounting, auditing and finance.	Compliant	<p>Article 3.3.(b) of the Corporation's NMCG, as revised, (link: <a href="http://www.keppelph.com/images/pdfs/KPHI New Manual on Corporate Govenance as Revised.pdf">http://www.keppelph.com/images/pdfs/KPHI New Manual on Corporate Govenance as Revised.pdf</a>) provides that: "All of the members of the committee must have relevant background, knowledge, skills, and/or experience in the areas of accounting, auditing and finance."</p> <p>Refer to SEC Form 17A-2021 Annual Report Item 9(a) iii, iv, and v. (<a href="https://www.keppelph.com/images/pdfs/SEC Form 17A - Annual Report 2021.pdf">https://www.keppelph.com/images/pdfs/SEC Form 17A - Annual Report 2021.pdf</a>) and in SEC Form 20IS-2022 Information Statement (link: <a href="https://www.keppelph.com/images/pdfs/KPH - SEC Form 20IS 2022 - DIS.pdf">https://www.keppelph.com/images/pdfs/KPH - SEC Form 20IS 2022 - DIS.pdf</a>) and in Recommendation 1.1 above.</p>	

<p>4. The Chairman of the Audit Committee is not the Chairman of the Board or of any other committee.</p>	<p>Compliant</p>	<p>Article 3.3.(b) of the Corporation's NMCG, as revised, (link: <a href="http://www.keppelph.com/images/pdfs/KPHI New Manual on Corporate Governance as Revised.pdf">http://www.keppelph.com/images/pdfs/KPHI New Manual on Corporate Governance as Revised.pdf</a>) provides that: "The Chairman of the ARMC will not be the chairman of the Board or of any other committees."</p> <p>The Chairman of the ARMC is <b>Mr. Celso P. Vivas</b>, Lead Independent Director. His detailed qualifications are provided at: <a href="http://www.keppelph.com/corporate-governance/board-committees.html">http://www.keppelph.com/corporate-governance/board-committees.html</a>, <a href="https://www.keppelph.com/images/pdfs/SEC Form 17A - Annual Report 2021.pdf">https://www.keppelph.com/images/pdfs/SEC Form 17A - Annual Report 2021.pdf</a>), Part III, Item 9 (a) (iii) and in SEC Form 20IS Information Statement-2022, which can be viewed at <a href="https://www.keppelph.com/images/pdfs/KPHI - SEC Form 20IS 2022 - DIS.pdf">https://www.keppelph.com/images/pdfs/KPHI - SEC Form 20IS 2022 - DIS.pdf</a> )</p>	
<p><b>Supplement to Recommendation 3.2</b></p>			
<p>1. Audit Committee approves all non-audit services conducted by the external auditor.</p>	<p>Compliant</p>	<p>As per Article 3.3.1b.vii Audit functions, (link: <a href="http://www.keppelph.com/images/pdfs/KPHI New Manual on Corporate Governance as Revised.pdf">http://www.keppelph.com/images/pdfs/KPHI New Manual on Corporate Governance as Revised.pdf</a>) one of ARMC's Audit Functions is to "Evaluate and determine the non-audit work, if any, of the External Auditor, and review periodically the non-audit fees paid to the External Auditor in relation to the total fees paid to him and to KPHI's overall consultancy expenses. The committee will disallow any non-audit work that will conflict with his duties as an External Auditor or may pose a threat to his independence. The non-audit work, if allowed, will be disclosed in the KPHI's Annual Report and Annual Corporate Governance Report."</p> <p>There are no non-audit services conducted during the period. (link: <a href="https://www.keppelph.com/images/pdfs/SEC Form 17A - Annual Report 2021.pdf">https://www.keppelph.com/images/pdfs/SEC Form 17A - Annual Report 2021.pdf</a>), Part II, Item 8 (a)).</p>	

2. Audit Committee conducts regular meetings and dialogues with the external audit team without anyone from management present.	Compliant	The ARMC comprising of only the Independent Directors met with the external auditor without the Management on 22 December 2021.	
<b>Optional: Recommendation 3.2</b>			
1. Audit Committee meet at least four times during the year.	Compliant	The ARMC met five (5) times in 2021: 1. 29 January 2021 2. 7 May 2021 3. 6 August 2021 4. 5 November 2021 2. 22 December 2021	
2. Audit Committee approves the appointment and removal of the internal auditor.	Compliant	KPH has a Group Audit and Risk Manager since 2017. KPH also has outsourced certain functions of the Internal Audit to the Internal Audit Manager of a related party. KPH is also under the scope of the Group Internal Audit (GIA) of the Keppel Group.	
<b>Recommendation 3.3</b>			
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	<p>Information on the Corporate Governance and Nomination Committee (CGNC) can be found in Article 3.3(c) of the Corporation's NMCG, as revised, (link: <a href="http://www.keppelph.com/images/pdfs/KPHI_New_Manual_on_Corporate_Governance_as_Revised.pdf">http://www.keppelph.com/images/pdfs/KPHI_New_Manual_on_Corporate_Governance_as_Revised.pdf</a>).</p> <p>The CG, Nomination &amp; Compensation functions is found on pages 16, 17 and 20, respectively, of the NMCG at the link above.</p> <p>As per Article 3.3(c) Nomination functions (vii) of the Corporation's NMCG, as revised, "the nomination and election process includes the review and evaluation of the qualifications of all persons nominated to the Board, in relation to criteria set forth in KPHI's Manual on Corporate Governance, By-Laws, and applicable regulations, including whether the candidate: possess the knowledge,</p>	

		skills, experience; has independence of mind, especially the Non-Executive Directors, given their responsibilities to the Board; has a record of integrity and good repute; has sufficient time to carry out the responsibilities; and has the ability to promote smooth interaction between board members."	
2. Corporate Governance Committee is composed of at least three members, all of whom should be independent directors.	Compliant	<p>Article 3.3(c) of the Corporation's NMCG, as revised, provides that the Commission will be composed of at least three members, all of whom will be independent directors, including the Chairman.</p> <p>The Corporation's CGNC is composed of the four directors, three of whom are independent directors, as follows:</p> <ol style="list-style-type: none"> <li>1. Ramon J. Abejuela -Chairman, Independent</li> <li>2. Celso P. Vivas—Member, Independent</li> <li>3. Leonardo R. Arguelles, Jr., Member, Independent</li> <li>4. Stefan <u>Tong Wai Mun</u>—Member</li> </ol> <p>(link: <a href="http://www.keppelph.com/corporate-governance/board-committees.html">http://www.keppelph.com/corporate-governance/board-committees.html</a>)</p> <p>Please refer to SEC Form 17A-2021 Annual Report (link: <a href="https://www.keppelph.com/images/pdfs/SEC_Form_17A_-_Annual_Report_2021.pdf">https://www.keppelph.com/images/pdfs/SEC_Form_17A_-_Annual_Report_2021.pdf</a>), Part III, Item 9(a), and in SEC Form 20IS -2022 Information Statement (link: <a href="https://www.keppelph.com/images/pdfs/KPH_-_SEC_Form_20IS_2022_-_DIS.pdf">https://www.keppelph.com/images/pdfs/KPH_-_SEC_Form_20IS_2022_-_DIS.pdf</a>), and refer to comments of Recommendation 1.1 f</p>	
3. Chairman of the Corporate Governance Committee is an independent director.	Compliant	The Chairman of the Corporate Governance and Nomination Committee is <b>Mr. Ramon J. Abejuela</b> , an Independent Director, 71 years old, Filipino, has been elected as Independent Director of KPHI since 14 September 2017. His detailed qualifications be found in the link.	

		Please refer to SEC Form 17A-2021 Annual Report (link: <a href="https://www.keppelph.com/images/pdfs/SEC_Form_17A_-_Annual_Report_2021.pdf">https://www.keppelph.com/images/pdfs/SEC_Form_17A_-_Annual_Report_2021.pdf</a> ), Part III, Item 9(a), (iv) and in SEC Form 20IS -2022 Information Statement (link: <a href="https://www.keppelph.com/images/pdfs/KPH_-_SEC_Form_20IS_2022_-_DIS.pdf">https://www.keppelph.com/images/pdfs/KPH_-_SEC_Form_20IS_2022_-_DIS.pdf</a> ).	
<b>Optional: Recommendation 3.3.</b>			
1. Corporate Governance Committee meet at least twice during the year.	Compliant	The CGNC met two (2) times in 2021: 1. 7 May 2021 2. 6 August 2021	
<b>Recommendation 3.4</b>			
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	The function of Risk Oversight is performed by the Audit and Risk Management Committee (ARMC). The information can be found in Article 3.3(b) of the Corporation's NMCG, as revised, (link: <a href="http://www.keppelph.com/images/pdfs/KPHI_New_Manual_on_Corporate_Governance_as_Revised.pdf">http://www.keppelph.com/images/pdfs/KPHI_New_Manual_on_Corporate_Governance_as_Revised.pdf</a> ).  The ARMC has the following functions: <ul style="list-style-type: none"> <li>• Audit</li> <li>• Enterprise Risk Management</li> <li>• Related Party Transaction</li> </ul>	
2. BROC is composed of at least three members, the majority of whom should be independent directors, including the Chairman.	Compliant	Article 3.3.(b) of the Corporation's NMCG, as revised, provides that: "The ARMC will be composed of at least three (3) appropriately qualified non-executive directors, the majority of whom, including the Chairman, will be independent."  The ARMC is composed of four directors three of whom are independent directors, as follows: 1. Celso P. Vivas - Chairman, Lead Independent 2. Ramon J. Abejuela—Member, Independent 3. Leonardo R. Arguelles – Member, Independent 4. Stefan Tong Wai Mun—Member	

		(link: <a href="http://www.keppelph.com/corporate-governance/board-committees.html">http://www.keppelph.com/corporate-governance/board-committees.html</a> )	
3. The Chairman of the BROCC is not the Chairman of the Board or of any other committee.	Compliant	<p>Article 3.3.(b) of the Corporation's NMCG, as revised, (link: <a href="http://www.keppelph.com/images/pdfs/KPHI_New_Manual_on_Corporate_Governance_as_Revised.pdf">http://www.keppelph.com/images/pdfs/KPHI_New_Manual_on_Corporate_Governance_as_Revised.pdf</a>) provides that: "The Chairman of the ARMC will not be the chairman of the Board or of any other committees."</p> <p>Note that one of the functions of the ARMC is risk oversight. Please refer to Recommendation 3.2 item 4 for the qualification of the Chairman of ARMC, <b>Mr. Celso P. Vivas</b>, which covers the Risk Oversight.</p>	
4. At least one member of the BROCC has relevant thorough knowledge and experience on risk and risk management.	Compliant	<p>Article 3.3.(b) of the Corporation's NMCG, as revised, provides that: "All of the members of the committee must have relevant background, knowledge, skills, and/or experience in the areas of accounting, auditing and finance."</p> <p>Please refer to Recommendation 1.1 for the qualifications of directors, SEC Form 17A-2021 Annual Report (link: <a href="https://www.keppelph.com/images/pdfs/SEC_Form_17A_-_Annual_Report_2021.pdf">https://www.keppelph.com/images/pdfs/SEC_Form_17A_-_Annual_Report_2021.pdf</a>) Part III, Item 9(a), and in SEC Form 20IS -2022 Information Statement (link: <a href="https://www.keppelph.com/images/pdfs/KPH_-_SEC_Form_20IS_2022_-_DIS.pdf">https://www.keppelph.com/images/pdfs/KPH_-_SEC_Form_20IS_2022_-_DIS.pdf</a>).</p>	
<b>Recommendation 3.5</b>			
1. Board establishes a Related Party Transactions (RPT) Committee, which is tasked with reviewing all material related party transactions of the company.	Compliant	<p>The function of a Related Party Transactions (RPT) committee is performed by the Audit and Risk Management Committee, information can be found in Article 3.3(b) of the Corporation's NMCG, as revised, (link: <a href="http://www.keppelph.com/images/pdfs/KPHI_New_Manual_on_Corporate_Governance_as_Revised.pdf">http://www.keppelph.com/images/pdfs/KPHI_New_Manual_on_Corporate_Governance_as_Revised.pdf</a>)</p>	



		<a href="#">al on Corporate Govenance as Revised.pdf</a> ). RPT is one of the functions of ARMC.	
2. RPT Committee is composed of at least three non-executive directors, two of whom should be independent, including the Chairman.	Compliant	Article 3.3.(b) of the Corporation's NMCG, as revised, provides that: "The ARMC will be composed of at least <u>three (3)</u> appropriately qualified <u>non-executive directors</u> , the majority of whom, including the Chairman, will be independent."	
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	Committee charters can be found on the Corporation's website at <a href="http://keppelph.com/corporate-governance/board-committees.html">http://keppelph.com/corporate-governance/board-committees.html</a> .  The Committee charter are as follows: 1. The Board Charter 1.1 The Executive Committee 1.2 The Corporate Governance and Nomination Committee 1.3 The Audit and Risk Management Committee 1.3.1 The Internal Audit Charter	
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		
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	Compliant	Per the Corporation's latest By-Laws (link: <a href="http://keppelph.com/images/pdfs/KPHI_Certificate_of_filing_of_Amended_By-Laws_Change_in_Committees.pdf">http://keppelph.com/images/pdfs/KPHI_Certificate_of_filing_of_Amended_By-Laws_Change_in_Committees.pdf</a> ) Regular and Special Meetings may be conducted <u>by teleconferencing or videoconferencing</u> . The guidelines (nos. 1 to 8) governing the conduct of the latter are found	

the rules and regulations of the Commission.		<p>in page 2 to 4 of the Amended By-Laws in the link provided above.</p> <p>Article 3.4.1. of the Corporation's NMCG, as revised, also provides that "The directors will 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, except when justifiable causes, such as, illness, death in the immediate family and serious accidents, prevent them from doing so. In Board and Committee meetings, the director will review meeting materials and if called for, ask the necessary questions or seek clarifications and explanations. "</p> <p>Information on the attendance and participation of directors to Board, Committee and shareholders' meetings can be found in the Company's 2022 Information Statement. (link: <a href="https://www.keppelph.com/images/pdfs/KPH_-_SEC_Form_20IS_2022_-_DIS.pdf">https://www.keppelph.com/images/pdfs/KPH_-_SEC_Form_20IS_2022_-_DIS.pdf</a>), Item H of KPHI Management Report, Corporate Governance, pages 37 of 37 pages.</p>	
2. The directors review meeting materials for all Board and Committee meetings.	Compliant	Board materials are sent to the Directors <u>at least five (5) days</u> before the actual meeting via hand delivery or via email.	
3. The directors ask the necessary questions or seek clarifications and explanations during the Board and Committee meetings.	Compliant	The Directors actively participate in the Board and Committee Meetings.	
<b>Recommendation 4.2</b>			
1. Non-executive directors concurrently serve in a maximum of five publicly-listed companies to	Compliant	Article 3.4.2 of the Corporation's NMCG, as revised, (link: <a href="http://www.keppelph.com/images/pdfs/KPHI_New_Manual_on_Corporate_Govenance_as_Revised.pdf">http://www.keppelph.com/images/pdfs/KPHI_New_Manual_on_Corporate_Govenance_as_Revised.pdf</a> ) provides	

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.		<p>that "the non-executive directors (NED) of the Board will concurrently serve as directors to a maximum of five (5) publicly listed companies to ensure that they have sufficient time to fully prepare for meetings, challenge Management's proposals/views, and oversee the long-term strategy of KPHI. However, in the event that they serve more than five (5) publicly listed companies, the Board will review this and decide accordingly."</p> <p>Information on the directorships of the company's directors in both listed and non-listed companies can be found in SEC Form 17A-2021 Annual Report (link: <a href="https://www.keppelph.com/images/pdfs/SEC_Form_17A_-_Annual_Report_2021.pdf">https://www.keppelph.com/images/pdfs/SEC_Form_17A_-_Annual_Report_2021.pdf</a>) and in SEC Form 20IS - 2022 Information Statement (link: <a href="https://www.keppelph.com/images/pdfs/KPH_-_SEC_Form_20IS_2022_-_DIS.pdf">https://www.keppelph.com/images/pdfs/KPH_-_SEC_Form_20IS_2022_-_DIS.pdf</a>) .</p>	
<b>Recommendation 4.3</b>			
1. The directors notify the company's board before accepting a directorship in another company.	Compliant	Notification to the Board started in 2018.	Verbal and email notifications are provided to the Board, if any.
<b>Optional: Principle 4</b>			
1. Company does not have any executive directors who serve in more than two boards of listed companies outside of the group.	Compliant	The Company does not have any executive directors who serve in more than two boards of listed companies outside of the group.	
2. Company schedules board of directors' meetings before the start of the financial year.	Compliant	The Company prepares annual timetable for all meetings for the ensuing year, including, stockholders' meeting and committees' meeting.	
3. Board of directors meet at least six times during the year.	Compliant	<p>The Board conducted nine (9) Board meetings in 2021, five (5) regular meetings, one (1) organizational meeting, and three (3) special meeting.</p> <p>(link: <a href="https://www.keppelph.com/images/pdfs/SEC_Form_17A_-_Annual_Report_2021.pdf">https://www.keppelph.com/images/pdfs/SEC_Form_17A_-_Annual_Report_2021.pdf</a>) Part V, Exhibits and Schedules</p>	

		and in SEC Form 201S – 2022 Information Statement (link: <a href="https://www.keppelph.com/images/pdfs/KPH - SEC Form 201S 2022 - DIS.pdf">https://www.keppelph.com/images/pdfs/KPH - SEC Form 201S 2022 - DIS.pdf</a> ) Item H of KPHI Management Report, Corporate Governance pages 37 of 37 pages.	
4. Company requires as minimum quorum of at least 2/3 for board decisions.	Compliant	Article II, Section 2 of the Corporation's By-Laws provides that "A majority of the directors shall be necessary at all the meetings to constitute a quorum for the transaction of any business, and every decision of majority of the quorum duly assembled as a Board shall be valid as a corporate act, except in the case of electing a director/s to fill up a vacancy in the board." (link: <a href="http://keppelph.com/images/pdfs/KPHI Certificate of filing of Amended By-Laws Change in Committees.pdf">http://keppelph.com/images/pdfs/KPHI Certificate of filing of Amended By-Laws Change in Committees.pdf</a> )	

**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	<p>The Corporation has three independent directors, as provided for in the latest GIS (link: <a href="https://www.keppelph.com/images/pdfs/KPH - GIS Y2021 PSE.r.pdf">https://www.keppelph.com/images/pdfs/KPH - GIS Y2021 PSE.r.pdf</a>)</p> <p>The three (3) independent directors are <b>Messrs. Celso P. Vivas, Ramon J. Abejuela, and Leonardo R. Arguelles, Jr..</b> Please refer to SEC Form 17A-2021 Annual Report (link: <a href="https://www.keppelph.com/images/pdfs/SEC Form 17A - Annual Report 2021.pdf">https://www.keppelph.com/images/pdfs/SEC Form 17A - Annual Report 2021.pdf</a>) and in SEC Form 201S –2022 Information Statement (link: <a href="https://www.keppelph.com/images/pdfs/KPH - SEC Form 201S 2022 - DIS.pdf">https://www.keppelph.com/images/pdfs/KPH - SEC Form 201S 2022 - DIS.pdf</a>) and in Recommendation 1.1 above.</p> <p>Article 3.5.1 of the Corporation's NMCG, as revised, (link: <a href="http://www.keppelph.com/images/pdfs/KPHI New Manual on Corporate Governance as Revised.pdf">http://www.keppelph.com/images/pdfs/KPHI New Manual on Corporate Governance as Revised.pdf</a>) provides</p>	
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		that "the Board will have at least three (3) independent directors, or such number as to constitute at least one-third (1/3) of the members of the Board, whichever is higher."	
<b>Recommendation 5.2</b>			
1. The independent directors possess all the qualifications and none of the disqualifications to hold the positions.	Compliant	Please refer to SEC Form 17A-2021 Annual Report (link: <a href="https://www.keppelph.com/images/pdfs/SEC_Form_17A_-_Annual_Report_2021.pdf">https://www.keppelph.com/images/pdfs/SEC_Form_17A_-_Annual_Report_2021.pdf</a> ) and in SEC Form 20IS – 2022 Information Statement (link: <a href="https://www.keppelph.com/images/pdfs/KPH_-_SEC_Form_20IS_2022_-_DIS.pdf">https://www.keppelph.com/images/pdfs/KPH_-_SEC_Form_20IS_2022_-_DIS.pdf</a> ) and in Recommendation 1.1 above for the qualifications of the independent directors.	
<b>Supplement to Recommendation 5.2</b>			
1. Company has no shareholder agreements, by-laws provisions, or other arrangements that constrain the directors' ability to vote independently.	Compliant	As indicated in Article II Section 2 of the Corporation's By-Laws, "The directors shall act only as a board, and the individual directors have no power as such." (link: <a href="http://keppelph.com/images/pdfs/KPHI_Certificate_of_filing_of_Amended_By-Laws_Change_in_Committees.pdf">http://keppelph.com/images/pdfs/KPHI_Certificate_of_filing_of_Amended_By-Laws_Change_in_Committees.pdf</a> )	
<b>Recommendation 5.3</b>			
1. The independent directors serve for a cumulative term of nine years (reckoned from 2012).	Compliant	As per SEC Form 17A-2021 Annual Report Item 9(a) iii, iv, and v. (link: <a href="https://www.keppelph.com/images/pdfs/SEC_Form_17A_-_Annual_Report_2021.pdf">https://www.keppelph.com/images/pdfs/SEC_Form_17A_-_Annual_Report_2021.pdf</a> ) and in SEC Form 20IS-2022 Information Statement (link: <a href="https://www.keppelph.com/images/pdfs/KPH_-_SEC_Form_20IS_2022_-_DIS.pdf">https://www.keppelph.com/images/pdfs/KPH_-_SEC_Form_20IS_2022_-_DIS.pdf</a> ).  <b>Mr. Celso P. Vivas</b> has been an independent Director since 2005, and <b>Mr. Ramon J. Abejuela</b> since 2017 and <b>Mr. Leonardo R. Arguelles, Jr.</b> , in 2020. Reckoning from 2012, the	

		<p>cumulative term of nine (9) years has not yet lapsed for <b>Mr. Ramon J. Abejuela</b> and <b>Mr. Leonardo R. Arguelles, Jr.</b></p> <p><b>Mr. Celso P. Vivas</b> being an independent director had reached the maximum term of nine (9) years this 2021. The Corporate Governance and Nomination Committee approved the nomination of Mr. Vivas to continue as Lead independent director considering his excellent track record, notably his advocacy for corporate governance, his dedication and general professional approach to all matters at the Audit &amp; Risk Management Committee, the Corporate Governance and Nomination Committee and the Board of Directors' level, contributed immensely in ensuring that adequate mechanisms for proper checks and balances in the Corporation are in place, as well as in securing objective judgement on corporate affairs. Clearly, despite maximizing the 9-year term, the re-election of Mr. Vivas for another term will prove beneficial in even more strengthening Board independence. This was presented and approved by the stockholders during the Annual Stockholders Meeting on June 18, 2021. (Link: <a href="https://www.keppelph.com/images/pdfs/KPH_18_June_2021_ASM_Minutes.pdf">https://www.keppelph.com/images/pdfs/KPH_18_June_2021_ASM_Minutes.pdf</a>)</p>	
2. The company bars an independent director from serving in such capacity after the term limit of nine years.	Compliant	<p>As provided for in Article 3.5.3 of the Corporation's NMCG, as revised, (link: <a href="http://www.keppelph.com/images/pdfs/KPHI_New_Manual_on_Corporate_Governance_as_Revised.pdf">http://www.keppelph.com/images/pdfs/KPHI_New_Manual_on_Corporate_Governance_as_Revised.pdf</a>), "The Board's independent directors will serve for a maximum cumulative term of nine (9) years. After which, the independent director will be perpetually barred from reelection as such in the same company, but may continue to qualify for nomination and election as a non-independent director."</p>	Please refer to Recommendation 5.3 Item 1 above.
3. In the instance that the company retains an independent director in	Compliant	As provided for in Article 3.5.3 of the Corporation's NMCG, as revised, "in the instance that the company wants to	Please refer to Recommendation 5.3 Item 1 above.

the same capacity after nine years, the board provides meritorious justification and seeks shareholders' approval during the annual shareholders' meeting.		retain an independent director who has served for nine (9) years, the Board will provide meritorious justification/s and seek shareholders' approval during the annual shareholders' meeting."	
<b>Recommendation 5.4</b>			
1. The positions of Chairman of the Board and Chief Executive Officer are held by separate individuals.	Compliant	<p>As provided for in Article 3.5.4 of the Corporation's NMCG, as revised, "the positions of Chairman of the Board and the President will be held by separate individuals, and each will have clearly defined responsibilities. This will foster an appropriate balance of power, increased accountability, and better capacity for independent decision-making. The Chairman of the Board is not a member of the Executive Committee or officer of the Company."</p> <p>The Chairman of the Board as indicated in the Corporation's GIS is <b>Mr. Kevin Chng Chee Keong</b> (links: <a href="https://www.keppelph.com/images/pdfs/KPH_-_GIS_Y2021_PSE.r.pdf">https://www.keppelph.com/images/pdfs/KPH_-_GIS_Y2021_PSE.r.pdf</a>).</p>	
2. The Chairman of the Board and Chief Executive Officer have clearly defined responsibilities.	Compliant	<p>The responsibilities of the Chairman and the Chief Executive Officer are clearly defined. These are enumerated in Article 3.5.4 a &amp; b of the Corporation's NMCG, as revised, (link: <a href="http://www.keppelph.com/images/pdfs/KPHI_New_Manual_on_Corporate_Govenance_as_Revised.pdf">http://www.keppelph.com/images/pdfs/KPHI_New_Manual_on_Corporate_Govenance_as_Revised.pdf</a>).</p>	
<b>Recommendation 5.5</b>			
1. If the Chairman of the Board is not an independent director, the board designates a lead director among the independent directors.	Compliant	<p>As provided in the Corporation's SEC Form 17-C filed with the SEC on 18 June 2021 on the results of the Organizational Meeting on the same day. The Chairman of the Board, <b>Mr. Kevin Chng Chee, Keong</b>, is not an independent director.</p> <p>The Lead Independent Director is <b>Mr. Celso P. Vivas</b>. (Link: <a href="https://www.keppelph.com/images/pdfs/KPH_-_SEC_Form_17-C-Results_of_18Jun2021_OrgBOD.pdf">https://www.keppelph.com/images/pdfs/KPH_-_SEC_Form_17-C-Results_of_18Jun2021_OrgBOD.pdf</a>)</p>	
<b>Recommendation 5.6</b>			

1. Directors with material interest in a transaction affecting the corporation abstain from taking part in the deliberations on the transaction.	Compliant	As provided for in Article 3.5.6 of the Corporation's NMCG, as revised, (link: <a href="http://www.keppelph.com/images/pdfs/KPHI_New_Manual_on_Corporate_Governance_as_Revised.pdf">http://www.keppelph.com/images/pdfs/KPHI_New_Manual_on_Corporate_Governance_as_Revised.pdf</a> ) "a director with a material interest in any transaction affecting KPHI will abstain from taking part in the deliberations to ensure that he has no influence over the outcome of the deliberations."	
<b>Recommendation 5.7</b>			
1. The non-executive directors (NEDs) have separate periodic meetings with the external auditor and heads of the internal audit, compliance and risk functions, without any executive present.	Compliant	The Non-executive directors (NEDs) including Independent Directors (IDs) had a meeting with the external auditor without the presence of Management on 22 December 2021. All local NEDs attend all meetings and dialogues of the BOD, ARMC and CGNC formally announced in advance. They are appraised regularly by top management of all developments affecting the operating activities and financial aspects of the Company, as well as possible business risk opportunities and exposures. This adopted meeting/dialogue format ensures that they are well-informed and, thus participate actively in board deliberations and decisions."	"
2. The meetings are chaired by the lead independent director.	Compliant	The head of compliance function reports directly to CGNC which is chaired by the independent Director. The head of internal audit and the head of risk functions report directly to ARMC which is chaired by the lead independent Director. The independent Directors are also in contact with the heads of internal audit, compliance, and risk directly for discussions whenever needed.  Meetings are always chaired by the Lead Independent Director. Form 20IS – 2022 Information Statement (link: <a href="https://www.keppelph.com/images/pdfs/KPH_-_SEC_Form_20IS_2022_-_DIS.pdf">https://www.keppelph.com/images/pdfs/KPH_-_SEC_Form_20IS_2022_-_DIS.pdf</a> ).	



#### Optional: Principle 5

1. None of the directors is a former CEO of the company in the past 2 years.	Compliant	As provided for in the SEC Form 17A-2021 Annual Report Item 9(a) iii, iv, and v. (link: <a href="https://www.keppelph.com/images/pdfs/SEC_Form_17A_-_Annual_Report_2021.pdf">https://www.keppelph.com/images/pdfs/SEC_Form_17A_-_Annual_Report_2021.pdf</a> ) and GIS (links: <a href="https://www.keppelph.com/images/pdfs/KPH_-_GIS_Y2021_PSE.r.pdf">https://www.keppelph.com/images/pdfs/KPH_-_GIS_Y2021_PSE.r.pdf</a> .) . The current President is <b>Mr. Alan I. Claveria</b> who was elected as such on 14 September 2017.	
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**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	As provided for in Article 3.6 of the Corporation's NMCG, as revised, (link: <a href="http://www.keppelph.com/images/pdfs/KPHI_New_Manual_on_Corporate_Governance_as_Revised.pdf">http://www.keppelph.com/images/pdfs/KPHI_New_Manual_on_Corporate_Governance_as_Revised.pdf</a> ),	
2. The Chairman conducts a self-assessment of his performance.	Compliant	<p>3.6.1. The Board will conduct an annual self-assessment of its performance, including the performance of the Chairman, individual members and committees. If the need arises, every three (3) years, the assessment will be supported by an external facilitator.</p>	
3. The individual members conduct a self-assessment of their performance.	Compliant		
4. Each committee conducts a self-assessment of its performance.	Compliant		
		<p>3.6.2 The Board will have in place a system that provides, at the minimum, criteria and process to determine the performance of the Board, the individual directors, committees and such system will allow for a feedback mechanism from the shareholders.</p> <p>The Board conducts on an annual basis the self-assessment. The Board self-assessment for 2020-2021 was presented on 7 May 2021 meeting of the CGNC and the results thereof were discussed on 6 August 2021.</p>	

5. Every three years, the assessments are supported by an external facilitator.	Compliant	As provided for in Article 3.6.1 of the Corporation's NMCG, as revised,  "If the need arises, every three (3) years, the assessment will be supported by an external facilitator." Since 2017, the Company has determined that it does not need an external facilitator.	
<b>Recommendation 6.2</b>			
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	As provided for in Article 3.6.2 of the Corporation's NMCG, as revised, (link: <a href="http://www.keppelph.com/images/pdfs/KPHI_New_Manual_on_Corporate_Governance_as_Revised.pdf">http://www.keppelph.com/images/pdfs/KPHI_New_Manual_on_Corporate_Governance_as_Revised.pdf</a> ), "the Board will have in place a system that provides, at the minimum, criteria and process to determine the performance of the Board, the individual directors, committees and such system will allow for a feedback mechanism from the shareholders."	
2. The system allows for a feedback mechanism from the shareholders.	Compliant	The self-assessment form is the system being used to review the performance of the Board. The Company website can be used by the Shareholders for information they would like to get from the Corporation and email addresses of the officers and corporate secretary are available. (link: <a href="http://www.keppelph.com/investor-relations/investor-relations-programs.html">http://www.keppelph.com/investor-relations/investor-relations-programs.html</a> )	
<b>Principle 7:</b> Members of the Board are duty-bound to apply high ethical standards, taking into account the interests of all stakeholders.			
<b>Recommendation 7.1</b>			
1. Board adopts a Code of Business Conduct and Ethics, which provide standards for professional and ethical behavior, as well as articulate acceptable and unacceptable conduct and	Compliant	The corporation's Code of Business Conduct and Ethics can be found in its website at <a href="http://keppelph.com/corporate-governance/code-of-business-conduct-and-ethics.html">http://keppelph.com/corporate-governance/code-of-business-conduct-and-ethics.html</a> .	

practices in internal and external dealings of the company.			
2. The Code is properly disseminated to the Board, senior management and employees.	Compliant	The Corporation's Code of Business Conduct and Ethics may be disseminated to the Board, senior management and employees via email. These are also found on its website at <a href="http://keppelph.com/corporate-governance/code-of-business-conduct-and-ethics.html">http://keppelph.com/corporate-governance/code-of-business-conduct-and-ethics.html</a> .	
3. The Code is disclosed and made available to the public through the company website.	Compliant	The Corporation's Code of Business Conduct and Ethics can be found in its website at <a href="http://keppelph.com/corporate-governance/code-of-business-conduct-and-ethics.html">http://keppelph.com/corporate-governance/code-of-business-conduct-and-ethics.html</a> .	
<b>Supplement to Recommendation 7.1</b>			
1. Company has clear and stringent policies and procedures on curbing and penalizing company involvement in offering, paying and receiving bribes.	Compliant	According to the Corporation's Code of Business Conduct and Ethics:  "Conduct of Business and Fair Dealings This addresses standards of ethical business behavior including anti-corruption, the offering and receiving of gifts, hospitality and promotional expenditures and dealings with Keppel associates."	
<b>Recommendation 7.2</b>			
1. Board ensures the proper and efficient implementation and monitoring of compliance with the Code of Business Conduct and Ethics.	Compliant	All employees must comply with the Code of Business conduct and Ethics and internal policies which were disseminated via email to the Company Officers and staff.	
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 timely report to shareholders and other stakeholders that gives a fair and complete picture of a company's financial condition, results and business operations.	Compliant	<p>As provided in Article 4.1.1 of the Corporation's NMCG, as revised, (link: <a href="http://www.keppelph.com/images/pdfs/KPHI_New_Manual_on_Corporate_Governance_as_Revised.pdf">http://www.keppelph.com/images/pdfs/KPHI_New_Manual_on_Corporate_Governance_as_Revised.pdf</a>), "the Board will establish corporate disclosure policies and procedures to ensure a comprehensive, accurate, reliable and timely report to shareholders and other stakeholders that gives a fair and complete picture of KPHI's financial condition, results and business operations."</p> <p>Company disclosures are available on the Corporation's website at <a href="http://keppelph.com/company-disclosures.html">http://keppelph.com/company-disclosures.html</a> and on the PSE Website at <a href="http://edge.pse.com.ph/">http://edge.pse.com.ph/</a>.</p>	
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### 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	<p>All financial reports covering Year 2021 were filed within the prescribed deadlines of the applicable external regulatory bodies.</p> <p>Company disclosures are available on the Corporation's website at <a href="http://keppelph.com/company-disclosures.html">http://keppelph.com/company-disclosures.html</a> and on the PSE Website at <a href="http://edge.pse.com.ph/">http://edge.pse.com.ph/</a></p>	
2. Company discloses in its annual report the principal risks associated with the identity of the company's controlling shareholders; the degree of ownership concentration; cross	Compliant	<p>The SEC Form 17A-2021 Annual Report (link: <a href="https://www.keppelph.com/images/pdfs/SEC_Form_17A_-_Annual_Report_2021.pdf">https://www.keppelph.com/images/pdfs/SEC_Form_17A_-_Annual_Report_2021.pdf</a>) which was electronically filed on 18 April 2022, provides information as follows: Part III Item 11 –Security Ownership of Certain Record and Beneficial</p>	

holdings among company affiliates; and any imbalances between the controlling shareholders' voting power and overall equity position in the company.		Owners and Management, and Item 12 –Certain Relationships and Related Transactions.  Please also refer to Consolidated Audited Financial Statements for 2021—Note 1—General Information, Note 11 Related party transactions: Note 13—Share capital and share premium. (link: <a href="https://www.keppelph.com/images/pdfs/SEC_Form_17A_-_Annual_Report_2021.pdf">https://www.keppelph.com/images/pdfs/SEC_Form_17A_-_Annual_Report_2021.pdf</a> )	
<b>Recommendation 8.2</b>			
1. Company has a policy requiring all directors to disclose/report to the company any dealings in the company's shares within three (3) business days.	Compliant	As provided in Article 4.1.2 of the Corporation's NMCG, as revised, (link: <a href="http://www.keppelph.com/images/pdfs/KPHI_New_Manual_on_Corporate_Governance_as_Revised.pdf">http://www.keppelph.com/images/pdfs/KPHI_New_Manual_on_Corporate_Governance_as_Revised.pdf</a> ), KPHI will have a policy requiring all directors and officers to disclose/report to KPHI any dealings in KPHI's shares within three (3) business days. Directors and officers are aware that they must inform the Company of any dealings in the Company shares as this has been discussed in the various Corporate Governance Seminars.	
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		
<b>Supplement to Recommendation 8.2</b>			
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 any movement in the shares of the directors and controlling shareholders thru submission of SEC Form 23-A or 23-B to SEC, public ownership report, Top 20, Top 100 Shareholders which are all disclosed on the PSE website at (link: <a href="https://edge.pse.com.ph/companyDisclosures/form.do?company_id=87">https://edge.pse.com.ph/companyDisclosures/form.do?company_id=87</a> ) and on the Company's website at (link: <a href="https://www.keppelph.com/investor-relations/share-information.html">https://www.keppelph.com/investor-relations/share-information.html</a> ); and at <a href="https://www.keppelph.com/company-disclosures.html">https://www.keppelph.com/company-disclosures.html</a> ). The shareholding structure of the Company may be found on its website at	

		<a href="http://www.keppelph.com/home/our-company/shareholdings-structure.html">http://www.keppelph.com/home/our-company/shareholdings-structure.html</a> .	
<b>Recommendation 8.3</b>			
1. Board fully discloses all relevant and material information on individual board members to evaluate their experience and qualifications and assess any potential conflicts of interest that might affect their judgment.	Compliant	<p>Refer to answer in Recommendation 1.1 and SEC Form 17A – 2021 Annual Report, Part III Item 9 Directors and Executive Directors of the Issuer and SEC Form 201S—2022 Information Statement (links: <a href="https://www.keppelph.com/images/pdfs/SEC_Form_17A_-_Annual_Report_2021.pdf">https://www.keppelph.com/images/pdfs/SEC_Form_17A_-_Annual_Report_2021.pdf</a>, <a href="https://www.keppelph.com/images/pdfs/KPH_-_SEC_Form_201S_2022_-_DIS.pdf">https://www.keppelph.com/images/pdfs/KPH_-_SEC_Form_201S_2022_-_DIS.pdf</a>).</p> <p>Per Article 3.1.1 of the Corporation's NMCG, as revised, (link: <a href="http://www.keppelph.com/images/pdfs/KPHI_New_Manual_on_Corporate_Governance_as_Revised.pdf">http://www.keppelph.com/images/pdfs/KPHI_New_Manual_on_Corporate_Governance_as_Revised.pdf</a>), "the Board will always ensure that it has an appropriate mix of competence and expertise and that its members remain qualified for their positions individually and collectively, to enable it to fulfill its roles and responsibilities and respond to the needs of the organization based on the evolving business environment and strategic direction."</p>	
2. Board fully discloses all relevant and material information on key executives to evaluate their experience and qualifications and assess any potential conflicts of interest that might affect their judgment.	Compliant	<p>Refer to answer in Recommendation 1.1 and SEC Form 17A – 2021 Annual Report, Item 9 Directors and Executive Directors of the Issuer and SEC Form 201S— 2022 Information Statement links: <a href="https://www.keppelph.com/images/pdfs/SEC_Form_17A_-_Annual_Report_2021.pdf">https://www.keppelph.com/images/pdfs/SEC_Form_17A_-_Annual_Report_2021.pdf</a>; <a href="https://www.keppelph.com/images/pdfs/KPH_-_SEC_Form_201S_2022_-_DIS.pdf">https://www.keppelph.com/images/pdfs/KPH_-_SEC_Form_201S_2022_-_DIS.pdf</a>)</p>	
<b>Recommendation 8.4</b>			
1. Company provides a clear disclosure of its policies and procedure for setting Board remuneration, including the level and mix of the same.	Compliant	<p>As provided for in Article 3.2.5 of the Corporation's NMCG, as revised, (link: <a href="http://www.keppelph.com/images/pdfs/KPHI_New_Manual_on_Corporate_Governance_as_Revised.pdf">http://www.keppelph.com/images/pdfs/KPHI_New_Manual_on_Corporate_Governance_as_Revised.pdf</a>), "The Board will align the remuneration of key officers and board</p>	

		<p>members with the long-term interests of KPHI. In doing so, it will formulate and adopt a policy specifying the relationship between remuneration and performance. Further, no director will participate in discussion or deliberations involving his own remuneration. The directors' compensation will always be in accordance with the By-laws of KPHI and/or as approved by the stockholders during the annual stockholders' meeting. The Board will, from time to time, approve reasonable per diem that a director may receive in the Board and Board Committee meetings.</p> <p>As provided for in Article 4.1.4 of the Corporation's NMCG, as revised, KPHI will provide a clear disclosure of its policies and procedure for setting Board and executive remuneration, as well as the level and mix of the same in the Annual Corporate Governance Report. Also, companies will disclose the remuneration on an individual basis, including termination and retirement provisions.</p> <p>For the year 2021, per the Corporation's 17-A and Minutes of the Annual Meeting of the Stockholders on 18 June 2021, (link: <a href="https://www.keppelph.com/images/pdfs/KPH_-_SEC_Form_17-C-Results_of_18Jun2021_ASM.pdf">https://www.keppelph.com/images/pdfs/KPH_-_SEC_Form_17-C-Results_of_18Jun2021_ASM.pdf</a>), the directors were paid director's fee amounting to P60,000 each, which amount was budgeted for 2020 as annual director's fee. There is no bonus, profit-sharing, or other compensation plan, contract, or arrangement in which any director or nominee for election as director, or executive officer, of the registrant will participate.</p>	
2. Company provides a clear disclosure of its policies and procedure for setting executive remuneration, including the level and mix of the same.	Compliant	Please see Recommendation 8.4 item 1 above.	
3. Company discloses the remuneration on an individual	Non-compliant	As Per the Corporation's 17-A 2021 Annual Report (link: <a href="https://www.keppelph.com/images/pdfs/KPH_-_">https://www.keppelph.com/images/pdfs/KPH_-_</a>	The Company disclosed the aggregate remuneration of

basis, including termination and retirement provisions.		<p><a href="#">SEC Form 17-C-Results of 18Jun2021_ASM.pdf</a>) the following is the compensation of directors and officers:</p> <table><tr><th>Description</th><th>Year</th><th>Salary (in PhP)</th><th>Bonus</th><th>Other Annual Compensation</th></tr><tr><td rowspan="3">Aggregate for All Officers</td><td>2022 Estimate</td><td>8,900,000</td><td>None</td><td>None</td></tr><tr><td>2021</td><td>8,709,000</td><td>None</td><td>None</td></tr><tr><td>2020</td><td>8,611,000</td><td>None</td><td>None</td></tr><tr><td rowspan="3">Aggregate for all Directors</td><td>2022 Estimate</td><td>None</td><td>None</td><td>None</td></tr><tr><td>2021</td><td>None</td><td>None</td><td>None</td></tr><tr><td>2020</td><td>None</td><td>None</td><td>None</td></tr></table> <p>Please also refer to SEC Form 201S—2022 Information Statement no. 6 page 9 of 37 of 37pages (link: <a href="https://www.keppelph.com/images/pdfs/KPH - SEC Form 201S 2022 - DIS.pdf">https://www.keppelph.com/images/pdfs/KPH - SEC Form 201S 2022 - DIS.pdf</a>).</p>	Description	Year	Salary (in PhP)	Bonus	Other Annual Compensation	Aggregate for All Officers	2022 Estimate	8,900,000	None	None	2021	8,709,000	None	None	2020	8,611,000	None	None	Aggregate for all Directors	2022 Estimate	None	None	None	2021	None	None	None	2020	None	None	None	directors and officers. The directors do not have compensation except for the annual fee and per diem.
Description	Year	Salary (in PhP)	Bonus	Other Annual Compensation																														
Aggregate for All Officers	2022 Estimate	8,900,000	None	None																														
	2021	8,709,000	None	None																														
	2020	8,611,000	None	None																														
Aggregate for all Directors	2022 Estimate	None	None	None																														
	2021	None	None	None																														
	2020	None	None	None																														
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	<p>Under Article 3.3.1(b) page 15 of the Corporation's NMCG, as revised, (link: <a href="http://www.keppelph.com/images/pdfs/KPHI New Manual on Corporate Governance as Revised.pdf">http://www.keppelph.com/images/pdfs/KPHI New Manual on Corporate Governance as Revised.pdf</a>) the corporation's Audit and Risk Management Committee has a Related Party Transaction (RPT) function, which provides:</p> <p>"As one of the functions of the ARMC, the Committee is tasked in general to review all material related party transactions of KPHI to ensure that it is an arms-length, market based and in compliance with all applicable laws."</p> <p>Further, under Article 4.1.5 of the NMCG, as revised, "KPHI will disclose its policies governing Related Party Transactions (RPTs) and other unusual or infrequently occurring transactions. The material or significant RPTs reviewed and approved during the year will be disclosed in its Annual Corporate Governance Report."</p>																																



		Refer to SEC Form 17A-2021 Annual Report Part III Item 12 and Note 11 of the Consolidated Audited Financial Statements (link: <a href="https://www.keppelph.com/images/pdfs/SEC_Form_17A_-_Annual_Report_2021.pdf">https://www.keppelph.com/images/pdfs/SEC_Form_17A - _Annual_Report_2021.pdf</a> ) and to SEC Form 20IS – 2022 Information Statement (link: <a href="https://www.keppelph.com/images/pdfs/KPH_-_SEC_Form_20IS_2022_-_DIS.pdf">https://www.keppelph.com/images/pdfs/KPH - _SEC_Form_20IS_2022 - DIS.pdf</a> ).	
2. Company discloses material or significant RPTs reviewed and approved during the year.	Compliant	Related Party Transactions of the Corporation are indicated in Part III, Item 12 of the SEC Form 17-A –2021 Annual Report and Note 11 of the Consolidated Audited Financial Statements. (link: <a href="https://www.keppelph.com/images/pdfs/SEC_Form_17A_-_Annual_Report_2021.pdf">https://www.keppelph.com/images/pdfs/SEC_Form_17A - _Annual_Report_2021.pdf</a> ).	
<b>Supplement to Recommendation 8.5</b>			
1. Company requires directors to disclose their interests in transactions or any other conflicts of interest.	Compliant	Article 3.2.10 of the Corporation's NMCG, as revised, (link: <a href="http://www.keppelph.com/images/pdfs/KPHI_New_Manual_on_Corporate_Governance_as_Revised.pdf">http://www.keppelph.com/images/pdfs/KPHI_New_Manual on Corporate Governance as Revised.pdf</a> ) provides that "The Board will oversee that an appropriate internal control system is in place, including setting up a mechanism for monitoring and managing potential conflicts of interest of Management, board members, and shareholders."	
<b>Optional : Recommendation 8.5</b>			
1. Company discloses that RPTs are conducted in such a way to ensure that they are fair and at arms' length.	Compliant	RPTs are conducted in such a way to ensure that they are fair and at arm's length. RPTs of the Corporation are indicated in Part III, Item 12 of the SEC Form 17A—2021 Annual Report and Note 11 of the Consolidated Audited Financial Statements: (link: <a href="https://www.keppelph.com/images/pdfs/SEC_Form_17A_-_Annual_Report_2021.pdf">https://www.keppelph.com/images/pdfs/SEC_Form_17A - _Annual_Report_2021.pdf</a> ).	
<b>Recommendation 8.6</b>			

1. Company makes a full, fair, accurate, and timely disclosure to the public of every material fact or event that occurs, particularly on the acquisition or disposal of significant assets, which could adversely affect the viability or the interest of its shareholders and other stakeholders.	Compliant	Disclosures are posted at the Company's website at <a href="http://keppelph.com/company-disclosures.html">http://keppelph.com/company-disclosures.html</a> and the PSE Website at <a href="http://edge.pse.com.ph/companyDisclosures/form.do?company_id=87#viewer">http://edge.pse.com.ph/companyDisclosures/form.do?company_id=87#viewer</a>	
2. Board appoints an independent party to evaluate the fairness of the transaction price on the acquisition or disposal of assets.	Compliant	<p>Article 4.1.6 of the Corporation's NMCG, as revised, (link: <a href="http://www.keppelph.com/images/pdfs/KPHI_New_Manual_on_Corporate_Governance_as_Revised.pdf">http://www.keppelph.com/images/pdfs/KPHI_New_Manual_on_Corporate_Governance_as_Revised.pdf</a>) provides that "KPHI will make a full, fair, accurate and timely disclosure to the public of every material fact or event that occurs, particularly on the acquisition or disposal of significant assets, which could adversely affect the viability or the interest of its shareholders and other stakeholders. Moreover, the Board of the offeree company will appoint an independent party to evaluate the fairness of the transaction price on the acquisition or disposal of assets."</p> <p>The Company avails of the services of a SEC-accredited appraiser, Vitale' Valuation Services Inc. <a href="mailto:marketing@vitalevaluation.com.ph">marketing@vitalevaluation.com.ph</a> with SEC Accreditation No. 017 (Valid until 22 March 2022), to appraise the fair market value of investment properties of the Company.</p>	
<b>Supplement to Recommendation 8.6</b>			
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	Compliant	<p>Disclosures are posted at the Company's website at <a href="http://keppelph.com/company-disclosures.html">http://keppelph.com/company-disclosures.html</a> and the PSE Website at <a href="http://edge.pse.com.ph/companyDisclosures/form.do?company_id=87#viewer">http://edge.pse.com.ph/companyDisclosures/form.do?company_id=87#viewer</a>.</p> <p>No transaction subject to such disclosure occurred during the period.</p>	

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 NMCG was first submitted and approved by the Board on 16 June 2017 and was revised, submitted to, and approved by the Board on 10 November 2017. This was resubmitted to SEC on 20 November 2017 and PSE. It is available on the Company's website at <a href="http://www.keppelph.com/images/pdfs/KPHI_New_Manual_on_Corporate_Governance_as_Revised.pdf">http://www.keppelph.com/images/pdfs/KPHI_New_Manual_on_Corporate_Governance_as_Revised.pdf</a> and on the PSE Website at <a href="http://edge.pse.com.ph/companyDisclosures/form.do?company_id=87#viewer">http://edge.pse.com.ph/companyDisclosures/form.do?company_id=87#viewer</a> .	
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 NMCG was first submitted and approved by the Board on 16 June 2017 and was revised, submitted to, and approved by the Board on 10 November 2017. This was resubmitted to SEC on 20 November 2017 and PSE. It is available on the Company's website at <a href="http://keppelph.com/images/pdfs/KPHI_New_Manual_on_Corporate_Governance_as_Revised.pdf">http://keppelph.com/images/pdfs/KPHI_New_Manual_on_Corporate_Governance_as_Revised.pdf</a> and the PSE Website <a href="http://edge.pse.com.ph/companyDisclosures/form.do?company_id=87#viewer">http://edge.pse.com.ph/companyDisclosures/form.do?company_id=87#viewer</a> .	
Optional: Principle 8			
1. Does the company's Annual Report disclose the following information:	Compliant	SEC Form 17A-2021 Annual Report (link: <a href="https://www.keppelph.com/images/pdfs/SEC_Form_17A_-_Annual_Report_2021.pdf">https://www.keppelph.com/images/pdfs/SEC_Form_17A_-_Annual_Report_2021.pdf</a> ) contains the following:  Corporate objectives can be found on Part I Business and General Information.	
a. Corporate Objectives	Compliant		
b. Financial performance indicators	Compliant		

		Financial and Non-financial performance indicators and Dividend Policy can be found on Part II Operational and Financial Information.	
c. Non-financial performance indicators	Compliant		
d. Dividend Policy	Compliant	Details on the Directors and Total Remuneration can be found on Part III Control and Compensation Information.	
e. Biographical details (at least age, academic qualifications, date of first appointment, relevant experience, and other directorships in listed companies) of all directors	Compliant	Details on Directors' attendance in the meeting can be found on the Definitive Information Statement 2022(link: <a href="https://www.keppelph.com/images/pdfs/KPH - SEC Form 20IS 2022 - DIS.pdf">https://www.keppelph.com/images/pdfs/KPH - SEC Form 20IS 2022 - DIS.pdf</a> ).	
f. Attendance details of each director in all directors' meetings held during the year	Compliant		
g. Total remuneration of each member of the board of directors	Compliant		
2. The Annual Report contains a statement confirming the company's full compliance with the Code of Corporate Governance and where there is non-compliance, identifies and explains reason for each such issue.	Compliant	The statement can be found on Part IV Corporate Governance, SEC Form 17A-2021 Annual Report ((link: <a href="https://www.keppelph.com/images/pdfs/SEC Form 17A - Annual Report 2021.pdf">https://www.keppelph.com/images/pdfs/SEC Form 17A - Annual Report 2021.pdf</a> ).	
3. The Annual Report/Annual CG Report discloses that the board of directors conducted a review of the company's material controls (including operational, financial and compliance controls) and risk management systems.	Compliant	Upon review and recommendation for approval by the ARMC to the Board, the latter reviewed and approved the reports and the release of the Annual Report and the 2021 Consolidated Audited Financial Statements on its meeting held on 28 January 2022 and the same was submitted to the stockholders for approval in the annual stockholders'	

		meeting (link: <a href="https://keppelph.com/images/pdfs/KPH_-_SEC17-C_-_Results_of_28Jan2022_SBoD.pdf">https://keppelph.com/images/pdfs/KPH_-_SEC17-C_-_Results_of_28Jan2022_SBoD.pdf</a> ).	
4. The Annual Report/Annual CG Report contains a statement from the board of directors or Audit Committee commenting on the adequacy of the company's internal controls/risk management systems.	Compliant	The SEC Form 17A—2021 Annual Report and the consolidated audited financial statements (link: <a href="https://www.keppelph.com/images/pdfs/SEC_Form_17A_-_Annual_Report_2021.pdf">https://www.keppelph.com/images/pdfs/SEC_Form_17A_-_Annual_Report_2021.pdf</a> ) contains "Statement of Management's Responsibility for Financial Statements" duly signed by the Chairman, the President and the Treasurer, as required by SEC.	
5. The company discloses in the Annual Report the key risks to which the company is materially exposed to (i.e. financial, operational including IT, environmental, social, economic).	Compliant	The 2021 Consolidated Audited Financial Statements as part of SEC Form 17A - 2021 Annual Report link: (link: <a href="https://www.keppelph.com/images/pdfs/SEC_Form_17A_-_Annual_Report_2021.pdf">https://www.keppelph.com/images/pdfs/SEC_Form_17A_-_Annual_Report_2021.pdf</a> ) contains the Financial Risk Management and Capital Management on Note 20.	
<b>Principle 9:</b> 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.			
<b>Recommendation 9.1</b>			
1. Audit Committee has a robust process for approving and recommending the appointment, reappointment, removal, and fees of the external auditors.	Compliant	According to Article 4.2.1 of the Corporation's NMCG, as revised, (link: <a href="http://www.keppelph.com/images/pdfs/KPHI_New_Manual_on_Corporate_Governance_as_Revised.pdf">http://www.keppelph.com/images/pdfs/KPHI_New_Manual_on_Corporate_Governance_as_Revised.pdf</a> ) "the ARMC will have a robust process for approving and recommending the appointment, reappointment, removal, and fees of the external auditor. The appointment, reappointment, removal, and fees of the external auditor will be recommended by the Audit Committee, approved by the Board and ratified by the shareholders. For removal of the external auditor, the reasons for removal or change will be disclosed to the regulators and the public through KPHI's website and required disclosures."	

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	Out of the total outstanding shares of the Company as of the 18 June 2021 Annual Stockholders' Meeting, 82.31% were present either in person or by proxy, approved and ratified the appointment of the external auditor and the fee to be fixed by the Management (link: <a href="https://keppelph.com/images/pdfs/KPH - SEC Form 17-C-Results_of_18Jun2021_ASM.pdf">https://keppelph.com/images/pdfs/KPH - SEC Form 17-C-Results_of_18Jun2021_ASM.pdf</a> ).	
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	According to Article 4.2.1 of the Corporation's NMCG, as revised, (link: <a href="http://www.keppelph.com/images/pdfs/KPHI New Manual on Corporate Governance as Revised.pdf">http://www.keppelph.com/images/pdfs/KPHI New Manual on Corporate Governance as Revised.pdf</a> ) "the ARMC will have a robust process for approving and recommending the appointment, reappointment, removal, and fees of the external auditor. The appointment, reappointment, removal, and fees of the external auditor will be recommended by the Audit Committee, approved by the Board and ratified by the shareholders. For removal of the external auditor, the reasons for removal or change will be disclosed to the regulators and the public through KPHI's website and required disclosures."	
<b>Supplement to Recommendation 9.1</b>			
1. Company has a policy of rotating the lead audit partner every five years.	Compliant	Per Part II, Item 8, Information on Independent Accountant (a) (i) of the (link: <a href="https://www.keppelph.com/images/pdfs/SEC Form 17A - Annual Report 2021.pdf">https://www.keppelph.com/images/pdfs/SEC Form 17A - Annual Report 2021.pdf</a> ) and 2022 Information Statements (link: <a href="https://www.keppelph.com/images/pdfs/KPH - SEC Form 20IS 2022 - DIS.pdf">https://www.keppelph.com/images/pdfs/KPH - SEC Form 20IS 2022 - DIS.pdf</a> ), "the Company is in full compliance with SRC Rule 68, par. 3 (b) (iv) on Rotation of External Auditors. Isla Lipana & Co, has been engaged by the Corporation since 2016 and the current Partner, Ms. Catherine H. Santos, has been engaged since Year 2019.	
<b>Recommendation 9.2</b>			

<p>1. Audit Committee Charter includes the Audit Committee's responsibility on:</p> <ul style="list-style-type: none"> <li>i. assessing the integrity and independence of external auditors; and</li> <li>ii. exercising effective oversight to review and monitor the external auditor's independence and objectivity; and</li> <li>iii. exercising effective oversight to review and monitor the effectiveness of the audit process, taking into consideration relevant Philippine professional and regulatory requirements.</li> </ul>	Compliant	<p>The Audit Committee Charter can be found on the Corporation's website at <a href="http://keppelph.com/corporate-governance/board-committees.html">http://keppelph.com/corporate-governance/board-committees.html</a>.</p>	
<p>2. Audit Committee Charter contains the Committee's responsibility on reviewing and monitoring the external auditor's suitability and effectiveness on an annual basis.</p>	Compliant	<p>Please refer to <a href="http://keppelph.com/corporate-governance/board-committees.html">http://keppelph.com/corporate-governance/board-committees.html</a> for the Audit Committee Charter.</p> <p>Per Article 4.2.2 of the Corporation's NMCG, as revised, (link: <a href="http://www.keppelph.com/images/pdfs/KPHI_New_Manual_on_Corporate_Governance_as_Revised.pdf">http://www.keppelph.com/images/pdfs/KPHI_New_Manual_on_Corporate_Governance_as_Revised.pdf</a>) "the ARMC Charter will include the ARMC's responsibility on assessing the integrity and independence of external auditors and exercising effective oversight to review and monitor the external auditor's independence and objectivity and the effectiveness of the audit process, taking into consideration relevant Philippine professional and regulatory requirements. The Charter will also contain the ARMC's responsibility on reviewing and monitoring the external auditor's suitability and effectiveness on an annual basis."</p>	

		The Committee's responsibility on reviewing and monitoring the external auditor's suitability and effectiveness on an annual basis is contained in the NMCG, as revised.	
<b>Supplement to Recommendations 9.2</b>			
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 Charter can be found on the Corporation's website at <a href="http://keppelph.com/corporate-governance/board-committees.html">http://keppelph.com/corporate-governance/board-committees.html</a> .	
2. Audit Committee ensures that the external auditor has adequate quality control procedures.	Compliant	The Audit Committee Charter can be found on the Corporation's website at <a href="http://keppelph.com/corporate-governance/board-committees.html">http://keppelph.com/corporate-governance/board-committees.html</a> .	
<b>Recommendation 9.3</b>			
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	<p>Per Article 4.2.3 of the Corporation's NMCG, as revised (link: <a href="http://www.keppelph.com/images/pdfs/KPHI_New_Manual_on_Corporate_Governance_as_Revised.pdf">http://www.keppelph.com/images/pdfs/KPHI_New_Manual_on_Corporate_Governance_as_Revised.pdf</a>), "KPHI will disclose the nature of non-audit services performed by its external auditor in the Annual Report to deal with the potential conflict of interest. The ARMC will be alerted 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."</p> <p>Per Article 3.3.1 (b) (vii) of the NMCG, as revised, one of the functions of the Audit and Risk Management Committee is to "Evaluate and determine the non-audit work, if any, of the External Auditor, and periodically reviews the non-audit fees paid to the External Auditor in relation to the total fees paid to him and to KPHI's overall consultancy expenses. The Committee will disallow any non-audit work that will conflict with his duties as an External Auditor or may pose a threat to his independence. The non-audit work, if allowed, will be</p>	



		disclosed in KPHI's Annual Report and Annual Corporate Governance Report."	
		The Company has no non-audit services performed by its external auditor from 2019 to 2020. In January 2021, GMRI obtained the tax audit services of Isla Lipana & Co. for a fee of P0.4 million for its tax case with BIR for taxable year 2017. The BIR tax audit was closed and terminated on 15 March 2022. Tax service agreement was disclosed and can be found in SEC Form 201S -2022 Information Statement (link: <a href="https://www.keppelph.com/images/pdfs/KPH_-_SEC_Form_201S_2022_-_DIS.pdf">https://www.keppelph.com/images/pdfs/KPH_-_SEC_Form_201S_2022_-_DIS.pdf</a> ) Item 7.	
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	Please refer to Item 9.3.1 above.	
<b>Supplement to Recommendation 9.3</b>			
1. Fees paid for non-audit services do not outweigh the fees paid for audit services.	Compliant	Please refer to Item 9.3.1 above.	
<b>Additional Recommendation to Principle 9</b>			
1. Company's external auditor is duly accredited by the SEC under Group A category.	Compliant	1. Name of the audit engagement partner: Ms. Catherine H. Santos, Partner of Isla Lipana and Co. (PwC) 2. CPA Certificate No. 0110097 3. Accreditation Number: 0142 4. Accreditation No. Until 21 January 2023 5. Address: 29th Floor Philamlife Tower, Paseo de Roxas, Makati City	

		6. Telephone Number: (02) 8845 2728	
7. 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	PwC is willing to be subjected to SOAR Inspection Program should there be any.	
<b>Principle 10:</b> The company should ensure that the material and reportable non-financial and sustainability issues are disclosed.			
<b>Recommendation 10.1</b>			
1. Board has a clear and focused policy on the disclosure of non-financial information, with emphasis on the management of economic, environmental, social and governance (EESG) issues of its business, which underpin sustainability.	Compliant	Article 4.3.1 of the Corporation's NMCG, as revised, ( <a href="http://www.keppelph.com/images/pdfs/KPHI_New_Manual_on_Corporate_Governance_as_Revised.pdf">link: http://www.keppelph.com/images/pdfs/KPHI_New_Manual_on_Corporate_Governance_as_Revised.pdf</a> ) provides: "the Board will have a clear and focused policy on the disclosure of non-financial information, with emphasis on the management of economic, environmental, social and governance issues of its business, which underpin sustainability. Companies will adopt a globally recognized standard/framework in reporting sustainability and non-financial issues."	
2. Company adopts a globally recognized standard/framework in reporting sustainability and non-financial issues.	Compliant	<p>The Company adopted globally recognized standards or framework in reporting sustainability and non-financial issues.</p> <p>The Company complied with SEC Memorandum Circular No. 4 Series of 2019 issued on 15 February 2019 <i>Sustainability Reporting Guidelines for Publicly-Listed Companies</i>. The Sustainability Report was submitted and approved by the Board in the February 2022 meeting and is included in the Annual Report 17A 2021 (Link: <a href="https://www.keppelph.com/images/pdfs/SEC_Form_17A_-_Annual_Report_2021.pdf">https://www.keppelph.com/images/pdfs/SEC_Form_17A_-_Annual_Report_2021.pdf</a>).</p>	

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

**Recommendation 11.1**

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.	Non-compliant	The company provides disclosure and other information on its website <a href="https://keppelph.com/announcements-press-news.html">https://keppelph.com/announcements-press-news.html</a> ; <a href="http://www.keppelph.com/company-disclosures.html">http://www.keppelph.com/company-disclosures.html</a> ; _____ and _____ the PSE Edge <a href="https://edge.pse.com.ph/companyDisclosures/form.do?company_id=87">https://edge.pse.com.ph/companyDisclosures/form.do?company_id=87</a> .	
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**Supplemental to Principle 11**

1. Company has a website disclosing up-to-date information on the following:	Compliant	Disclosures can be found on the company website at <a href="http://www.keppelph.com/company-disclosures.html">http://www.keppelph.com/company-disclosures.html</a> and the _____ PSE _____ Edge <a href="https://edge.pse.com.ph/companyDisclosures/form.do?company_id=87">https://edge.pse.com.ph/companyDisclosures/form.do?company_id=87</a> .	
a. Financial statements/reports (latest quarterly)	Compliant	See. Recommendation 11.1.1	
b. Materials provided in briefings to analysts and media	Non-compliant		
c. Downloadable annual report	Compliant		
d. Notice of ASM and/or SSM	Compliant		
e. Minutes of ASM and/or SSM	Compliant		
f. Company's Articles of Incorporation and By-Laws	Compliant		

**Additional Recommendation to Principle 11**

1. Company complies with SEC-prescribed website template.	Compliant	The Corporation's website, <a href="http://keppelph.com/">http://keppelph.com/</a> is compliant with the SEC-prescribed template.	
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**Internal Control System and Risk Management Framework**

**Principle 12:** To ensure the integrity, transparency, and proper governance in the conduct of its affairs, the company should have a strong and effective internal control system and enterprise risk management framework.

**Recommendation 12.1**

1. Company has an adequate and effective internal control system in the conduct of its business.	Compliant	<p>Per Article 5.1.1 of the Corporation's NMCG, as revised, (link: <a href="http://www.keppelph.com/images/pdfs/KPHI_New_Manual_on_Corporate_Governance_as_Revised.pdf">http://www.keppelph.com/images/pdfs/KPHI_New_Manual_on_Corporate_Governance_as_Revised.pdf</a>), "KPHI will have an adequate and effective internal control system and an enterprise risk management framework in the conduct of its business, taking into account its size, risk profile and complexity of operations."</p> <p>Per Article 5.1.2 (a to h) "KPHI will have in place an independent internal audit function that provides an independent and objective assurance, and consulting services designed to add value and improve KPHI's operations."</p> <p>Refer also to Article 5.1.3 (a to f) of the NMCG, as revised.</p> <p>KPHI hired an Internal Auditor in September 2021. At present, the Internal Auditor of a related party also assists in KPHI's ERM. KPHI is further guided by KCL's policy on internal control systems. The new Internal Auditor shall review the ERM and create policies on internal control system and sees to it that it meets the policies of KCL and other local standards.</p>	KPHI also uses controlled self-assessment (CSA) as part of the mechanism for monitoring and managing potential conflict of interest. KPHI submitted via online eCSA for year 2020 in Jan 2021. While in 2019 Management Questionnaire (MQ) and Internal Control Questionnaire (ICQ) were submitted and approved by the Board in November 2019 meeting. There is no CSA review yet for Year 2021.
2. Company has an adequate and effective enterprise risk management framework in the conduct of its business.	Compliant	<p>Per Article 5.1.1 of the Corporation's NMCG, as revised, (link: <a href="http://www.keppelph.com/images/pdfs/KPHI_New_Manual_on_Corporate_Governance_as_Revised.pdf">http://www.keppelph.com/images/pdfs/KPHI_New_Manual_on_Corporate_Governance_as_Revised.pdf</a>), "KPHI will have an adequate and effective internal control system and an enterprise risk management framework in the conduct of its business, taking into account its size, risk profile and complexity of operations."</p> <p>The Company has Enterprise Risk Management (ERM) functions under the ARMC as per Article 3.3.1(b) and Article 5.1.4 (a-g) and Article 5.1.5 (a-e) of the NMCG, as revised; which provides that "KPHI will have Internal Audit &amp; Risk Manager (IARM), who is the ultimate champion of ERM and</p>	

		<p>has adequate authority, stature, resources, and support to fill his responsibilities, subject to KPHI's size, risk profile, and complexity of operations. Considering the size and operation of KPHI and when need arises, the role of the IARM will be undertaken by the ARMC which has the risk oversight functions."</p> <p>The Enterprise Risk Management Framework following the Keppel Group Framework was submitted to the Board for discussion and continuous improvement last May 6, 2022.</p>	
<b>Supplement to Recommendations 12.1</b>			
1. Company has a formal comprehensive enterprise-wide compliance program covering compliance with laws and relevant regulations that is annually reviewed. The program includes appropriate training and awareness initiatives to facilitate understanding, acceptance, and compliance with the said issuances.	Compliant	<p>Officers and staff have appropriate training and awareness through seminars and conferences attended within the year which are suited to the needs of the company and in compliance with new issuances of government entities.</p> <p>Corporate Governance Manual and company policies are disseminated through the website and by sending emails.</p> <p>The compliance system is stated in Article 8 (8.1 to 8.2.5) of the Corporation's NMCG, as revised with the link: <a href="http://www.keppelph.com/images/pdfs/KPHI_New_Manual_on_Corporate_Governance_as_Revised.pdf">http://www.keppelph.com/images/pdfs/KPHI_New_Manual_on_Corporate_Governance_as_Revised.pdf</a></p>	
<b>Optional: Recommendation 12.1</b>			
1. Company has a governance process on IT issues including disruption, cyber security, and disaster recovery, to ensure that all key risks are identified, managed, and reported to the board.	Compliant	The Company has been provided by the Keppel Group policies and procedures such as End User Computing Policy, Access Control & Password Control Policy, IT guidelines and Compliance Questionnaires Templates as annual review of the Company's IT matters.	
<b>Recommendation 12.2</b>			
1. Company has in place an independent internal audit function that provides an	Compliant	As provided in 3.3.1 of the Corporation's NMCG, as revised, (link:	

independent and objective assurance, and consulting services designed to add value and improve the company's operations.		<a href="http://www.keppelph.com/images/pdfs/KPHI_New_Manual_on_Corporate_Governance_as_Revised.pdf">http://www.keppelph.com/images/pdfs/KPHI_New_Manual_on_Corporate_Governance_as_Revised.pdf</a> ),  The newly hired Internal Auditor's role is to "monitor and evaluate the adequacy and effectiveness of KPHI's internal control system, integrity of financial reporting, and security of physical and information assets. Well-designed internal control procedures and processes that will provide a system of checks and balances is in place to (a) safeguard KPHI's resources and ensure their effective utilization, (b) prevent occurrence of fraud and other irregularities, (c) protect the accuracy and reliability of KPHI's financial data, and (d) ensure compliance with applicable laws and regulations"  KPH is also under the scope of the Group Internal Audit (GIA) of the Keppel Group.  In 2020, the Internal Auditor reviewed e-CSA, all submissions to the ARMC and all documents submitted to SEC & PSE. The IA has also reviewed workplace health and safety protocols under COVID-19.	
<b>Recommendation 12.3</b>			
1. Company has a qualified Chief Audit Executive (CAE) appointed by the Board.	Compliant	In 2021, KPHI hired an Internal Auditor who will be trained to carry out the functions of a CAE.	
2. CAE oversees and is responsible for the internal audit activity of the organization, including that portion that is outsourced to a third-party service provider.	Compliant	See notes above (Recommendation 12.3.1).  Article 5.1.3 of the Corporation's NMCG, as revised, (link: <a href="http://www.keppelph.com/images/pdfs/KPHI_New_Manual_on_Corporate_Governance_as_Revised.pdf">http://www.keppelph.com/images/pdfs/KPHI_New_Manual_on_Corporate_Governance_as_Revised.pdf</a> ) provides: "As the need arises, subject to KPHI's size, risk profile and complexity of operations, KPHI will have qualified Internal Audit and Risk Manager (IARM) appointed by the Board upon recommendation of the ARMC. The IARM will oversee and be responsible for the internal audit activity of the organization, including that portion that is outsourced to a	

		third-party service provider. In case of a fully outsourced internal audit activity, a qualified independent executive, or senior management personnel will be assigned the responsibility for managing the fully outsourced internal audit activity.	
3. In case of a fully outsourced internal audit activity, a qualified independent executive or a senior management personnel is assigned the responsibility for managing the fully outsourced internal audit activity.	Compliant	<p>Article 5.1.3 of the NMCG, as revised, provides that "In case of a fully outsourced internal audit activity, a qualified independent executive, or senior management personnel will be assigned the responsibility for managing the fully outsourced internal audit activity."</p> <p>KPHI has outsourced certain functions of the Internal Audit to the Internal Auditor of a related party. KPHI is also under the scope of the Group Internal Audit (GIA) of the Keppel Group and is guided by KCL's policy on internal audit systems.</p>	
<b>Recommendation 12.4</b>			
1. Company has a separate risk management function to identify, assess and monitor key risk exposures.	Compliant	<p>Article 5.1.4 of the Corporation's NMCG, as revised, (<a href="http://www.keppelph.com/images/pdfs/KPHI_New_Manual_on_Corporate_Governance_as_Revised.pdf">link: http://www.keppelph.com/images/pdfs/KPHI_New_Manual_on_Corporate_Governance_as_Revised.pdf</a>) provides: "As the need arises, subject to its size, risk profile and complexity of operations, KPHI will have a separate risk management function to identify, assess and monitor key risk exposures. This function is being undertaken through the risk oversight function of the ARMC."</p> <p>The risk management functions (a to g) are enumerated in Article 5.1.4 in the link provided above.</p> <p>The Internal Auditor of a related party assists in KPHI's ERM functions. An ERM Framework that includes risk identification and mitigating measures was submitted to the Board for discussion and with areas identified for improvement last May 6, 2022.</p>	The Internal Audit may handle the risk management function under the oversight of the ARMC.

Supplement to Recommendation 12.4			
1. Company seeks external technical support in risk management when such competence is not available internally.	Compliant	The Company seeks the technical support from Keppel Group Risk and Compliance.	
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	KPHI does not have a Chief Risk Officer (CRO).  See notes in Recommendation 12.4.1 above.	
2. CRO has adequate authority, stature, resources, and support to fulfill his/her responsibilities.	Compliant	See notes in Recommendation 12.4.1 above.	
Additional Recommendation to Principle 12			
1. Company's Chief Executive Officer and Chief Audit Executive attest in writing, at least annually, that a sound internal audit, control and compliance system is in place and working effectively.	Compliant	Statement of Management Responsibility duly signed by the Chairman, President, and Treasurer as attached to SEC Form 17A-2021 Annual Report and Consolidated Audited Financial Statements. (link: <a href="https://www.keppelph.com/images/pdfs/SEC_Form_17A_-_Annual_Report_2021.pdf">https://www.keppelph.com/images/pdfs/SEC_Form_17A_-_Annual_Report_2021.pdf</a> ) The Company participated in the 2020 e-CSA on January 2021 via online and submitted the Management Questionnaire (MQ) and Internal Control Questionnaire (ICQ) to KCL in 2019.	
Cultivating a Synergic Relationship with Shareholders			
<b>Principle 13:</b> 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	Compliant	Shareholder rights are contained in Article 6.1 of the Corporation's NMCG, as revised, (link:	



the Manual on Corporate Governance.		<a href="http://www.keppelph.com/images/pdfs/KPHI_New_Manual_on_Corporate_Governance_as_Revised.pdf">http://www.keppelph.com/images/pdfs/KPHI_New_Manual_on_Corporate_Governance_as_Revised.pdf</a> ).																										
2. Board ensures that basic shareholder rights are disclosed on the company's website.	Compliant	Shareholder rights are contained in Article 6.1 of the Corporation's NMCG, as revised, (link: <a href="http://www.keppelph.com/images/pdfs/KPHI_New_Manual_on_Corporate_Governance_as_Revised.pdf">http://www.keppelph.com/images/pdfs/KPHI_New_Manual_on_Corporate_Governance_as_Revised.pdf</a> ).																										
Supplement to Recommendation 13.1																												
1. Company's common share has one vote for one share.	Compliant	The company's common share has one vote for one share.																										
2. Board ensures that all shareholders of the same class are treated equally with respect to voting rights, subscription rights and transfer rights.	Compliant	<div>Class of voting share (as of 30 April 2022):</div> <table><tr><th>Class of Voting Shares</th><th>No. of Shares Outstanding</th><th>Nationality</th><th>%</th><th>No. of Vote Each Shares Entitled</th></tr><tr><td>Class 'A' Common Shares</td><td>35,777,170</td><td>Filipino</td><td>62.46</td><td>One (1) vote per share</td></tr><tr><td>Class 'B' Common Shares</td><td>3,847,976</td><td>Filipino</td><td>6.72</td><td>One (1) vote per share</td></tr><tr><td>Class 'B' Common Shares</td><td>17,657,273</td><td>Foreign</td><td>30.82</td><td>One (1) vote per share</td></tr><tr><td>Total Common Shares</td><td>57,282,419</td><td></td><td>100.00</td><td>One (1) vote per share</td></tr></table> <div>As per 2022 Information Statement (link: <a href="https://www.keppelph.com/images/pdfs/KPHI_SEC_Form_20IS_2022_-_DIS.pdf">https://www.keppelph.com/images/pdfs/KPHI_SEC_Form_20IS_2022_-_DIS.pdf</a> )</div>	Class of Voting Shares	No. of Shares Outstanding	Nationality	%	No. of Vote Each Shares Entitled	Class 'A' Common Shares	35,777,170	Filipino	62.46	One (1) vote per share	Class 'B' Common Shares	3,847,976	Filipino	6.72	One (1) vote per share	Class 'B' Common Shares	17,657,273	Foreign	30.82	One (1) vote per share	Total Common Shares	57,282,419		100.00	One (1) vote per share	
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Total Common Shares	57,282,419		100.00	One (1) vote per share																								
3. Board has an effective, secure, and efficient voting system.	Compliant	As provided for in the 20-IS 2022 Information Statement, "The holders of common stock are entitled to one vote per share, but in connection with the cumulative voting feature applicable to the election of directors, each stockholder is entitled to as many votes as shall equal the number of shares held by such person at the close of business on the record date, multiplied by the number of directors to be elected. A stockholder may cast all such votes for a single nominee or may apportion such votes among any two or																										

		<p>more nominees. The shares shall be voted/cast by secret balloting and/or raising of hands. In all matters included in the agenda, except the election of directors, the counting of votes will be done through the regular method. For the election of directors, the counting will be cumulative." (link: <a href="https://www.keppelph.com/images/pdfs/KPH_-_SEC_Form_20IS_2022_-_DIS.pdf">https://www.keppelph.com/images/pdfs/KPH_-_SEC_Form_20IS_2022_-_DIS.pdf</a> and <a href="http://www.keppelph.com/announcements-press-news.html">http://www.keppelph.com/announcements-press-news.html</a>).</p>	
4. Board has an effective shareholder-voting mechanism such as supermajority or "majority of minority" requirements to protect minority shareholders against actions of controlling shareholders.	Non-compliant	<p>The Corporation has no shareholder voting mechanisms such as supermajority or "majority of minority" for minority shareholders.</p>	Items that need shareholders' approval are put to a vote during the stockholders meeting.
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	<p>Article 6.1d (ii) of the Corporation's NMCG, as revised, (link: <a href="http://www.keppelph.com/images/pdfs/KPHI_New_Manual_on_Corporate_Governance_as_Revised.pdf">http://www.keppelph.com/images/pdfs/KPHI_New_Manual_on_Corporate_Governance_as_Revised.pdf</a>) provides:</p> <p>"The minority shareholders will be granted the right to propose the holding of a meeting, and the right to propose items in the agenda of the meeting, provided the items are for legitimate business purpose."</p>	
6. Board clearly articulates and enforces policies with respect to treatment of minority shareholders.	Compliant	<p>See notes Supplement to Recommendation 13.1.5 for Article 6.1(d)(ii) as well as Article 6.1(d)(iii) and the link provided with regard to the treatment of minority stockholders.</p> <p>Article 6.1(g) of the NMCG, as revised, also provides:</p> <p>"Rights to propose the holding of meetings and to include agenda items ahead of the scheduled Annual and Special</p>	

		<p>Shareholders' Meeting;</p> <p>This is subject to limits and ownership requirement prescribed by the Board. However, to prevent the abuse of this right, the Company may require that the proposal be made by the shareholders holding a specified percentage of shares or voting rights. On the other hand, to ensure that minority shareholders are not effectively prevented from exercising this right, the degree of ownership concentration is considered in determining the threshold."</p> <p>Additionally, Article 3.2.6 of the NMCG, as revised, provides:</p> <p>"The Board, through its Corporate Governance and Nomination Committee, will have a formal and transparent board nomination and election policy that will include how it accepts nominations from minority shareholders and reviews nominated candidates. The policy will also include an assessment of the effectiveness of the Board's processes and procedures in the nomination, election, or replacement of a director. In addition, its process of identifying the quality of directors will be aligned with the strategic direction of KPHI."</p>	
7. Company has a transparent and specific dividend policy.	Compliant	<p>Article 6.1.e (I to iii) of Corporation's NMCG, as revised, provides the rights to dividends, with the link: <a href="http://www.keppelph.com/images/pdfs/KPHI_New_Manual_on_Corporate_Governance_as_Revised.pdf">http://www.keppelph.com/images/pdfs/KPHI_New_Manual_on_Corporate_Governance_as_Revised.pdf</a></p> <p>As provided in SEC Form 17A-2021 Annual (link: <a href="https://www.keppelph.com/images/pdfs/SEC_Form_17A_-_Annual_Report_2021.pdf">https://www.keppelph.com/images/pdfs/SEC_Form_17A_-_Annual_Report_2021.pdf</a>)</p> <p>"The declaration and payment of dividends will depend, among others, upon the Company's earnings, cash flow, capital requirements and financial condition in addition to other factors. Cash dividends are subject to approval by the Board of Directors, but no stockholders' approval is</p>	

		<p>required. Dividends are payable to stockholders whose names are recorded in the stock and transfer books as of the record date fixed by the Board. The Company declared cash dividends in 2021, 2020 and 2019. Cash dividend details are as follows:</p> <table> <tr> <th></th><th>Y2021</th><th>Y2020</th><th>Y2019</th></tr> <tr> <td>Date of BOD Approval</td><td>June 18</td><td>June 19</td><td>June 21</td></tr> <tr> <td>Record Date</td><td>July 8</td><td>July 9</td><td>July 5</td></tr> <tr> <td>Payment Date</td><td>July 31</td><td>July 31</td><td>July 31</td></tr> <tr> <td>Amount of Dividend per Share</td><td>₱0.10 or 10%</td><td>₱0.10 or 10%</td><td>₱0.10 or 10%</td></tr> </table>		Y2021	Y2020	Y2019	Date of BOD Approval	June 18	June 19	June 21	Record Date	July 8	July 9	July 5	Payment Date	July 31	July 31	July 31	Amount of Dividend per Share	₱0.10 or 10%	₱0.10 or 10%	₱0.10 or 10%	
	Y2021	Y2020	Y2019																				
Date of BOD Approval	June 18	June 19	June 21																				
Record Date	July 8	July 9	July 5																				
Payment Date	July 31	July 31	July 31																				
Amount of Dividend per Share	₱0.10 or 10%	₱0.10 or 10%	₱0.10 or 10%																				
<b>Optional: Recommendation 13.1</b>																							
1. Company appoints an independent party to count and/or validate the votes at the Annual Shareholders' Meeting.	Compliant	Independent validation and counting of votes at the Annual Shareholders' Meeting are done by Stock Transfer Services, Inc.																					
<b>Recommendation 13.2</b>																							
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	<p>The Notice and Agenda for the 18 June 2021 Annual Stockholders Meeting was uploaded on 12 May 2021 (link: <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=c132ce0d96749ab0de8473cebbd6407">https://edge.pse.com.ph/openDiscViewer.do?edge_no=c132ce0d96749ab0de8473cebbd6407</a>) and is contained on page 2 of the Year 2021 20-IS which was uploaded in 28 May 2021 Definitive Information Statement (link: <a href="https://edge.pse.com.ph/companyDisclosures/form.do?company_id=87#viewer">https://edge.pse.com.ph/companyDisclosures/form.do?company_id=87#viewer</a>; <a href="https://www.keppelph.com/images/pdfs/Keppel_Philippines_Holdings_Inc_SEC_Form_20-IS_27_May_2021_PSE.pdf">https://www.keppelph.com/images/pdfs/Keppel_Philippines_Holdings_Inc_SEC_Form_20-IS_27_May_2021_PSE.pdf</a>; and <a href="https://www.keppelph.com/images/pdfs/KPH_-_Notice-Agenda_ASM_Y2021.pdf">https://www.keppelph.com/images/pdfs/KPH_-_Notice-Agenda_ASM_Y2021.pdf</a>).</p>																					
<b>Supplemental to Recommendation 13.2</b>																							

1. Company's Notice of Annual Stockholders' Meeting contains the following information:	Compliant	The Notice and Agenda for the 17 June 2022 Annual Stockholders Meeting was uploaded on 11 May 2022 (link: <a href="https://edge.pse.com.ph/companyDisclosures/form.do?cmpry_id=87#viewer">https://edge.pse.com.ph/companyDisclosures/form.do?cmpry_id=87#viewer</a> ) and is contained on page 3 of the Year 2022 20-IS which was uploaded in 26 May 2021 Definitive Information Statement (link: <a href="https://edge.pse.com.ph/companyDisclosures/form.do?cmpry_id=87#viewer">https://edge.pse.com.ph/companyDisclosures/form.do?cmpry_id=87#viewer</a> ; <a href="https://www.keppelph.com/images/pdfs/KPH_-_SEC_Form_20IS_2022_-_DIS.pdf">https://www.keppelph.com/images/pdfs/KPH_-_SEC_Form_20IS_2022_-_DIS.pdf</a> and <a href="https://www.keppelph.com/images/pdfs/KPHI_-_ASM_Notice_and_Agenda_2022.pdf">https://www.keppelph.com/images/pdfs/KPHI_-_ASM_Notice_and_Agenda_2022.pdf</a> ).	
a. The profiles of directors (i.e., age, academic qualifications, date of first appointment, experience, and directorships in other listed companies)	Compliant	The Directors' profiles are included in the SEC Form 17A-2021 Annual Report (link: <a href="https://www.keppelph.com/images/pdfs/SEC_Form_17A_-_Annual_Report_2021.pdf">https://www.keppelph.com/images/pdfs/SEC_Form_17A_-_Annual_Report_2021.pdf</a> ) and in SEC Form 20IS -2022 Information Statement (link: <a href="https://www.keppelph.com/images/pdfs/KPH_-_SEC_Form_20IS_2022_-_DIS.pdf">https://www.keppelph.com/images/pdfs/KPH_-_SEC_Form_20IS_2022_-_DIS.pdf</a> ) .	
b. Auditors seeking appointment/re-appointment	Compliant		
c. Proxy documents	Compliant		
Optional: Recommendation 13.2			
1. Company provides rationale for the agenda items for the annual stockholders meeting	Compliant	Items in the agenda are stated in a simple and straightforward manner.	
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'	Compliant	Results of the 18 June 2021 Annual Stockholders' Meeting were disclosed in the Company's website (links: <a href="https://www.keppelph.com/images/pdfs/KPH_-_SEC_Form_17-C-Results_of_18Jun2021_ASM.pdf">https://www.keppelph.com/images/pdfs/KPH_-_SEC_Form_17-C-Results_of_18Jun2021_ASM.pdf</a> and <a href="https://www.keppelph.com/images/pdfs/KPH_18_June_2021_ASM_Minutes.pdf">https://www.keppelph.com/images/pdfs/KPH_18_June_2021_ASM_Minutes.pdf</a> ).	

Meeting publicly available the next working day.			
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	Minutes of the of the 2021 Annual Stockholders' Meeting can be found in the link: <a href="https://www.keppelph.com/images/pdfs/KPH_18_June_2021_ASM_Minutes.pdf">https://www.keppelph.com/images/pdfs/KPH_18_June_2021_ASM_Minutes.pdf</a> .	
<b>Supplement to Recommendation 13.3</b>			
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's team was present during the 2021 Annual Stockholders' Meeting.	
<b>Recommendation 13.4</b>			
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	Article 6.5 of the Corporation's NMCG, as revised, (link: <a href="http://www.keppelph.com/images/pdfs/KPHI_New_Manual_on_Corporate_Govenance_as_Revised.pdf">http://www.keppelph.com/images/pdfs/KPHI_New_Manual_on_Corporate_Govenance_as_Revised.pdf</a> ) provides: "the Board will make available, at the option of a shareholder, an alternative dispute mechanism to resolve intra-corporate disputes in an amicable and effective manner."	
2. The alternative dispute mechanism is included in the company's Manual on Corporate Governance.	Compliant	In addition to Article 6.5 of the NMCG, as revised, Article 3.2.2 thereof provides that "The Board shall establish and maintain an alternative dispute resolution system in KPHI that can amicably settle conflicts or differences between KPHI and its stockholders, and KPHI and third parties, including the regulatory authorities."	
<b>Recommendation 13.5</b>			

1. Board establishes an Investor Relations Office (IRO) to ensure constant engagement with its shareholders.	Compliant	<p>Article 6.6 of the NMCG, as revised, provides that "The Board will establish an Investor Relations Office (IRO) to ensure constant engagement with its shareholders. The IRO will be present at every shareholders' meeting. KPHI has a Corporate Information Officer who also acts as the Investors Relations Officer."</p> <p>The Corporate Information Officer/Investors Relation Officer's details are:</p> <ol style="list-style-type: none"> <li>1. Name: Ms. Felicidad V. Razon,</li> <li>2. Telephone no: (02)8892 3454</li> <li>3. Fax number: (02)8894 3684</li> <li>4. Email address: <a href="mailto:fely.razon@keppelph.com">fely.razon@keppelph.com</a></li> </ol>	
2. IRO is present at every shareholders' meeting.	Compliant	The IRO was present during the Annual Stockholders' Meeting.	
<b>Supplemental Recommendations to Principle 13</b>			
1. Board avoids anti-takeover measures or similar devices that may entrench ineffective management or the existing controlling shareholder group	Compliant	The Company does not have anti-takeover measures or similar devices.	
2. Company has at least thirty percent (30%) public float to increase liquidity in the market.	Non-compliant	<p>As disclosed in SEC Form 17A-2021 Annual Report, "The Company has 17.29% or 9,915,358 shares owned by the public out of the 57,342,419 shares as of 31 December 2021." (link: <a href="https://www.keppelph.com/images/pdfs/SEC_Form_17A_-_Annual_Report_2021.pdf">https://www.keppelph.com/images/pdfs/SEC_Form_17A_-_Annual_Report_2021.pdf</a>)</p> <p>As of 31 March 2022, the Company has 17.22% or 9,865,458 shares owned by the public out of the 57,292,519 shares. (link: <a href="https://edge.pse.com.ph/companyDisclosures/form.do?company_id=87#viewer">https://edge.pse.com.ph/companyDisclosures/form.do?company_id=87#viewer</a>).</p>	KPHI will review its option with respect to the public float in 2022.
<b>Optional: Principle 13</b>			

1. Company has policies and practices to encourage shareholders to engage with the company beyond the Annual Stockholders' Meeting	Compliant	The shareholder rights beyond the meeting are contained in Article 6 of the Corporation's NMCG, as revised, (link: <a href="http://www.keppelph.com/images/pdfs/KPHI_New_Manual_on_Corporate_Governance_as_Revised.pdf">http://www.keppelph.com/images/pdfs/KPHI_New_Manual_on_Corporate_Governance_as_Revised.pdf</a> ).	
2. Company practices secure electronic voting in absentia at the Annual Shareholders' Meeting.	Non-Compliant	The Corporation does not have an electronic voting in absentia system. Only the votes made by shareholders present or in proxy are counted during the Annual Stockholders' 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	Article 7.1.1 of the Corporation's NMCG, as revised, (link: <a href="http://www.keppelph.com/images/pdfs/KPHI_New_Manual_on_Corporate_Governance_as_Revised.pdf">http://www.keppelph.com/images/pdfs/KPHI_New_Manual_on_Corporate_Governance_as_Revised.pdf</a> ) provides: "the Board will identify KPHI's various stakeholders and promote cooperation between them and KPHI in creating wealth, growth and sustainability."  The shareholders, employees, customers, creditors are identified as KPHI's stakeholders.	
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#### Recommendation 14.2

1. Board establishes clear policies and programs to provide a mechanism on the fair treatment and protection of stakeholders.	Compliant	Article 7.1.2 of the Corporation's NMCG, as revised, (link: <a href="http://www.keppelph.com/images/pdfs/KPHI_New_Manual_on_Corporate_Governance_as_Revised.pdf">http://www.keppelph.com/images/pdfs/KPHI_New_Manual_on_Corporate_Governance_as_Revised.pdf</a> ) provides: "the Board will establish clear policies and programs to provide a mechanism on the fair treatment and protection of stakeholders."	
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#### Recommendation 14.3



<p>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.</p>	<p>Compliant</p>	<p>Article 7.1.3 of the Corporation's NMCG, as revised, provides: "the Board will adopt a transparent framework and process to allow stakeholders to communicate to KPHI and to obtain redress for the violation of their rights."</p> <p>Per item 5 of the Corporation's whistle-blowing policy, "The Receiving Officer is responsible for administering this policy. The Company has designated the Group Internal Audit and Risk Manager) as the Receiving Officer."</p> <p>The Receiving Officer's details are:</p> <ol style="list-style-type: none"> <li>1. Name: <b>Mr. Stefan Tong Wai Mun</b></li> <li>2. Telephone no: (02) 88922365</li> <li>3. Fax number: (02) 88943684</li> <li>4. Email address: <a href="mailto:stefan.tong@keppelph.com">stefan.tong@keppelph.com</a></li> </ol> <p>The corporation's policy on whistle-blowing can be found at <a href="http://keppelph.com/images/pdfs/WHISTLE-BLOWING POLICY Whistle Blower Protection Policy.pdf">http://keppelph.com/images/pdfs/WHISTLE-BLOWING POLICY Whistle Blower Protection Policy.pdf</a> and <a href="https://www.kepcorp.com/en/whistleblowing/">https://www.kepcorp.com/en/whistleblowing/</a> hotline at</p>	
<p><b>Supplement to Recommendation 14.3</b></p>			
<p>1. Company establishes an alternative dispute resolution system so that conflicts and differences with key stakeholders is settled in a fair and expeditious manner.</p>	<p>Compliant</p>	<p>One of the duties of the board as provided in Article 3.2.2(j) of the Corporation's NMCG, as revised, (link: <a href="http://www.keppelph.com/images/pdfs/KPHI New Manual on Corporate Governance as Revised.pdf">http://www.keppelph.com/images/pdfs/KPHI New Manual on Corporate Governance as Revised.pdf</a>) is to "establish and maintain an alternative dispute resolution system in KPHI that can amicably settle conflicts or differences between KPHI and its stockholders, and KPHI and third parties, including the regulatory authorities."</p>	
<p><b>Additional Recommendations to Principle 14</b></p>			

1. Company does not seek any exemption from the application of a law, rule, or regulation especially when it refers to a corporate governance issue. If an exemption was sought, the company discloses the reason for such action, as well as presents the specific steps being taken to finally comply with the applicable law, rule or regulation.	Compliant	The Company does not seek any exemption from the application of a law, rule, or regulation especially when it refers to a corporate governance issue.	
2. Company respects intellectual property rights.	Compliant	The Company does not have issues on intellectual property rights.	
<b>Optional: Principle 14</b>			
1. Company discloses its policies and practices that address customers' welfare	Compliant	Customers are considered as stakeholders and are protected by Article 7.1 Duties to Stakeholders of Corporation's NMCG, as revised, (link: <a href="http://www.keppelph.com/images/pdfs/KPHI New Manual on Corporate Governance as Revised.pdf">http://www.keppelph.com/images/pdfs/KPHI New Manual on Corporate Governance as Revised.pdf</a> ), states that "the rights of stakeholders established by laws, by contractual relations and through voluntary commitments must be respected. Where stakeholders' right and/or interests are at stake, stakeholders should have the opportunity to obtain prompt effective redress for the violation of their rights."	
2. Company discloses its policies and practices that address supplier/contractor selection procedures	Compliant	As per Article 7.1.2 and 7.1.3 of Corporation's NMCG, as revised, (link: <a href="http://www.keppelph.com/images/pdfs/KPHI New Manual on Corporate Governance as Revised.pdf">http://www.keppelph.com/images/pdfs/KPHI New Manual on Corporate Governance as Revised.pdf</a> ) states that "The Board will establish clear policies and programs to provide a mechanism on the fair treatment and protection of stakeholders."	

		"The Company obtains at least three (3) quotations from suppliers of goods or services and choose the best in terms of cost and quality efficiency."	
<b>Principle 15:</b> 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.			
<b>Recommendation 15.1</b>			
1. Board establishes policies, programs and procedures that encourage employees to actively participate in the realization of the company's goals and in its governance.	Compliant	<p>Article 7.2.1 of the Corporation's NMCG, as revised, (link: <a href="http://www.keppelph.com/images/pdfs/KPHI_New_Manual_on_Corporate_Governance_as_Revised.pdf">http://www.keppelph.com/images/pdfs/KPHI_New_Manual_on_Corporate_Governance_as_Revised.pdf</a>) provides that "the Board will establish policies, programs and procedures that encourage employees to actively participate in the realization of KPHI's goals and in its governance.</p> <p>The establishment of policies and programs covering, among others, the following: (1) health, safety, and welfare; (2) training and development; and (3) reward/compensation for employees, encourages employees to perform better and motivates them to take a more dynamic role in KPHI."</p>	
<b>Supplement to Recommendation 15.1</b>			
1. Company has a reward/compensation policy that accounts for the performance of the company beyond short-term financial measures.	Compliant	<p>Article 7.2.1 of the Corporation's NMCG, as revised, (link: <a href="http://www.keppelph.com/images/pdfs/KPHI_New_Manual_on_Corporate_Governance_as_Revised.pdf">http://www.keppelph.com/images/pdfs/KPHI_New_Manual_on_Corporate_Governance_as_Revised.pdf</a>) provides that "the Board will establish policies, programs and procedures that encourage employees to actively participate in the realization of KPHI's goals and in its governance.</p> <p>The establishment of policies and programs covering, among others, the following: (1) health, safety, and welfare; (2) training and development; and (3) reward/compensation for employees, encourages employees to perform better and motivates them to take a more dynamic role in KPHI."</p>	

		The Company has in place a merit-based performance incentive such as productivity bonus when operation warrants such incentive, other than the mandated benefits.	
2. Company has policies and practices on health, safety and welfare of its employees.	Compliant	The policies on health, safety and welfare of the employees can be found on the company's website at <a href="http://keppelph.com/images/pdfs/HEALTH_SAFETY_WELFARE_and_ENVIRONMENTAL_POLICY.pdf">http://keppelph.com/images/pdfs/HEALTH_SAFETY_WELFARE_and_ENVIRONMENTAL_POLICY.pdf</a> . Minimum requirement for the Covid 19 Pandemic done by the Company can be found on link: <a href="https://keppelph.com/images/pdfs/SEC_Form_17A_-_Annual_Report_2021.pdf">https://keppelph.com/images/pdfs/SEC_Form_17A_-_Annual_Report_2021.pdf</a> ) Item 6 page 11 and Material Events and Uncertainties Item D page 35 of Link: <a href="https://www.keppelph.com/images/pdfs/KPH_-_SEC_Form_20IS_2022_-_DIS.pdf">https://www.keppelph.com/images/pdfs/KPH_-_SEC_Form_20IS_2022_-_DIS.pdf</a> ).	
3. Company has policies and practices on training and development of its employees.	Compliant	Employees attended seminars, trainings, and conferences mandated by government bodies and other financial institutions.	
<b>Recommendation 15.2</b>			
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 Corporation's policy against corruption can be found at <a href="http://keppelph.com/corporate-governance/code-of-business-conduct-and-ethics.html">http://keppelph.com/corporate-governance/code-of-business-conduct-and-ethics.html</a> and <a href="https://www.kepcorp.com/en/file/sustainability/our-focus-areas/global-anti-bribery-policy-web.pdf">https://www.kepcorp.com/en/file/sustainability/our-focus-areas/global-anti-bribery-policy-web.pdf</a> .	
2. Board disseminates the policy and program to employees across the organization through trainings to embed them in the company's culture.	Compliant	The Board disseminated the policy and program to all employees across the organization by sending emails and posting on the website.	
<b>Supplement to Recommendation 15.2</b>			

1. Company has clear and stringent policies and procedures on curbing and penalizing employee involvement in offering, paying, and receiving bribes.	Compliant	<p>The Corporation's policy against corruption can be found at <a href="http://keppelph.com/corporate-governance/code-of-business-conduct-and-ethics.html">http://keppelph.com/corporate-governance/code-of-business-conduct-and-ethics.html</a>.</p> <p>As reiterated in Article 7.2.2 of the Corporation's NMCG, as revised, (link: <a href="http://www.keppelph.com/images/pdfs/KPHI_New_Manual_on_Corporate_Governance_as_Revised.pdf">http://www.keppelph.com/images/pdfs/KPHI_New_Manual_on_Corporate_Governance_as_Revised.pdf</a>), "The Board will set the tone and make a stand against corrupt practices by adopting an anti-corruption policy and program in its Code of Conduct."</p>	
<b>Recommendation 15.3</b>			
1. Board establishes a suitable framework for whistleblowing that allows employees to freely communicate their concerns about illegal or unethical practices, without fear of retaliation	Compliant	<p>Whistle-blowing policy includes protection of employees from reprisal.</p> <p>The Corporation's whistle-blowing policies can be found at <a href="http://keppelph.com/images/pdfs/WHISTLE-BLOWING_POLICY_Whistle_Blower_Protection_Policy.pdf">http://keppelph.com/images/pdfs/WHISTLE-BLOWING_POLICY_Whistle_Blower_Protection_Policy.pdf</a> and at hotline at <a href="https://www.kepcorp.com/en/whistleblowing/">https://www.kepcorp.com/en/whistleblowing/</a>.</p> <p>Further, Article 7.2.3 of the Corporation's NMCG, as revised, link: <a href="http://www.keppelph.com/images/pdfs/KPHI_New_Manual_on_Corporate_Governance_as_Revised.pdf">http://www.keppelph.com/images/pdfs/KPHI_New_Manual_on_Corporate_Governance_as_Revised.pdf</a> provides: "the Board will establish a suitable framework for whistleblowing that allows employees to freely communicate their concerns about illegal or unethical practices, without fear of retaliation and to have direct access to an independent member of the Board or a unit created to handle whistleblowing concerns. The Board will be conscientious in establishing the framework, as well as in supervising and ensuring its enforcement."</p>	
2. Board establishes a suitable framework for whistleblowing that allows employees to have direct	Compliant	The Corporation's whistle-blowing policies can be found at <a href="http://keppelph.com/images/pdfs/WHISTLE-BLOWING_POLICY_Whistle_Blower_Protection_Policy.pdf">http://keppelph.com/images/pdfs/WHISTLE-BLOWING_POLICY_Whistle_Blower_Protection_Policy.pdf</a>	

access to an independent member of the Board or a unit created to handle whistleblowing concerns.		and hotline at <a href="https://www.kepcorp.com/en/whistleblowing/">https://www.kepcorp.com/en/whistleblowing/</a> . The same provides for a reporting mechanism which handles whistleblowing concerns.  Refer to the link to Article 7.2.3 of the Corporation's NMCG, as revised in Recommendation 15.3.1.(Link: <a href="http://www.keppelph.com/images/pdfs/KPHI_New_Manual_on_Corporate_Governance_as_Revised.pdf">http://www.keppelph.com/images/pdfs/KPHI_New_Manual_on_Corporate_Governance_as_Revised.pdf</a> ).	
3. Board supervises and ensures the enforcement of the whistleblowing framework.	Compliant	Refer to the link to Article 7.2.3 of the Corporation's NMCG, as revised in Recommendation 15.3.1.(Link: <a href="http://www.keppelph.com/images/pdfs/KPHI_New_Manual_on_Corporate_Governance_as_Revised.pdf">http://www.keppelph.com/images/pdfs/KPHI_New_Manual_on_Corporate_Governance_as_Revised.pdf</a>	
<b>Principle 16:</b> 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.			
<b>Recommendation 16.1</b>			
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	Article 7.3.1 of the Corporation's NMCG, as revised, link: <a href="http://www.keppelph.com/images/pdfs/KPHI_New_Manual_on_Corporate_Governance_as_Revised.pdf">http://www.keppelph.com/images/pdfs/KPHI_New_Manual_on_Corporate_Governance_as_Revised.pdf</a> provides: "KPHI will recognize and place an importance on the interdependence between business and society, and promote a mutually beneficial relationship that allows KPHI to grow its business, while contributing to the advancement of the society where it operates."	We encourage our tenants or business partners to be part of the CSR.
<b>Optional: Principle 16</b>			
1. Company ensures that its value chain is environmentally friendly or	Compliant	See notes and link in Recommendation 16.1.1 above.	

is consistent with promoting sustainable development.			
2. Company exerts effort to interact positively with the communities in which it operates.	Compliant	One of the Board's functions under Article 3.2.2 of the Corporation's NMCG, as revised, link: <a href="http://www.keppelph.com/images/pdfs/KPHI_New_Manual_on_Corporate_Govenance_as_Revised.pdf">http://www.keppelph.com/images/pdfs/KPHI_New_Manual_on_Corporate_Govenance_as_Revised.pdf</a> is to "identify KPHI's stakeholders in the community in which it operates or are directly affected by its operations, and formulate clear policy of accurate, timely and effective communication with them."	

Pursuant to the requirement of the Securities and Exchange Commission, this Integrated Annual Corporate Governance Report is signed in behalf of the registrants by the undersigned, thereunto duly authorized, in the City of SINGAPORE in SINGAPORE 2022.



KEVIN CHNG CHEE KEONG

Chairman

PHL TIN 766-630-319

SUBSCRIBED AND SWORN TO before me this 30 day of MAY 2022, affiants exhibiting to me his \_\_\_\_\_ government ID as follows:  
\_\_\_\_\_

Doc. No. \_\_\_\_;  
Page No. \_\_\_\_;  
Book No. \_\_\_\_;  
Series of 2022.

NOTARY PUBLIC







NC0M4808QJ

## NOTARIAL CERTIFICATE

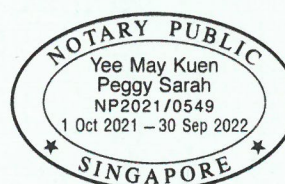
TO ALL TO WHOM these presents shall come

I, Yee May Kuen Peggy Sarah, NOTARY PUBLIC duly admitted, authorised to practise in the Republic of Singapore, DO HEREBY CERTIFY

**AND ATTEST** that I was present on the **30<sup>th</sup>** day of **May 2022** at Singapore when **Mr. CHNG CHEE KEONG** duly signed the annexed **INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT** and that the signature of **Mr. CHNG CHEE KEONG** thereto subscribed is of the proper handwriting of the said **Mr. CHNG CHEE KEONG**.

IN FAITH AND TESTIMONY whereof I the said notary have subscribed my name and set and affixed my seal of office at Singapore, this 30th day of May 2022.

NOTARY PUBLIC  
SINGAPORE



By virtue of Rule 8(3)(c) of the Notaries Public Rules, a Notarial Certificate must be authenticated by the Singapore Academy of Law in order to be valid.

With effect from 16 September 2021, a Notarial Certificate shall be deemed to be validly authenticated by the affixing of an Apostille to the back of the Notarial Certificate.

# APOSTILLE

(Convention de La Haye du 5 Octobre 1961)

This **Apostille** only certifies the authenticity of the signature, seal or stamp and the capacity of the person who has signed the attached Singapore public document, and, where appropriate, the identity of the seal or stamp. It does not certify the authenticity of the underlying document.

If this document is to be used in a country not party to the Hague Convention of the 5th of October 1961, it should be presented to the consular section of the mission representing that country.

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Verification code: 58689980

1. Country:	Singapore
<b>This public document</b>	
2. Has been signed by:	Yee May Kuen Peggy Sarah
3. Acting in the capacity of:	Notary Public
4. Bears the seal/stamp of:	Notary Public
<b>Certified</b>	
5. At:	Singapore Academy of Law
6. The:	6th June 2022
7. By:	Melissa Goh, Head of Statutory Services, SAL
8. No.:	AC0M4D0IVB
9. Seal/Stamp:	10. Signature:

Melissa



Pursuant to the requirement of the Securities and Exchange Commission, this Integrated Annual Corporate Governance Report is signed in behalf of the registrants by the undersigned, thereunto duly authorized, in the City of \_\_\_\_\_ in MAKATI CITY 2022.

  
**ALAN L. CLAVERIA**  
President

  
**CELSO P. VIVAS**  
Lead Independent Director

**RAMON J. ABEJUELA**  
Independent Director

  
**LEONARDO R. ARGUELLES, JR.**  
Independent Director

  
**STEFAN TONG WAI MUN**  
Director

  
**FELICIDAD V. RAZON**  
Vice-President/Treasurer/Compliance Officer

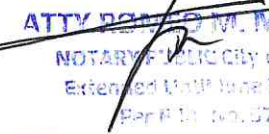
**MA. MELVA E. VALDEZ**  
Corporate Secretary

**MAY 30 2022**

SUBSCRIBED AND SWORN TO before me this \_\_\_\_\_ day of \_\_\_\_\_ 2022, affiants exhibiting to me their TIN/valid government ID as follows:

NAME	TIN/Competent Evidence of Identity
ALAN I. CLAVERIA	TIN 127-165-720
CELSO P. VIVAS	TIN 123-305-206
RAMON J. ABEJUELA	TIN 172-761-781
LEONARDO R. ARGUELLES, JR.	TIN 106-967-381
STEFAN TONG WAI MUN	TIN 201-588-126
FELICIDAD V. RAZON	TIN 112-942-756
MA. MELVA E. VALDEZ	TIN 123-493-209

Doc. No. 21  
Page No. 21  
Book No. 18  
Series of 2022..

  
**ATTY. RONALD M. MONFORT**  
NOTARY PUBLIC City of Makati  
Extended Until June 30, 2022  
Per R. No. 1745  
PTR No. 15-109-1-3, 13-17 Makati City  
Appointed as Not. in JCS (2020-2021)  
ID No. 1051584 Jan. 3, 2018  
MCLE No. 11-June-17 Roll No. 27932  
101 Urban Ave. Campos Rueda Bldg  
Brgy. Pio Del Pilar, Makati City



2  
MAKATI CITY

**RAMON J. ABEJUELA**  
Independent Director

**FELICIDAD V. RAZON**  
Vice-President/Treasurer/Compliance Officer

MAY 25 2022

NAME	TIN/Competent Evidence of Identity
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CELSO P. VIVAS	TIN 123-305-206
RAMON J. ABEJUELA	TIN 172-761-781
LEONARDO R. ARGUELLES, JR.	TIN 106-967-381
STEFAN <u>TONG</u> WAI MUN	TIN 201-588-126
FELICIDAD V. RAZON	TIN 112-942-756
MA. MELVA E. VALDEZ	TIN 123-493-209

ATTY. ROLANDO L. MONFORT  
NOTARY PUBLIC City of Makati  
Extended until June 30, 2022  
R.R. No. 9795  
PTR No. 000221000-000-0000000 Makati City  
App. No. 100-100000000-000-0000000 (2020-2021)  
IBR No. 100-100000000-000-0000000 2018  
MCLEND. No. 100-100000000-000-0000000 No. 27932  
101 Urban Ave. Carapros Rueda Bldg.  
Brgy. Pio Del Pilar, Makati City

Pursuant to the requirement of the Securities and Exchange Commission, this Integrated Annual Corporate Governance Report is signed in behalf of the registrants by the undersigned, thereunto duly authorized, in the City of Pasig on 30 May 2022.

**ALAN L. CLAVERIA**  
President

**CELSO P. VIVAS**  
Lead Independent Director

**RAMON J. ABEJUELA**  
Independent Director

**LEONARDO R. ARGUELLES, JR.**  
Independent Director

**STEFAN TONG WAI MUN**  
Director


**FELICIDAD V. RAZON**  
Vice-President/Treasurer/Compliance Officer

  
**MA. MELVA E. VALDEZ**  
Corporate Secretary

SUBSCRIBED AND SWORN TO before me this 30th day of May 2022, affiants exhibiting to me their TIN/valid government ID as follows:

NAME	TIN/Competent Evidence of Identity
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STEFAN TONG WAI MUN	TIN 201-588-126
FELICIDAD V. RAZON	TIN 112-942-756
MA. MELVA E. VALDEZ	TIN 123-493-209

Doc. No. 478;  
Page No. 97;  
Book No. III;  
Series of 2022.

  
**JOSE ANICETO DAVID S. DEALINO**  
Notary Public - Pasig City Appointment No. 182 (2020-2021)  
VALID UNTIL JUNE 30, 2022  
AS PER B.M. NO. 3786 DATED SEPTEMBER 28, 2021  
17th Floor, Robinsons Equestria Tower No. 4 ADB Avenue  
cor. P. Paredes Drive Ortigas Center, Pasig City  
IBP OR No. 17054016 December 2021 (w/d 2022)/Quezon City  
PTR No. 8131467/06 January 2022 (Pasig City)  
MCLE Compliance No. VII-0009496 until 14 April 2025  
Roll of Attorneys No. 68108

**KEPPEL PHILIPPINES HOLDINGS, INC.**  
**MATERIAL RELATED PARTY TRANSACTIONS**  
**as of December 31, 2021**  
**In Philippine Pesos**

	<u>Type of Transaction</u>	<u>KPH Group</u>	<u>Related Party</u>	<u>Amount of Transaction</u>	<u>Value Date</u>	<u>Terms &amp; Conditions</u>		<u>Interest rate p.a.</u>	<u>% over</u>	<u>% over</u>
						<u>Maturity Date</u>	<u>No. of Days</u>		<u>Total Assets</u>	<u>Total Assets</u>
									<u>2021 AFS of</u>	<u>2020 AFS of</u>
									<u>P1.29 B</u>	<u>P1.0 B</u>
I.	Loan	KPHI Parent	KPMI	52,000,000	28-Oct-21	26-Jan-22	90	3.384%	4.03%	5.03%
				50,000,000	29-Oct-21	27-Jan-22	90	3.383%	3.87%	4.83%
				25,000,000	9-Nov-21	7-Feb-22	90	3.378%	1.93%	2.42%
				18,000,000	17-Nov-21	15-Feb-22	90	3.388%	1.39%	1.74%
				25,000,000	10-Nov-21	7-Feb-22	90	3.375%	1.94%	2.42%
				20,000,000	24-Nov-21	22-Feb-22	90	3.393%	1.55%	1.93%
				<b>190,000,000</b>					<b>14.72%</b>	<b>18.37%</b>
		GMRI	KPMI	40,000,000	15-Nov-21	11-Feb-22	88	3.382%	3.10%	4.83%
		KPSI	KPMI	10,000,000	11-Nov-21	9-Feb-22	90	3.373%	0.77%	0.97%
				<b>240,000,000</b>					<b>18.60%</b>	<b>24.17%</b>
II.	Lease Rental	GMRI *	KPMI – PYard	<u>Annual Rental</u>	<u>Lease Period</u>	<u>Start of Lease</u>	<u>Monthly Rent</u>			
				6.956,951	50 Years	1-Jan-17	798,669		0.54%	0.73%
				330,426	Annual	1-Jan-21	36,714		0.03%	0.03%
				661,998	Annual	1-Jul-21	175,364		0.05%	0.16%
				436,680	Annual	11-Apr-21	36,390		0.03%	0.04%
				300,000	Annual	1-Apr-21	25,000		0.02%	0.03%
				120,000	Annual	1-Jun-21	10,000		0.01%	0.01%
				250,543	Annual	1-Jan-21	20,879		0.01%	0.02%
		GRDC	KPMI	<b>9,056,598</b>					<b>0.70%</b>	<b>1.03%</b>

\* GMRI - 50 years rental started August 1993; repricing for PAS 17 every 5 years, remaining lease period – 21.58 years  
Rental with 25% concessions for the year 2021

	<u>Type of Transaction</u>	<u>KPH Group</u>	<u>Related Party</u>	<u>Annual Revenue</u>	<u>Outstanding Interest Receivable</u>	<u>% over Total Assets 2021 AFS of P1.29 B</u>	<u>% over Total Assets 2020 AFS of P1.0 B</u>
III.	<b>Interest from Loans</b>	KPHI Parent	KPMI	6,634,731	1,003,737	0.51%	0.80%
		GMRI	KPMI	1,669,273	172,858	0.13%	0.25%
		KPSI	KPMI	337,559	46,847	0.03%	0.04%
				<b><u>8,641,563</u></b>	<b><u>1,223,442</u></b>	<b>0.67%</b>	<b>1.09%</b>
IV.	<b>Payroll service fee</b>	KPHI Parent	KPMI	1,757,056	804,959	0.14%	0.05%
			KSSI	<u>1,847,962</u>	<u>125,602</u>	0.14%	0.06%
				<b><u>3,605,018</u></b>	<b><u>930,561</u></b>	<b>0.28%</b>	<b>0.11%</b>
V.	<b>Management fees</b>	KPHI Parent	Kepwealth Inc.	276,000	-	0.02%	0.03%
			KECI	240,000	-	0.02%	0.02%
			KIVI	180,000	-	0.01%	0.02%
			Kepventure Inc.	60,000	-	0.01%	0.01%
				<b><u>756,000</u></b>	-	<b>0.06%</b>	<b>0.07%</b>

Notes:

1. Partial termination of P10 million in 2021.
2. Short-term loan interest rate is based on lowest interest rate from at least three banks at the time of loan or renewal.
3. SEC requires RPT advisement if transaction reached more than 10% of Total Assets
4. Payroll service started in February 2020 and renewable annually as per agreed rate
5. Management fee, renewable annually.
4. Total assets 2021 – Php 1,290,505,577; 2020 – Php 1,034,538,388

26 May 2022

**ATTY. RACHEL ESTHER J. GUMTANG-REMALANTE**

Officer-in-Charge

Corporate Governance and Finance Department

Securities and Exchange Commission (SEC)

Dear Atty. Gumtang-Remalante:

We write for and on behalf of **KEPPEL PHILIPPINES HOLDINGS, INC.** (the "Corporation" or "KPH"), a corporation duly organized and existing under Philippine laws with SEC Registration No. 62596 and business address at Unit 3-B Country Space I Bldg., 133 Sen. Gil Puyat Avenue, Salcedo Village, Brgy. Bel-Air, Makati City.

We respectfully request that the Corporation be granted extension of time to submit the Integrated Annual Corporate Governance Report ("I-ACGR") notarization page for KPH's signatory who is not in the Philippines.

Kindly be advised that the Chairman of the Board, Mr. Kevin Chng Chee Keong, is a resident of Singapore. In light of concerns on public health and safety due to COVID-19 pandemic, it is difficult for Mr. Chng to travel to the Philippines to sign the I-ACGR. It is also challenging to have the I-ACGR legalized in Singapore as it takes quite some time.

In light of the foregoing, we request that KPH be allowed to submit in the meantime its I-ACGR as signed by its officers present in the Philippines and notarized locally. KPH undertakes to submit the legalized I-ACGR as signed by Mr. Chng by 30 June 2022.

We look forward to your usual prompt and favorable action.

Very truly yours,

A handwritten signature in black ink, appearing to read "Melva E. Valdez".

**MA. MELVA E. VALDEZ**

Corporate Secretary