


**SECURITIES AND EXCHANGE COMMISSION**

**SEC FORM – ACGR**

**ANNUAL CORPORATE GOVERNANCE REPORT**

1. Report is Filed for the Year 2014
2. Exact Name of Registrant as Specified in its Charter - KEPPEL PHILIPPINES HOLDINGS, INC.
3. **Unit 3-B, Country Space I Building,**  
**#133 Sen. Gil Puyat Avenue, Salcedo Village,**  
**Brgy. Bel-Air, Makati City** 1200  
Address of Principal Office Postal Code  

4. SEC Identification Number 62596 5. (SEC Use Only)  
Industry Classification Code
6. BIR Tax Identification Number 000-163-715-000
7. (632) 892-1816  
Issuer's Telephone number, including area code
8. N/A  
Former name or former address, if changed from the last report

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## A. BOARD MATTERS

### 1) Board of Directors

Number of Directors per Articles of Incorporation	9
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Actual number of Directors for the year	9 <sup>1</sup>
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#### (a) Composition of the Board

Complete the table with information on the Board of Directors as of 2012:

Director's Name	Type [Executive (ED), Non-Executive (NED) or Independent Director (ID)]	If nominee, identify the principal	Nominator in the last election (if ID, state the relationship with the nominator)	Date first elected	Date last elected (if ID, state the number of years served as ID) <sup>1</sup>	Elected when (Annual /Special Meeting)	No. of years served as director
Teo Soon Hoe*	NED	N/A	Keppel Corp. Ltd.	June 1999	2014	ASM	14*
TohKo Lin	NED	N/A	Keppel Corp. Ltd.	June 2002	2014	ASM	6**
Stefan Tong Wai Mun	ED	N/A	Kepwealth, Inc.	June 2007	2014	ASM	7
Celso P. Vivas	ID	N/A	Stefan Tong Wai Mun	June 2005	2014 (3)	ASM	9
Noel M. Mirasol	ID	N/A	Ma. Melva E. Valdez	June 2003	2014 (3)	ASM	11
Mayo Jose B. Ongsingco	NED	N/A	PCD Nominee	June 2002	2014	ASM	12
Felicidad V. Razon	NED	N/A	Kepwealth, Inc.	May 2014	2014	ASM	0
Benjamin P. Mata	NED	N/A	Kepwealth, Inc.	1975	2014	ASM	39
Ma. Melva E. Valdez	NED	N/A	Kepwealth, Inc.	2001	2014	ASM	13

\*Replaced by Mr. Chow Yew Yuen on 26 June 2014.

\*\*First Elected in 2002 and served up to 2007, then re-elected in 2014

- (b) Provide a brief summary of the corporate governance policy that the board of directors has adopted. Please emphasize the policy/ies relative to the treatment of all shareholders, respect for the rights of minority shareholders and of other stakeholders, disclosure duties, and board responsibilities.

The Company's objective is to protect and enhance the interest of its stakeholders by committing itself to the principles of risk management, fairness, accountability and transparency. Thus, it fully embraces and practices sound corporate governance in order to instill trust and confidence to the organization. (Article I, Amended Manual on Corporate Governance)

The Board should be transparent and fair in the conduct of the annual and special stockholders' meetings of the corporation. The stockholders should be encouraged to personally attend such meetings. If they cannot attend, they should be apprised ahead of time of their right to appoint a proxy. Subject to the requirements of the by-laws, the exercise of that right shall not be unduly restricted and any doubt about the validity of a proxy should be resolved in the stockholder's favor. It is the duty of the Board to promote the rights of the stockholders, remove impediments to the exercise of those rights and provide an adequate avenue for them to seek timely redress for breach of their rights. (Article VI B, Amended Manual on Corporate Governance)

The Board should take the appropriate steps to remove excessive or unnecessary costs and other administrative impediments to the stockholders' meaningful participation in meetings, whether in person or

<sup>1</sup> Reckoned from their election as of the annual stockholders' meeting (ASM) held on 28 May 2014.

by proxy. Accurate and timely information should be made available to the stockholders to enable them to make a sound judgment on all matters brought to their attention for consideration or approval. Although all stockholders should be treated equally or without discrimination, the Board should give minority stockholders the right to propose the holding of meetings and the items for discussion in the agenda that relate directly to the business of the corporation. (Article VI B, Amended Manual on Corporate Governance)

The Board of Directors, Management, employees and shareholders believe that corporate governance is an indispensable component towards achieving long-term success and profitability in the company. Furthermore, sound strategic business management must be implemented and observed awhile creating full awareness within the organization. (Article I, Amended Manual on Corporate Governance)

(c) How often does the Board review and approve the vision and mission? None.

(d) Directorship in Other Companies

(i) Directorship in the Company's Group<sup>2</sup>

Identify, as and if applicable, the members of the company's Board of Directors who hold the office of director in other companies within its Group:

Director's Name	Corporate Name of the Group Company	Type of Directorship (Executive, Non-Executive, Independent). Indicate if director is also the Chairman.
<b>Teo Soon Hoe*</b>	Keppel Telecommunications & Transportation Ltd.	Chairman
	M1 Limited	Chairman
	Keppel Corporation Limited	Executive
	Keppel Infrastructure Fund Management Pte Ltd	Non-Executive
	K1 Ventures Limited	Non-Executive
	Keppel Offshore & Marine Ltd.	Non-Executive
	Keppel Energy Pte Ltd.,	Non-Executive
	Singapore Tianjin Eco-City Investment Holdings Pte. Ltd.	Non-Executive
<b>Chow Yew Yuen</b>	Keppel Singmarine	Chairman
	Keppel AmFELS	Chairman
	Keppel O&M USA	Chairman
	Keppel FELS Brasil	Chairman
	Keppel Offshore & Marine (Keppel O&M), Ltd.	Executive
	Keppel FELS	Non-Executive
	Keppel Shipyard	Non-Executive
	Keppel O&M Technology Centre	Non-Executive
	Keppel Infrastructure Holdings	Non-Executive
	Keppel Energy	Non-Executive
<b>Stefan Tong Wai Mun</b>	Consort Land, Inc.	Chairman
	Consort Capital, Inc	Chairman
	Keppel Fels Energy Manila, Inc.	Chairman
	Dyna-Mac Keppel Philippines, Inc.	Executive

<sup>2</sup> The Group is composed of the parent, subsidiaries, associates and joint ventures of the company.

\*Replaced by Mr. Chow Yew Yuen on 26 June 2014.

	Keppel Energy Consultancy, Inc.	Executive
	Keppel Fels Energy , Inc.	Executive
	Keppel Philippines Marine, Inc.	Executive
	Kepwealth Property Phils., Inc.	Executive
	Keppel IVI Capital, Inc.	Non-Executive
	Keppel Philippines Properties, Inc.	Non-Executive
	Keppel Subic Shipyard, Inc.	Non-Executive
	Kepventure, Inc.	Non-Executive
	Kepwealth, Inc.	Non-Executive
	KPSI Property, Inc.	Non-Executive
<b>Celso P. Vivas</b>	Keppel Philippines Marine, Inc.	Independent
	Keppel Philippines Properties, Inc.	Independent
	Keppel Subic Shipyard, Inc.	Independent
<b>Benjamin P. Mata</b>	Goodsoil Marine Realty, Inc.	Chairman
	Goodwealth Realty and Development Corp.	Chairman
<b>Ma. Melva E. Valdez</b>	Opon Realty & Development Corp	Chairman/Executive
	Opon-Ke Properties, Inc.	Chairman/Executive
	Buena Homes (Sandoval), Inc.	Executive
	Buena Homes, Inc.	Executive
	Residencia Grande, Inc.	Executive
	Consort Land, Inc.	Non-Executive
	Goodsoil Marine Realty, Inc.	Non-Executive
	Goodwealth Realty and Development Corp.	Non-Executive
	Goodwealth Ventures, Inc.	Non-Executive
	Keppel IVI Capital, Inc.	Non-Executive
	Kepventure, Inc.	Non-Executive
	Kepwealth, Inc.	Non-Executive
	Kepwealth Property Phils., Inc.	Non-Executive
	KP Capital, Inc.	Non-Executive
	KPSI Property, Inc.	Non-Executive
	Opon Ventures, Inc.	Non-Executive
<b>Toh Ko Lin</b>	Keppel Philippines Marine, Inc.	Chairman/Executive
	Keppel Batangas Shipyard, Inc.	Chairman
	Keppel Subic Shipyard, Inc.	Chairman
	KPSI Property, Inc.	Chairman
	Kepwealth Property Phils Inc.	Chairman
	Goodwealth Ventures, Inc.	Chairman
	Keppel Singmarine Pte. Ltd. (Singapore)	Executive
	Keppel Singmarine Philippines, Inc.	Non-Executive
	Keppel Cebu Shipyard, Inc.	Non-Executive
<b>Felicidad V. Razon</b>	Goodsoil Marine Realty, Inc.	Non-Executive
	Goodwealth Realty and Development Corp.	Non-Executive
	Keppel Fels Energy Manila Inc.	Non-Executive

(ii) Directorship in Other Listed Companies

Identify, as and if applicable, the members of the company's Board of Directors who are also directors of publicly-listed companies outside of its Group:

Director's Name	Name of Listed Company	Type of Directorship (Executive, Non-Executive, Independent). Indicate if director is also the Chairman.
Mayo Jose B. Ongsingco	Union Bank of the Philippines	Executive

(iii) Relationship within the Company and its Group

Provide details, as and if applicable, of any relation among the members of the Board of Directors, which links them to significant shareholders in the company and/or in its group:

There are no family relationships up to the fourth civil degree either by consanguinity or affinity among the members of the Board of Directors which links them to significant shareholders in the company and/or in its group.

(iv) Has the company set a limit on the number of board seats in other companies (publicly listed, ordinary and companies with secondary license) that an individual director or CEO may hold simultaneously? In particular, is the limit of five board seats in other publicly listed companies imposed and observed? If yes, briefly describe other guidelines:

Per Article IV(3) of KPHI's By-Laws and Article III(C), Company Manual on Corporate Governance (Amended), "[t]he optimum number (of Board seats that an individual director may hold simultaneously) should take into consideration the capacity of a director to diligently and efficiently perform his duties and responsibilities." Further "[t]he Chief Executive Officer ("CEO") and other executive directors may be covered by a lower indicative limit for membership in other boards. A similar limit may apply to independent or non-executive directors who, at the same time, serve as full-time executives in other corporations. In any case, the capacity of the directors to diligently and efficiently perform their duties and responsibilities to the boards they serve should not be compromised."

(e) Shareholding in the Company

Complete the following table on the members of the company's Board of Directors who directly and indirectly own shares in the company as of 2014:

Name of Director	Number of Direct shares	Number of Indirect shares / Through (name of record owner)	% of Capital Stock
Teo Soon Hoe*	Class 'B' : 1	-	0.00%
Chow Yew Yuen	Class 'B' : 1	-	0.00%
Stefan Tong Wai Mun	Class 'B' : 1	-	0.00%
Celso P. Vivas	Class 'A' : 1	-	0.00%
Noel M. Mirasol	Class 'B' : 1	-	0.00%
Mayo Jose B. Ongsingco	Class 'A' : 1	-	0.00%
Toh Ko Lin	Class 'B' : 1	-	0.00%
Benjamin P. Mata	Class 'A' : 897; 'B' : 1	-	0.00%
Ma. Melva E. Valdez	Class 'B' : 1	-	0.00%
Felicidad V. Razon	Class 'A' : 1	-	0.00%
<b>TOTAL</b>	<b>906**</b>		

\*Replaced by Mr. Chow Yew Yuen on 26 June 2014.

\*\* Excluding share of Mr. Teo Soon Hoe

2) Chairman and CEO

(a) Do different persons assume the role of Chairman of the Board of Directors and CEO? If no, describe the checks and balances laid down to ensure that the Board gets the benefit of independent views.

Yes ☒

No ☐

Identify the Chair and CEO:

Chairman of the Board	<b>Chow Yew Yuen*</b>
CEO/President	<b>Stefan Tong WaiMun</b>

\*Replaced Mr. Teo Soon Hoe on 26 June 2014.

(b) Roles, Accountabilities and Deliverables

Define and clarify the roles, accountabilities and deliverables of the Chairman and CEO.

	<b>Chairman</b>	<b>Chief Executive Officer</b>
<b>Role</b>	The Chairman, who shall be elected by the Board from their own members, shall preside at all meetings of the Board of Directors and stockholders and shall perform such functions and exercise such duties as may be delegated to him by the Board of Directors. (Section 2, Article V, KPHI By-Laws)	The President, who shall be elected by the Board of Directors from their own members, shall have the following powers and duties: a)He shall preside at all meetings in the absence of the Chairman; b)He shall sign all certificates of stock; and c)He shall perform all such other duties as may be delegated to him by the Board of Directors. (Section 3, Article V, KPHI By-Laws)
<b>Accountabilities</b>	<p>The Chairman is subject to the following permanent and temporary disqualifications imposed upon all board members: 1. <u>Permanent Disqualification</u></p> <p>The following shall be grounds for the permanent disqualification of a director:</p> <p>(i) Any person convicted by final judgment or order by a competent judicial or administrative body of any crime that:</p> <p>(a) involves the purchase or sale of securities, as defined under the Securities Regulation Code; (b) arises out of the person's conduct as an underwriter, broker, dealer, investment adviser, principal, distributor, mutual fund dealer, futures commission merchant, commodity trading advisor, or floor broker; or (c) arises out of his fiduciary relationship with a bank, quasi-bank, trust company, investment house or as an affiliated person of any of them.</p> <p>(ii) Any person who, by reason of misconduct, after hearing, is permanently enjoined by a final judgment or order of the Commission or any court or administrative body of competent jurisdiction from:</p> <p>(a) acting as underwriter, broker, dealer investment adviser, principal distributor, mutual fund dealer, futures commission merchant, commodity trading advisor, or floor broker; b) acting as director or officer of a bank, quasi-bank, trust company, investment house, or investment company; (c) engaging in or continuing any conduct or practice in any of the capacities mentioned in sub-paragraphs (a) and (b) above, or willfully violating the laws that govern securities and banking activities.</p> <p>The disqualification shall also apply if such person is currently the subject of an order of the Securities &amp; Exchange Commission (SEC or the "Commission") or any court or administrative body denying, revoking or suspending any registration, license or permit issued to him under the Corporation Code, Securities Regulation Code or any other law</p>	<p>The President, being a member of the Board of Directors, is also subject to the same permanent and temporary disqualifications imposed upon all board members to wit:</p> <p>1. <u>Permanent Disqualification</u></p> <p>The following shall be grounds for the permanent disqualification of a director:</p> <p>(i) Any person convicted by final judgment or order by a competent judicial or administrative body of any crime that:</p> <p>(a) involves the purchase or sale of securities, as defined under the Securities Regulation Code; (b) arises out of the person's conduct as an underwriter, broker, dealer, investment adviser, principal, distributor, mutual fund dealer, futures commission merchant, commodity trading advisor, or floor broker; or (c)arises out of his fiduciary relationship with a bank, quasi-bank, trust company, investment house or as an affiliated person of any of them.</p> <p>(ii) Any person who, by reason of misconduct, after hearing, is permanently enjoined by a final judgment or order of the Commission or any court or administrative body of competent jurisdiction from:</p> <p>(a) acting as underwriter, broker, dealer investment adviser, principal distributor, mutual fund dealer, futures commission merchant, commodity trading advisor, or floor broker; (b) acting as director or officer of a bank, quasi-bank, trust company, investment house, or investment company; (c) engaging in or continuing any conduct or practice in any of the capacities mentioned in sub-paragraphs (a) and (b) above, or willfully violating the laws that govern securities and banking activities.</p> <p>The disqualification shall also apply if such person is currently the subject of an order of the Securities &amp; Exchange Commission (SEC or the "Commission") or any court or</p>

	<p>administered by the Commission or BangkoSentral ng Pilipinas (BSP), or under any rule or regulation issued by the Commission or BSP, or has otherwise been restrained to engage in any activity involving securities and banking; or such person is currently the subject of an effective order of a self-regulatory organization suspending or expelling him from membership, participation or association with a member or participant of the organization;</p> <p>(iii) Any person convicted by final judgment or order by a court or competent administrative body of an offense involving moral turpitude, fraud, embezzlement, theft, estafa, counterfeiting, misappropriation, forgery, bribery, false affirmation, perjury or other fraudulent acts;</p> <p>(iv) Any person who has been adjudged by final judgment or Order of the Securities &amp; Commission, court, or other competent administrative body to have willfully violated, or willfully aided, abetted, counseled, induced or procured the violation of any provision of the Corporation Code, Securities Regulation Code or any other law administered by the Commission or BSP, or any of its rule, regulation or order;</p> <p>(v) Any person earlier elected as independent director who becomes an officer, employee or consultant of the same corporation;</p> <p>(vi) Any person judicially declared as insolvent;</p> <p>(vii) Any person found guilty by final judgment or order of a foreign court or equivalent financial regulatory authority of acts, violations or misconduct similar to any of the acts, violations or misconduct enumerated in sub-paragraphs (i) to (v) above;</p> <p>(viii) Conviction by final judgment of an offense punishable by imprisonment for a period exceeding six (6) years, or a violation of the Corporation Code committed within five (5) years prior to the date of his election or appointment; and</p> <p>(ix) Such other grounds as the Committee may reasonably provide as a disqualification.</p> <p><b>2. <u>Temporary Disqualification</u></b></p> <p>The following shall be grounds for the temporary disqualification of a director:</p> <p>(i) Refusal to comply with the disclosure requirements of the Securities Regulation Code and its Implementing Rules and Regulations. The disqualification shall be in effect as long as the refusal persists.</p> <p>(ii) Absence in more than fifty (50) percent of all regular and special meetings of the Board during his incumbency, or any twelve (12) month period during the said incumbency, unless the absence is due to illness, death in the immediate family or serious accident. The disqualification shall apply for purposes of the succeeding election.</p> <p>(iii) Dismissal or termination for cause as director of any corporation covered by this Manual. The disqualification shall be in effect until he has cleared himself from any involvement in the cause that gave rise to his dismissal or termination.</p> <p>(iv) If the beneficial equity ownership of an independent director in the corporation or its subsidiaries and affiliates exceeds two percent of</p>	<p>administrative body denying, revoking or suspending any registration, license or permit issued to him under the Corporation Code, Securities Regulation Code or any other law administered by the Commission or BangkoSentral ng Pilipinas (BSP), or under any rule or regulation issued by the Commission or BSP, or has otherwise been restrained to engage in any activity involving securities and banking; or such person is currently the subject of an effective order of a self-regulatory organization suspending or expelling him from membership, participation or association with a member or participant of the organization;</p> <p>(iii) Any person convicted by final judgment or order by a court or competent administrative body of an offense involving moral turpitude, fraud, embezzlement, theft, estafa, counterfeiting, misappropriation, forgery, bribery, false affirmation, perjury or other fraudulent acts;</p> <p>(iv) Any person who has been adjudged by final judgment or Order of the Securities &amp; Commission, court, or other competent administrative body to have willfully violated, or willfully aided, abetted, counseled, induced or procured the violation of any provision of the Corporation Code, Securities Regulation Code or any other law administered by the Commission or BSP, or any of its rule, regulation or order;</p> <p>(v) Any person earlier elected as independent director who becomes an officer, employee or consultant of the same corporation;</p> <p>(vi) Any person judicially declared as insolvent;</p> <p>(vii) Any person found guilty by final judgment or order of a foreign court or equivalent financial regulatory authority of acts, violations or misconduct similar to any of the acts, violations or misconduct enumerated in sub-paragraphs (i) to (v) above;</p> <p>(viii) Conviction by final judgment of an offense punishable by imprisonment for a period exceeding six (6) years, or a violation of the Corporation Code committed within five (5) years prior to the date of his election or appointment; and</p> <p>(ix) Such other grounds as the Committee may reasonably provide as a disqualification.</p> <p><b>2. <u>Temporary Disqualification</u></b></p> <p>The following shall be grounds for the temporary disqualification of a director:</p> <p>(i) Refusal to comply with the disclosure requirements of the Securities Regulation Code and its Implementing Rules and Regulations. The disqualification shall be in effect as long as the refusal persists.</p> <p>(ii) Absence in more than fifty (50) percent of all regular and special meetings of the Board during his incumbency, or any twelve (12) month period during the said incumbency, unless the absence is due to illness, death in the immediate family or serious accident. The disqualification shall apply for purposes of the</p>
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	its subscribed capital stock. The disqualification shall be lifted if the limit is later complied with. (v) If any of the judgments or orders cited in the grounds for permanent disqualification has not yet become final. (Section D, Article III, KPHI Amended Manual on Corporate Governance)	succeeding election. (iii) Dismissal or termination for cause as director of any corporation covered by this Manual. The disqualification shall be in effect until he has cleared himself from any involvement in the cause that gave rise to his dismissal or termination. (iv) If the beneficial equity ownership of an independent director in the corporation or its subsidiaries and affiliates exceeds two percent of its subscribed capital stock. The disqualification shall be lifted if the limit is later complied with. (v) If any of the judgments or orders cited in the grounds for permanent disqualification has not yet become final. (Section D, Article III, KPHI Amended Manual on Corporate Governance)
Deliverables	(i) Ensure that the meetings of the Board are held in accordance with the by-laws or as the Chair may deem necessary; (ii) Supervise the preparation of the agenda of the meeting in coordination with the Corporate Secretary, taking into consideration the suggestions of the CEO, Management and the directors; and (iii) Maintain qualitative and timely lines of communication and information between the Board and Management. (Section C, Article III, KPHI Amended Manual on Corporate Governance)	The President, who shall be elected by the Board of Directors from their own members, shall have the following powers and duties: a) He shall preside at all meetings in the absence of the Chairman; b) He shall sign all certificates of stock; and c) He shall perform all such other duties as may be delegated to him by the Board of Directors. (Section 3, Article V, KPHI By-Laws)

- 3) Explain how the board of directors plans for the succession of the CEO/Managing Director/President and the top key management positions? There is no succession planning but any requirements or changes in the key management positions are supported by the Keppel Group of companies.
- 4) Other Executive, Non-Executive and Independent Directors

Does the company have a policy of ensuring diversity of experience and background of directors in the board? Please explain.

Per Article III of KPHI's Amended Manual on Corporate Governance, "KPH subscribes to the tenet that the Board serves a crucial role in corporate leadership by serving as the governance icon and soul of the corporation. Thus, the members of its Board are a collective mix of executive and non-executive directors who possess appropriate expertise, knowledge and experience to guide and direct the activities of the Company within the framework of its vision and mission, strategic objectives, policies and procedures."

Does it ensure that at least one non-executive director has an experience in the sector or industry the company belongs to? Please explain.

Per Article III of KPHI's Amended Manual on Corporate Governance, "KPH subscribes to the tenet that the Board serves a crucial role in corporate leadership by serving as the governance icon and soul of the corporation. Thus, the members of its Board are a collective mix of executive and non-executive directors who possess appropriate expertise, knowledge and experience to guide and direct the activities of the Company within the framework of its vision and mission, strategic objectives, policies and procedures."

Define and clarify the roles, accountabilities and deliverables of the Executive, Non-Executive and Independent Directors:

	Executive	Non-Executive	Independent Director
Role	The President is the only executive director of the Company.	A director's office is one of trust and confidence. He shall act in a manner characterized by transparency, accountability	"Independent director means a person who, apart from his fees and shareholdings, is independent of management

	<p>The President, who shall be elected by the Board of Directors from their own members, shall have the following powers and duties:</p> <p>a) He shall preside at all meetings in the absence of the Chairman;</p> <p>b) He shall sign all certificates of stock; and</p> <p>c) He shall perform all such other duties as may be delegated to him by the Board of Directors. (Section 3, Article V, KPHI By-Laws)</p>	<p>and fairness.</p> <p>It is the Board's responsibility 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 best interests of its stockholders.</p> <p>The Board should formulate the Corporation's vision, mission, strategic objectives, policies and procedures that shall guide its activities, including the means to effectively monitor the management's performance. (Section F, Article III, KPHI Amended Manual on Corporate Governance)</p>	<p>and free from any business or other relationship which could, or could reasonably be perceived to, materially interfere with his exercise of independent judgment in carrying out his responsibilities as a director x xx." (Section 1, Article III, KPHI By-Laws)</p>
Accountabilities	<p><i>Subject to the same temporary and permanent disqualifications under Section D, Article III, of the Company's Amended Manual on Corporate Governance.</i></p>	<p><i>Subject to the same temporary and permanent disqualifications under Section D, Article III, of the Company's Amended Manual on Corporate Governance.</i></p>	<p><i>Subject to the same temporary and permanent disqualifications under Section D, Article III, of the Company's Amended Manual on Corporate Governance.</i></p> <p>In addition, an Independent Director shall be disqualified if:</p> <p>a. He becomes an officer or employee of the corporation where he is such member of the board of directors, or becomes any of the persons enumerated under Section II (5) of the Code on Corporate Governance;</p> <p>b. His beneficial security ownership exceeds two percent (2%) of the outstanding capital stock of the company where he is such director;</p> <p>c. Fails, without any justifiable cause, to attend at least 50% of the total number of board meetings during his incumbency; and</p> <p>d. Such other disqualifications which the company's Manual on Corporate Governance provide. (Section 5, Article III, KPHI By-Laws)</p>
Deliverables	<p>In addition to the Executive Director's deliverables as President, he shall also have the following responsibilities:</p> <p>a) Implement a process for the selection to ensure a mix of competent directors and officers who can add value and contribute independent judgment to the formulation of sound corporate strategies and policies. Appoint competent, professional, honest and highly-motivated management officers. Adopt an effective</p>	<p>a) Implement a process for the selection to ensure a mix of competent directors and officers who can add value and contribute independent judgment to the formulation of sound corporate strategies and policies. Appoint competent, professional, honest and highly-motivated management officers. Adopt an effective succession planning program for Management.</p> <p>b) Provide sound strategic policies and guidelines to the</p>	<p><i>Same deliverables as that of a regular director.</i></p>

	<p>succession planning program for Management.</p> <p>b) Provide sound strategic policies and guidelines to the Corporation on major capital expenditures. Establish programs that can sustain its long-term viability and strength. Periodically evaluate and monitor the implementation of such policies and strategies, including the business plans, operating budgets and Management's overall performance.</p> <p>c) Ensure the Corporation's faithful compliance with all applicable laws, regulations and best business practices.</p> <p>d) Establish and maintain an effective investor relations program that will keep the stockholders informed of important developments on the Corporation. If feasible, the Company's CEO or chief financial officer shall exercise oversight responsibility over this program.</p> <p>e) Identify the sectors in the community in which the Corporation operates or are directly affected by its operations, and formulate a clear policy of accurate, timely and effective communication with them.</p> <p>f) Adopt a system of check and balances within the Board. A regular review of the effectiveness of such system should be conducted to ensure the integrity of the decision-making and reporting processes at all times. There should be a continuing review of the corporation's internal control system in order to maintain its adequacy and effectiveness.</p> <p>g) Identify key risk areas and key performance indicators and monitor these factors with due diligence to enable the Corporation to anticipate and prepare for possible threats to its operational and financial viability.</p> <p>h) Formulate and implement policies and procedures that would ensure the integrity and transparency of related party transactions between and among the corporation and its parent company, joint</p>	<p>Corporation on major capital expenditures. Establish programs that can sustain its long-term viability and strength. Periodically evaluate and monitor the implementation of such policies and strategies, including the business plans, operating budgets and Management's overall performance.</p> <p>c) Ensure the Corporation's faithful compliance with all applicable laws, regulations and best business practices.</p> <p>d) Establish and maintain an effective investor relations program that will keep the stockholders informed of important developments on the Corporation. If feasible, the Company's CEO or chief financial officer shall exercise oversight responsibility over this program.</p> <p>e) Identify the sectors in the community in which the Corporation operates or are directly affected by its operations, and formulate a clear policy of accurate, timely and effective communication with them.</p> <p>f) Adopt a system of check and balances within the Board. A regular review of the effectiveness of such system should be conducted to ensure the integrity of the decision-making and reporting processes at all times. There should be a continuing review of the corporation's internal control system in order to maintain its adequacy and effectiveness.</p> <p>g) Identify key risk areas and key performance indicators and monitor these factors with due diligence to enable the Corporation to anticipate and prepare for possible threats to its operational and financial viability.</p> <p>h) Formulate and implement policies and procedures that would ensure the integrity and transparency of related party transactions between and among the corporation and its parent company, joint ventures, subsidiaries, associates, affiliates, major stockholders, officers and directors, including their spouses, children and</p>	
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	<p>ventures, subsidiaries, associates, affiliates, major stockholders, officers and directors, including their spouses, children and dependent siblings and parents, and of interlocking director relationships by members of the Board.</p> <p>i) Endeavor to provide appropriate technology and utilize available resources to ensure a competitive position'</p> <p>k) Constitute an audit, nomination, compensation and remuneration committees, and such other committees it deems necessary to assist the Board in the performance of its duties and responsibilities and which shall aid to the attainment of corporate goals.</p> <p>l) Establish and maintain an alternative dispute resolution system in the Corporation that can amicably settle conflicts or differences between the Corporation and its stockholders, and the Corporation and third parties, including the regulatory authorities.</p> <p>m) Properly discharge Board functions by meeting regularly or frequently as may be needed, and the minutes of such meetings shall be duly recorded. Independent views during Board meetings shall be encouraged and given due consideration.</p> <p>n) Keep the activities and decisions of the Board within its authority under the articles of incorporation and by-laws, and in accordance with existing laws, rules and regulations.</p> <p>o) Appoint a Compliance Officer.</p> <p>p) Define the duties and responsibilities of the Chief Executive Officer/President and select or approve an individual with appropriate ability, integrity and experience to perform the role of the Chief Executive Officer/President.</p> <p>q) Review proposed senior management appointments and ensure the selection, appointment and retention of qualified and competent management.</p>	<p>dependent siblings and parents, and of interlocking director relationships by members of the Board.</p> <p>i) Endeavor to provide appropriate technology and utilize available resources to ensure a competitive position'</p> <p>k) Constitute an audit, nomination, compensation and remuneration committees, and such other committees it deems necessary to assist the Board in the performance of its duties and responsibilities and which shall aid to the attainment of corporate goals.</p> <p>l) Establish and maintain an alternative dispute resolution system in the Corporation that can amicably settle conflicts or differences between the Corporation and its stockholders, and the Corporation and third parties, including the regulatory authorities.</p> <p>m) Properly discharge Board functions by meeting regularly or frequently as may be needed, and the minutes of such meetings shall be duly recorded. Independent views during Board meetings shall be encouraged and given due consideration.</p> <p>n) Keep the activities and decisions of the Board within its authority under the articles of incorporation and by-laws, and in accordance with existing laws, rules and regulations.</p> <p>o) Appoint a Compliance Officer.</p> <p>p) Define the duties and responsibilities of the Chief Executive Officer/President and select or approve an individual with appropriate ability, integrity and experience to perform the role of the Chief Executive Officer/President.</p> <p>q) Review proposed senior management appointments and ensure the selection, appointment and retention of qualified and competent management.</p> <p>r) Review the Corporation's personnel and human resource policy and sufficiency, conflict of interest situations, changes</p>	
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	<p>r) Review the Corporation's personnel and human resource policy and sufficiency, conflict of interest situations, changes to the compensation plan for employees and officers and management succession plans. (Section F, Article III, KPHI Amended Manual on Corporate Governance)</p>	<p>to the compensation plan for employees and officers and management succession plans. (Section F, Article III, KPHI Amended Manual on Corporate Governance)</p>	
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Provide the company's definition of "independence" and describe the company's compliance to the definition.

Per Article III of KPHI's By-Laws, an "[i]ndependent director means a person who, apart from his fees and shareholdings, is independent of management and free from any business or other relationship which could, or could reasonably be perceived to, materially interfere with his exercise of independent judgment in carrying out his responsibilities as a director in any covered company x xx."

At present, the independent directors Messrs. Vivas and Mirasol:

- i. are not directors or officers of the Company or of its related companies or any of its substantial shareholders except in their capacities as independent directors of any of the foregoing;
- ii. do not own more than two percent (2%) of the shares of the Company and/or its related companies or any of its substantial shareholders;
- iii. are not related to any director, officer or substantial shareholder of the Company, any of its related companies or any of its substantial shareholders (*for this purpose, relatives include spouse, parent, child, brother, sister, and the spouse of such child, brother or sister*);
- iv. are not acting as nominees or representatives of any director or substantial shareholder of the Company, and/or any of its related companies and/or any of its substantial shareholders, pursuant to Deeds of Trust or under any other contracts or arrangements;
- v. have not been employed in any executive capacity by the Company, any of its related companies and/or any of its substantial shareholders within the last two (2) years;
- vi. are not retained, either personally or through their firms or any similar entities, as professional advisers by the Company, any of its related companies or by any of its substantial shareholders within the last two (2) years;
- vii. have not engaged and do not engage in any transaction with the Company and/or with any of its related companies and/or with any of its substantial shareholders, whether by themselves and/or with other persons and/or through a firm of which they are partners and/or a company of which they are directors or substantial shareholders, other than transactions which are conducted at arms-length are immaterial.

Does the company have a term limit of five consecutive years for independent directors? If after two years, the company wishes to bring back an independent director who had served for five years, does it limit the term for no more than four additional years? Please explain.

Aside from adherence to SEC rules and regulations which include SEC Memorandum Circular No. 9, series of 2011, which provides for term limits and a "cooling off" period for independent directors, the Company has no other policy regarding the same.

#### 5) Changes in the Board of Directors (Executive, Non-Executive and Independent Directors)

##### (a) Resignation/Death/Removal

Indicate any changes in the composition of the Board of Directors that happened during the period:

Name	Position	Date of Cessation	Reason
Rogelio R. Cabuñag	Director	11 April 2014	Resignation
Teo Soon Hoe	Chairman/Director	26 June 2014	Resignation

(b) Selection/Appointment, Re-election, Disqualification, Removal, Reinstatement and Suspension

Describe the procedures for the selection/appointment, re-election, disqualification, removal, reinstatement and suspension of the members of the Board of Directors. Provide details of the processes adopted (including the frequency of election) and the criteria employed in each procedure:

Procedure	Process Adopted	Criteria
<b>a. Selection/Appointment</b>		
(i) Executive Directors	The general management of the Corporation shall be vested in a board of directors composed of nine (9) members who shall be stockholders and who shall serve until the election and qualification of their successors. Any vacancy in the Board of Directors shall be filled by a majority vote of the Board of Directors provided that the remaining directors constitute a quorum. The directors or director so chosen shall serve for the unexpired term.	(i) Holder of at least one (1) share of stock of the Corporation; (ii) At least a college graduate or holder of equivalent academic degree; (iii) At least twenty one (21) years old; (iv) Membership in good standing in relevant industry, business or professional organizations; (v) Previous business experience; (vi) Practical understanding of the business of the Company; (vii) Proven to possess integrity and probity; (viii) Assiduous; and (ix) Such other qualifications as the Nominations Committee may reasonably require based on the nature and requirements of the position at stake.
(ii) Non-Executive Directors	<i>same as above</i>	<i>same as above</i>
(iii) Independent Directors	<p>Nomination of independent director/s shall be conducted by the [Nominations] Committee prior to stockholders' meeting. All recommendations shall be signed by the nominating stockholders together with the acceptance and conformity by the would-be nominees.</p> <p>The Committee shall pre-screen the qualifications and prepare a final list of all candidates and put in place screening policies and parameters to enable it to effectively review the qualifications of the nominees for independent director/s.</p> <p>After the nomination, the Committee shall prepare a Final List of Candidates which shall contain all the information about all the nominees for independent directors, as required under Part IV(A) and (C) of Annex "C" of SRC Rule 12, which list, shall be made available to the Securities and Exchange Commission ("Commission") and to all stockholders through the filing and distribution of the Information Statement, in accordance with SRC Rule 20, or in such other reports the company is required to</p>	<p>(i) He shall have at least one (1) share of stock of the corporation; (ii) He shall be at least a college graduate or he shall have been engaged or exposed to the business of the corporation for at least five (5) years; (iii) He shall possess integrity and probity; and (iv) He shall be assiduous.</p>

	<p>submit to the Commission. The name of the person or group of persons who recommended the nomination of the independent director shall be identified in such report including any relationship with the nominee.</p> <p>Only nominees whose names appear on the Final List of Candidates shall be eligible for election as Independent Director/s. No other nomination shall be entertained after the Final List of Candidates shall have been prepared. No further nomination shall be entertained or allowed on the floor during the actual annual stockholders' meeting.</p>	
<b>b. Re-appointment</b>		
(i) Executive Directors	<i>Same as that for selection/appointment</i>	<i>Same as that for selection/appointment</i>
(ii) Non-Executive Directors	<i>Same as that for selection/appointment</i>	<i>Same as that for selection/appointment</i>
(iii) Independent Directors	<i>Same as that for selection/appointment</i>	<p><i>Same as that for selection/appointment; in addition, (i) a regular director who resigns or whose term ends on the day of the election shall only qualify for nomination and election as an Independent Director after a two (2) year "cooling-off period"; (ii) Persons appointed as Chairman "Emeritus", "Ex Officio Directors/Officers or members of any Executive Advisory Board, or otherwise appointed in a capacity to assist the Board in the performance of its duties and responsibilities shall be subject to a one (1) year "cooling-off period" prior to his qualification as an Independent Director.</i></p>
<b>c. Permanent Disqualification</b>		
(i) Executive Directors	<p>"Any director or trustee of a corporation may be removed from office by a vote of the stockholders holding or representing at least two-thirds (2/3) of the outstanding capital stock x xx; Provided, That such removal shall take place either at a regular meeting of the corporation or at a special meeting called for the purpose, and in either case, after previous notice to stockholders x xx of the corporation of the intention to propose such removal at the meeting. A special meeting of the stockholders x xx of a corporation for the purpose of removal of directors x xx or any of them, must be called by the secretary on order of the president or on the written demand of the stockholders representing or holding at least a majority of the outstanding capital stock, x xx on the written demand of a majority of the members entitled to vote. Should the secretary fail or refuse to call the special meeting upon such demand or fail or refuse to give the notice, or if there is no secretary, the call for the meeting may be addressed directly to the stockholders x xx by any stockholder x xx of the</p>	<p>(i) Any person convicted by final judgment or order by a competent judicial or administrative body of any crime that:</p> <ul style="list-style-type: none"> <li>(a) involves the purchase or sale of securities, as defined under the Securities Regulation Code;</li> <li>(b) arises out of the person's conduct as an underwriter, broker, dealer, investment adviser, principal, distributor, mutual fund dealer, futures commission merchant, commodity trading advisor, or floor broker; or</li> <li>(c) arises out of his fiduciary relationship with a bank, quasi-bank, trust company, investment house or as an affiliated person of any of them.</li> </ul> <p>(ii) Any person who, by reason of misconduct, after hearing, is permanently enjoined by a final judgment or order of the Commission or any court or administrative body of competent jurisdiction from:</p> <ul style="list-style-type: none"> <li>(a) acting as underwriter, broker, dealer investment adviser, principal distributor, mutual fund dealer, futures</li> </ul>

	<p>corporation signing the demand. Notice of the time and place of such meeting, as well as of the intention to propose such removal, must be given by publication or by written notice prescribed in this Code. Removal may be with or without cause: Provided, That removal without cause may not be used to deprive minority stockholders x xxof the right of representation to which they may be entitled under Section 24 of this Code.” (Section 28, Corporation Code of the Philippines)</p>	<p>commission merchant, commodity trading advisor, or floor broker;  b) acting as director or officer of a bank, quasi-bank, trust company, investment house, or investment company;  (c) engaging in or continuing any conduct or practice in any of the capacities mentioned in sub-paragraphs (a) and (b) above, or willfully violating the laws that govern securities and banking activities.</p> <p>The disqualification shall also apply if such person is currently the subject of an order of the Securities &amp; Exchange Commission (SEC or the “Commission”) or any court or administrative body denying, revoking or suspending any registration, license or permit issued to him under the Corporation Code, Securities Regulation Code or any other law administered by the Commission or BangkoSentral ng Pilipinas (BSP), or under any rule or regulation issued by the Commission or BSP, or has otherwise been restrained to engage in any activity involving securities and banking; or such person is currently the subject of an effective order of a self-regulatory organization suspending or expelling him from membership, participation or association with a member or participant of the organization;</p> <p>(iii) Any person convicted by final judgment or order by a court or competent administrative body of an offense involving moral turpitude, fraud, embezzlement, theft, estafa, counterfeiting, misappropriation, forgery, bribery, false affirmation, perjury or other fraudulent acts;</p> <p>(iv) Any person who has been adjudged by final judgment or Order of the Securities &amp; Commission, court, or other competent administrative body to have willfully violated, or willfully aided, abetted, counseled, induced or procured the violation of any provision of the Corporation Code, Securities Regulation Code or any other law administered by the Commission or BSP, or any of its rule, regulation or order;</p> <p>(v) Any person earlier elected as independent director who becomes an officer, employee or consultant of the same corporation;</p> <p>(vi) Any person judicially declared as insolvent;</p> <p>(vii) Any person found guilty by final judgment or order of a foreign court or equivalent financial regulatory authority of acts, violations or misconduct similar to any of the acts, violations or misconduct enumerated in sub-paragraphs (i) to (v) above;</p> <p>(viii) Conviction by final judgment of</p>
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		an offense punishable by imprisonment for a period exceeding six (6) years, or a violation of the Corporation Code committed within five (5) years prior to the date of his election or appointment; and (ix) Such other grounds as the Committee may reasonably provide as a disqualification.
(ii) Non-Executive Directors	<i>same as above</i>	<i>same as above</i>
(iii) Independent Directors	<i>same as above</i>	same as above; in addition, a. He becomes an officer or employee of the corporation where he is such member of the board of directors, or becomes any of the persons enumerated under Section II (5) of the Code on Corporate Governance; b. His beneficial security ownership exceeds two percent (2%) of the outstanding capital stock of the company where he is such director; c. Fails, without any justifiable cause, to attend at least 50% of the total number of board meetings during his incumbency; and d. Such other disqualifications which the company's Manual on Corporate Governance provide.
<b>d. Temporary Disqualification</b>		
(i) Executive Directors	<p>"Any director or trustee of a corporation may be removed from office by a vote of the stockholders holding or representing at least two-thirds (2/3) of the outstanding capital stock x xx; Provided, That such removal shall take place either at a regular meeting of the corporation or at a special meeting called for the purpose, and in either case, after previous notice to stockholders x xx of the corporation of the intention to propose such removal at the meeting. A special meeting of the stockholders x xx of a corporation for the purpose of removal of directors x xx or any of them, must be called by the secretary on order of the president or on the written demand of the stockholders representing or holding at least a majority of the outstanding capital stock, x xx on the written demand of a majority of the members entitled to vote. Should the secretary fail or refuse to call the special meeting upon such demand or fail or refuse to give the notice, or if there is no secretary, the call for the meeting may be addressed directly to the stockholders x xx by any stockholder x xx of the corporation signing the demand. Notice of the time and place of such meeting, as well as of the intention to propose such removal, must be given by publication or by written notice prescribed in this Code. Removal may be with or without cause: Provided, That removal without cause may not be used to deprive minority stockholders x xx of the right of representation to which they may be entitled under Section 24 of this</p>	<p>(i) Refusal to comply with the disclosure requirements of the Securities Regulation Code and its Implementing Rules and Regulations. The disqualification shall be in effect as long as the refusal persists. (ii) Absence in more than fifty (50) percent of all regular and special meetings of the Board during his incumbency, or any twelve (12) month period during the said incumbency, unless the absence is due to illness, death in the immediate family or serious accident. The disqualification shall apply for purposes of the succeeding election. (iii) Dismissal or termination for cause as director of any corporation covered by this Manual. The disqualification shall be in effect until he has cleared himself from any involvement in the cause that gave rise to his dismissal or termination. (iv) If the beneficial equity ownership of an independent director in the corporation or its subsidiaries and affiliates exceeds two percent of its subscribed capital stock. The disqualification shall be lifted if the limit is later complied with. (v) If any of the judgments or orders cited in the grounds for permanent disqualification has not yet become final.</p>

	Code.” (Section 28, Corporation Code of the Philippines)	
(ii) Non-Executive Directors	<i>same as above</i>	<i>same as above</i>
(iii) Independent Directors	<i>same as above</i>	<i>same as above</i>
<b>e. Removal</b>		
(i) Executive Directors	As provided in Section 28, Corporation Code of the Philippines	Removal may be with or without cause: Provided, That removal without cause may not be used to deprive minority stockholders x xxof the right of representation to which they may be entitled under Section 24 of this Code.” (Section 28, Corporation Code of the Philippines)
(ii) Non-Executive Directors	<i>same as above</i>	<i>same as above</i>
(iii) Independent Directors	<i>same as above</i>	<i>same as above</i>
<b>f. Re-instatement</b>		
(i) Executive Directors	No provision for reinstatement	No provision for reinstatement
(ii) Non-Executive Directors	No provision for reinstatement	No provision for reinstatement
(iii) Independent Directors	No provision for reinstatement	No provision for reinstatement
<b>g. Suspension</b>		
(i) Executive Directors	Suspension from office shall be imposed in case of second violation. The duration of the suspension shall depend on the gravity of the violation. (Article XI, KPHI Manual on Corporate Governance)	Non-compliance with the Manual on Corporate Governance. (Article XI, KPHI Manual on Corporate Governance)
(ii) Non-Executive Directors	<i>same as above</i>	<i>same as above</i>
(iii) Independent Directors	<i>same as above</i>	<i>same as above</i>

#### Voting Result of 28 May 2014 Annual General Meeting

Name of Director	Votes Received
Teo Soon Hoe*	100% of shares present and voting
Toh Ko Lin	100% of shares present and voting
Stefan Tong Wai Mun	100% of shares present and voting
Celso P. Vivas	100% of shares present and voting
Noel M. Mirasol	100% of shares present and voting
Mayo Jose B. Ongsingco	100% of shares present and voting
Felicidad V. Razon	100% of shares present and voting
Benjamin P. Mata	100% of shares present and voting
Ma. Melva E. Valdez	100% of shares present and voting

\*Replaced by Mr. Chow Yew Yuen on 26 June 2014.

#### 6) Orientation and Education Program

- Disclose details of the company’s orientation program for new directors, if any.  
A new director or a senior manager is required to attend Corporate Governance Seminar.
- State any in-house training and external courses attended by Directors and Senior Management<sup>3</sup> for the past three (3) years: See below

<sup>3</sup> Senior Management refers to the CEO and other persons having authority and responsibility for planning, directing and controlling the activities of the company.

- (c) Continuing education programs for directors: programs and seminars and roundtables attended during the year.

Name of Director/Officer	Date of Training	Program	Name of Training Institution
Chow Yew Yuen (Chairman/Director)	05 December 2014	Corporate Governance	Risks, Opportunities, Assessment and Management (ROAM), Inc.
Toh Ko Lin (Director)	05 December 2014	Corporate Governance	Risks, Opportunities, Assessment and Management (ROAM), Inc.
Celso P. Vivas (Independent Director)	05 December 2014	Corporate Governance	Risks, Opportunities, Assessment and Management (ROAM), Inc.
Benjamin P. Mata (Director)	05 December 2014	Corporate Governance	Risks, Opportunities, Assessment and Management (ROAM), Inc.
Mayo Jose B. Ongsingco (Director)	29 October 2014	Corporate Governance	Institute of Corporate Directors
Stefan Tong Wai Mun (President/Director)	21 October 2014	SEC-PSE Corporate Governance Forum for Publicly Listed Companies	SEC Corporate Governance and Finance Department
Noel M. Mirasol (Independent Director)	21 October 2014	SEC-PSE Corporate Governance Forum for Publicly Listed Companies	SEC Corporate Governance and Finance Department
Ma. Melva E. Valdez (Director/Corporate Secretary)	21 October 2014	SEC-PSE Corporate Governance Forum for Publicly Listed Companies	SEC Corporate Governance and Finance Department
Felicidad V. Razon (Director/Treasurer/ Compliance Officer/ Corporate Information Officer)	21 October 2014	SEC-PSE Corporate Governance Forum for Publicly Listed Companies	SEC Corporate Governance and Finance Department

## B. CODE OF BUSINESS CONDUCT & ETHICS

- 1) Discuss briefly the company's policies on the following business conduct or ethics affecting directors, senior management and employees:

As guided by the Keppel Group's Code of Conduct, the Group considers it important that employees understand the rules of conduct the Group operates and which they are accountable and the consequences of non-adherence to the rules, thus the Code of Conduct is disseminated to all employees of Keppel Group here and abroad.

Business Conduct & Ethics	Directors	Senior Management	Employees
(a) Conflict of Interest	Employees must avoid any conflict between their own interests and the interest of the Group. This includes transaction in securities of the Group, any affiliate, and any non-affiliate organization, in dealing with suppliers, customers and other third parties. Employees are required to declare immediately any immediate relationship with the Director or the CEO, direct reporting relationships between an employee and his immediate family members, any ownership interest in any supplier, customer, etc.		
(b) 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.
(c) Receipt of gifts from third parties	While it is recognized that giving and receiving gifts and hospitality payments may help in the building of business relationships, good judgment must be exercised at all times. The offer and receipts of gifts, hospitality or expense must be avoided whenever they could affect or perceived to affect the outcome of business transactions or dealings, or are not reasonable and bona fide. Employees should avoid giving or receiving of gifts or hospitality (including entertainment, meals, tickets to social, entertainment or sports events, etc) which is excessive in value, given too often, or leaves the employee or (as the case may be) the other person in a position of obligation. Gifts in the form of cash or cash equivalent should be avoided.
(d) Compliance with Laws & Regulations	To conduct business with integrity, fairly and impartially, in an ethical and proper manner, and in compliance with all applicable laws and regulations. In conducting our business, integrity must underline all relationships, including those with customers, suppliers, communities and employees. In this connection, employees are required to have the strength to do what they believe to be right in difficult situations.
(e) Respect for Trade Secrets/Use of Non-public Information	Employees must always act in the best interests of the Company; must at all times act honestly and use reasonable care, skill and diligence in the discharge of their duties and responsibilities; should not place himself in a position where his duty to the relevant Group company and his personal interest may conflict; must employ the powers and assets that they are entrusted with for the purposes authorized by the relevant Group Company; must not make improper use of any information acquired by virtue of his position to gain advantage for himself or for any other person or to cause detriment to a Group Company.
(f) Use of Company Funds, Assets and Information	
(g) Employment & Labor Laws & Policies	Management and employees adheres to the government regulations and standards.
(h) Disciplinary action	Appropriate disciplinary action, including suspension or termination of employment, will be taken in the event that an employee is found to have violated the rules of conduct of the Company.
(i) Whistle Blower	The purpose of this policy is to encourage the reporting in good faith of suspected reportable conduct by establishing clearly defined processes through which such reports may be made with confidence that employees and other persons making such reports will be treated fairly and, to the extent possible, protected from reprisal. It should be noted however that employees and other persons who file reports or provide evidence which they know to be false, or without a reasonable belief in the truth and accuracy of such information, will not be protected by this policy and may be subject to administrative and/or disciplinary action including termination of employment and other contract, as the case may be.
(j) Conflict Resolution	In all instances, the Company retains the prerogative to determine the circumstances warrant an investigation and, in conformity with the policy and applicable laws and regulations, the appropriate investigative process to be employed and corrective or remedial actions to take.

- 2) Has the code of ethics or conduct been disseminated to all directors, senior management and employees? Copies of the Keppel Group's code of ethics or conduct have been provided to all officers and employees.
- 3) Discuss how the company implements and monitors compliance with the code of ethics or conduct. Employees are encouraged to report violations of the Keppel Group's code of ethics or conducts in accordance with the procedure set out in the Keppel Whistle-Blower Protection Policy.
- 4) Related Party Transactions

(a) Policies and Procedures

Describe the company's policies and procedures for the review, approval or ratification, monitoring and recording of related party transactions between and among the company and its parent, joint ventures,

subsidiaries, associates, affiliates, substantial stockholders, officers and directors, including their spouses, children and dependent siblings and parents and of interlocking director relationships of members of the Board.

Related Party Transactions	Policies and Procedures
(1) Parent Company	None. However, as per employees code of conduct, employees must avoid any conflict between their own interests and the interest of the Group. This includes transaction in securities of the Group, any affiliate, and any non-affiliate organization, in dealing with suppliers, customers and other third parties. Employees are required to declare immediately any immediate relationship with the Director or the CEO, direct reporting relationships between an employee and his immediate family members, any ownership interest in any supplier, customer, etc.
(2) Joint Ventures	
(3) Subsidiaries	
(4) Entities Under Common Control	
(5) Substantial Stockholders	
(6) Officers including spouse/children/siblings/parents	
(7) Directors including spouse/children/siblings/parents	
(8) Interlocking director relationship of Board of Directors	

(b) Conflict of Interest

(i) Directors/Officers and 5% or more Shareholders

Identify any actual or probable conflict of interest to which directors/officers/5% or more shareholders may be involved.

	Details of Conflict of Interest (Actual or Probable)
Name of Director/s	None
Name of Officer/s	None
Name of Significant Shareholders	None

(ii) Mechanism

Describe the mechanism laid down to detect, determine and resolve any possible conflict of interest between the company and/or its group and their directors, officers and significant shareholders

	Directors/Officers/Significant Shareholders
Company	Please refer to the Keppel Group's Code of Business Conducts and Ethics
Group	

5) Family, Commercial and Contractual Relations - None

(a) Indicate, if applicable, any relation of a family,<sup>4</sup> commercial, contractual or business nature that exists between the holders of significant equity (5% or more), to the extent that they are known to the company:

Names of Related Significant Shareholders	Type of Relationship	Brief Description of the Relationship
None	None	None
None	None	None
None	None	None
None	None	None

<sup>4</sup> Family relationship up to the fourth civil degree either by consanguinity or affinity.

- (b) Indicate, if applicable, any relation of a commercial, contractual or business nature that exists between the holders of significant equity (5% or more) and the company: None

Names of Related Significant Shareholders	Type of Relationship	Brief Description
None	None	None
None	None	None
None	None	None
None	None	None

- (c) Indicate any shareholder agreements that may impact on the control, ownership and strategic direction of the company: None

Name of Shareholders	% of Capital Stock affected (Parties)	Brief Description of the Transaction
None	None	None
None	None	None

#### 6) Alternative Dispute Resolution

Describe the alternative dispute resolution system adopted by the company for the last three (3) years in amicably settling conflicts or differences between the corporation and its stockholders, and the corporation and third parties, including regulatory authorities. None

	Alternative Dispute Resolution System
Corporation & Stockholders	None
Corporation & Third Parties	None
Corporation & Regulatory Authorities	None

### C. BOARD MEETINGS & ATTENDANCE

- Are Board of Directors' meetings scheduled before or at the beginning of the year? At the beginning of the year. The Board of Directors regularly conduct quarterly meetings with special meetings conducted when the need arises.
- Attendance of Directors

Board	Name	Date of Election	No. of Meetings Held during the year	No. of Meetings Attended	%
Chairman	Teo Soon Hoe*	28 May 2014	7	4*	100%*
Member	Chow Yew Yuen	28 May 2014	7	3*	100%
Member	Stefan Tong Wai Mun	28 May 2014	7	7	100%
Member	Mayo Jose B. Ongsingco	28 May 2014	7	5	71.43%
Member	Rogelio R. Cabuñag**	28 May 2014	7	1	100%**
Member	Toh Ko Lin	28 May 2014	7	7	100%
Member	Benjamin P. Mata	28 May 2014	7	7	100%
Member	Ma. Melva E. Valdez	28 May 2014	7	7	100%
Independent	Noel M. Mirasol	28 May 2014	7	7	71.43%
Independent	Celso P. Vivas	28 May 2014	7	7	100%
Member	Felicidad V. Razon***	28 May 2014	7	4***	100%***

\*replaced by Mr. Chow Yew Yuen on 26 June 2014

\*\*resigned as Director of KPHI on 11 April 2014

\*\*\*elected as director only on 28 May 2014

3) Do non-executive directors have a separate meeting during the year without the presence of any executive? If yes, how many times? No.

4) Is the minimum quorum requirement for Board decisions set at two-thirds of board members? Please explain. No. Per Section 2, Article II of the Company's By-Laws, " xxx 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."

5) Access to Information

(a) How many days in advance are board papers<sup>5</sup> for board of directors meetings provided to the board?

As practiced, board papers are required to be sent to the directors at least seven days before the board meeting so that the members may have better understanding of the matters prior to the meeting and they will have time to discuss any questions they may have.

(b) Do board members have independent access to Management and the Corporate Secretary?

The directors are provided with the names and contact details of the Company's managers and corporate secretaries to facilitate direct access to them.

(c) State the policy of the role of the company secretary. Does such role include assisting the Chairman in preparing the board agenda, facilitating training of directors, keeping directors updated regarding any relevant statutory and regulatory changes, etc?

Yes. The Corporate Secretary is an officer of the Corporation who is a resident and citizen of the Philippines. At the most basic level, the Corporate Secretary is the one in charge of issuing notices of all meetings of directors and stockholders, drawing and keeping the minutes of meetings, safekeeping of the books, records and seal of the Corporation, rendering such reports and performing such other duties which are incidental to his/her office. The Corporate Secretary also ensures that Board members have the proper advice and resources for discharging their fiduciary duties, is responsible for ensuring that the records of the Board's actions reflect the proper exercise of those fiduciary duties, and provides advice on corporate governance issues.

(d) Is the company secretary trained in legal, accountancy or company secretarial practices? Please explain should the answer be in the negative.

Yes. The Company's current Corporate Secretary, Atty. Ma. Melva E. Valdez, is a holder of degrees of Bachelor of Arts in Political Science and Bachelor of Laws from the University of the Philippines. She has been the Corporate Secretary of the Company since 1998 and a Director since 2001 and a Senior Partner of the law firm of Jimenez Gonzales Bello Valdez Caluya and Fernandez Law Offices (JGLaw). She is also currently the Corporate Secretary of the following companies: Keppel Philippines Properties, Inc. and Mabuhay Vinyl Corporation (both listed companies) and Keppel Philippines Marine, Inc. (a public company). She is likewise the Corporate Secretary of Asian Institute of Management, Keppel Subic Shipyard, Inc and various Keppel companies in the Philippines, and a Director of Leighton Contractors (Phils.), Inc. Atty. Valdez has 30 years working experience in her field of profession as a lawyer.

(e) Committee Procedures

Disclose whether there is a procedure that Directors can avail of to enable them to get information necessary to be able to prepare in advance for the meetings of different committees:

Yes ☒

No ☐

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<sup>5</sup> Board papers consist of complete and adequate information about the matters to be taken in the board meeting. Information includes the background or explanation on matters brought before the Board, disclosures, budgets, forecasts and internal financial documents.

Committee	Details of the procedures
Executive	Notice of agenda is distributed to the members of the committee at least a week before the meeting. Emails are also sent out prior to the release of the agenda. Tentative schedule of meetings for the year is also sent out so that directors can block their calendars ahead.
Audit	
Nomination	
Remuneration	
Others (specify)	

#### 6) External Advice

Indicate whether or not a procedure exists whereby directors can receive external advice and, if so, provide details: None. However, directors are not restricted in seeking or receiving external advice.

Procedures	Details
None	None
None	None
None	None
None	None

#### 7) Change/s in existing policies

Indicate, if applicable, any change/s introduced by the Board of Directors (during its most recent term) on existing policies that may have an effect on the business of the company and the reason/s for the change:

Existing Policies	Changes	Reason
None	None	None

### D. REMUNERATION MATTERS

#### 1) Remuneration Process

Disclose the process used for determining the remuneration of the CEO and the four (4) most highly compensated management officers: The Company promotes a performance-based remuneration system for its executive director and key management personnel that is highly flexible and responsive to the market and individual employee's performance. The Company has only 2 management officers, the President and the Treasurer.

Process	CEO	Top 4 Highest Paid Management Officers
(1) Fixed remuneration	As decided by the Chairman	As decided by the CEO
(2) Variable remuneration	None	None
(3) Per diem allowance	None	None
(4) Bonus	As decided by the Chairman, based on financial and operating performance of the Company	As decided by the CEO, based on financial and operating performance of the Company
(5) Stock Options and other financial instruments	None	None
(6) Others (specify)	As decided by the Chairman	As decided by the CEO

2) Remuneration Policy and Structure for Executive and Non-Executive Directors

Disclose the company's policy on remuneration and the structure of its compensation package. Explain how the compensation of Executive and Non-Executive Directors is calculated.

Under the Company's By-Laws, directors shall receive such compensation for their services from time to time as may be fixed by the stockholders. There are no warrants or options held by the Company's officers and directors. The Company does not have any other arrangements pursuant to which any director is compensated directly or indirectly for any services provided as a director. There are also no special employment contracts with executive officers of the Company. The Company has no existing options, warrants or right to purchase securities.

	Remuneration Policy	Structure of Compensation Packages	How Compensation is Calculated
Executive Directors	The Chairman is responsible for the compensation package of the Executive or the CEO.		
Non-Executive Directors	The non-executive directors' annual compensation is approved by the shareholders during the annual general meeting and disclosed in the SEC 17C.		

Do stockholders have the opportunity to approve the decision on total remuneration (fees, allowances, benefits-in-kind and other emoluments) of board of directors? Provide details for the last three (3) years. Yes.

Remuneration Scheme	Date of Stockholders' Approval
Fixed amount (Php60,000.00)	28 May 2014
Fixed amount (Php60,000.00)	06 June 2013
Fixed amount (Php60,000.00)	07 June 2012

3) Aggregate Remuneration

Complete the following table on the aggregate remuneration accrued during the most recent year:

Remuneration Item	Executive Director/President & Treasurer	Non-Executive Directors (other than independent directors)	Independent Directors
(a) Fixed Remuneration	Php4,425,000 as stated in the 17A and IS	Php348,000 as stated in the 17A and IS	Php152,000 as stated in the 17A and IS
(b) Variable Remuneration			
(c) Per diem Allowance			
(d) Bonuses			
(e) Stock Options and/or other financial instruments			
(f) Others (Specify)			
<b>Total</b>			

Other Benefits	Executive Directors	Non-Executive Director (other than independent directors)	Independent Directors
1) Advances	None	None	None
2) Credit granted	None	None	None
3) Pension Plan/s Contributions	None	None	None
(d) Pension Plans, Obligations incurred	None	None	None
(e) Life Insurance Premium	None	None	None
(f) Hospitalization Plan	None	None	None
(g) Car Plan	None	None	None
(h) Others (Specify)	None	None	None
<b>Total</b>	None	None	None

#### 4) Stock Rights, Options and Warrants

##### (a) Board of Directors

Complete the following table, on the members of the company's Board of Directors who own or are entitled to stock rights, options or warrants over the company's shares:

Director's Name	Number of Direct Option/Rights/Warrants	Number of Indirect Option/Rights/Warrants	Number of Equivalent Shares	Total % from Capital Stock
Teo Soon Hoe*	None	None	N/A	N/A
Toh Ko Lin	None	None	N/A	N/A
Stefan Tong Wai Mun	None	None	N/A	N/A
Celso P. Vivas	None	None	N/A	N/A
Noel M. Mirasol	None	None	N/A	N/A
Mayo Jose B. Ongsingco	None	None	N/A	N/A
Felicidad V. Razon	None	None	N/A	N/A
Benjamin P. Mata	None	None	N/A	N/A
Ma. Melva E. Valdez	None	None	N/A	N/A

\*Replaced by Mr. Chow Yew Yuen on 26 June 2014.

##### (b) Amendments of Incentive Programs

Indicate any amendments and discontinuation of any incentive programs introduced, including the criteria used in the creation of the program. Disclose whether these are subject to approval during the Annual Stockholders' Meeting:

Incentive Program	Amendments	Date of Stockholders' Approval
None	None	None
None	None	None
None	None	None

#### 5) Remuneration of Management

Identify the five (5) members of management who are not at the same time executive directors and indicate the total remuneration received during the financial year:

Name of Officer/Position	Total Remuneration
There is only one member of the management who is not at the same time executive director.	Remuneration included in D.3 above, as stated in the 17A and IS.

### E. BOARD COMMITTEES

#### 1) Number of Members, Functions and Responsibilities

Provide details on the number of members of each committee, its functions, key responsibilities and the power/authority delegated to it by the Board:

Committee	No. of Members			Committee Charter	Functions	Key Responsibilities	Power
	Executive Director (ED)	Non-executive Director (NED)	Independent Director (ID)				
Executive	1	2	0	N/A	The Committee shall perform tasks delegated to it from time to time by the Board of Directors, subject to applicable laws and except on the following matters:  a.Approval of any action for which shareholders’ approval is also required; b.The filling of vacancies in the board; c.The amendment or repeal of by-laws or the adoption of new by-laws; d.The amendment or repeal of any resolution of the board which by its express terms are not so amenable or repealable; and e.A distribution of cash dividends to the shareholders. (Section 2, Article IV, KPHI By-Laws; Section K, Article III, KPHI Manual on Corporate Governance)		
Audit	1	2	2	Audit Committee Charter	The Audit Committee shall have the following functions:  a)Assist the Board in the performance of its oversight responsibility for the financial reporting process, system of internal control, audit process, and monitoring of compliance with applicable laws, rules and regulations;  b)Provide oversight over Management's activities in managing credit, market, liquidity, operational, legal and other risks of the corporation. This function shall include regular receipt from Management of information on risk exposures and risk management activities;  c)Pre-approve all audit plans, scope and frequency one (1) month before the conduct of external audit.  d)Perform oversight functions over the internal and external auditors. It should ensure that the internal and external		

				<p>auditors act independently from each other, and that both auditors are given unrestricted access to all records, properties and personnel to enable them to perform their respective audit functions;</p> <p>e)Review the annual internal audit plan to ensure its conformity with the objectives of the corporation. The plan shall include the audit scope, resources and budget necessary to implement it;</p> <p>f)Prior to the commencement of the audit, discuss with the external auditor the nature, scope and expenses of the audit, and ensure proper coordination if more than one audit firm is involved in the activity to secure proper coverage and minimize duplication of efforts;</p> <p>g)Organize an internal audit department, and consider the appointment of an independent internal auditor and the terms and conditions of its engagement and removal;</p> <p>h)Monitor and evaluate the adequacy and effectiveness of the Corporation's internal control system, including financial reporting control and information technology security;</p> <p>i)Review the reports submitted by the internal and external auditors;</p> <p>j)Review the accounts, quarterly, half-year and annual financial statements of the Company before submission to the Board of Directors and/or stockholders for approval, with particular focus on the following matters:</p> <ul style="list-style-type: none"> <li>•Any change/s in accounting policies and, practices</li> <li>•Major judgmental areas</li> <li>•Significant adjustments resulting from the audit</li> <li>•Going concern assumptions</li> <li>•Compliance with accounting standards</li> <li>•Compliance with tax, legal and regulatory requirements.</li> </ul> <p>k)Coordinate, monitor and facilitate compliance with laws, rules and regulations;</p> <p>l)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 their significance to the total annual income of the external auditor and to the Corporation's overall consultancy expenses. The committee shall disallow any non-audit work that will conflict with his duties as an external auditor or may pose a threat to his independence. The non-audit work, if allowed, should be disclosed in the Corporation's annual report;</p> <p>m)Establish and identify the reporting line of the Internal Auditor to enable him to properly fulfill his duties and responsibilities. He shall functionally report directly to the Audit Committee. The Audit Committee shall ensure that, in the performance of the work of the Internal Auditor, he shall be free from interference by outside parties.</p> <p>n)Review cooperation given by the Corporation's officers to the external and internal auditor;</p> <p>o)Elevate to international standards the accounting and auditing processes, practices and methodologies, and develop the following in relation to this reform:</p> <p>i)Definitive timetable within which the accounting system of the Corporation will be 100% International Accounting Standard (IAS) compliant.</p> <p>ii)An accountability statement that will specifically identify officers and/or personnel directly responsible for the accomplishment of such task.</p>
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				<p>p)Review interested party transactions;</p> <p>q)Develop a transparent financial management system that will ensure the integrity of internal control activities throughout the company through a step-by-step procedures and policies handbook that will be used by the entire organization;</p> <p>r)Keep under review the non-audit fees paid to the external auditor both in relation to their significance to the auditor and in relation to the company's total expenditure on consultancy. The non-audit work should be disclosed in the annual report and not exceed 40% of the total audit fees; and</p> <p>s)Perform tasks delegated to it from time to time by the Board of Directors, subject to applicable laws. (Section K, Article III, KPHI Manual on Corporate Governance)</p> <p>In addition, Section 5, Article IV of KPHI's By-Laws provides that the Audit Committee shall:</p> <p>a.Check all financial reports against its compliance with both the internal financial management handbook and pertinent accounting standards, including regulatory requirements;</p> <p>b.Review and pre-approve audit plans of the Corporation's external auditors and, scope and frequency one (1) month before the conduct of external audit;</p> <p>c.Review the external auditor's evaluation and recommendation of the systems of internal accounting arising from their audit examination;</p> <p>d.Review the accounts, quarterly, half-year and annual financial statements of the Company before submission to the Board of Directors and/or stockholders for approval;</p> <p>e.Review the scope and results of internal audit procedures;</p> <p>f.Review cooperation given by the Company's officers to the external and internal auditor;</p> <p>g.Review interested party transactions;</p> <p>h.Perform oversight financial management functions especially in the areas of managing credit, market, liquidity, operational, legal and other risks of the Corporation, and crisis management;</p> <p>i.Perform direct interface functions with the internal and external auditors;</p> <p>j.Elevate to international standards the accounting and auditing processes, practices and methodologies, and develop the following in relation to this reform:</p> <p>1.A definitive timetable within which the accounting system of the Corporation will be 100% International Accounting Standard (IAS) compliant;</p> <p>2.An accountability statement that will specifically identify officers and/or personnel directly responsible for the accomplishment of such task;</p> <p>k. Develop a transparent financial management system that will ensure the integrity of internal control activities throughout the Corporation through a step-by-step procedures and policies handbook that will be used by the entire organization;</p> <p>l.Keep under review the non-audit fees paid to the external auditor both in relation to their significance to the auditor and in relation to the Corporation's total expenditure on</p>
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					<p>consultancy. The non-audit work should be disclosed in the annual report and not exceed 40% of the total audit fees; and</p> <p>m.Perform tasks delegated to it from time to time by the Board of Directors, subject to applicable laws.</p>
Nomination	1	3	1	N/A	<p>Under Section K, Article III, KPHI Manual on Corporate Governance, the Nomination Committee shall:</p> <p>a) Pre-screen and shortlist all candidates to the Board and other appointments that require Board approval, in accordance with the qualifications and disqualifications enumerated provided under this Manual, the Corporation Code, Securities &amp; Regulations Code, and other pertinent rules and regulations.</p> <p>b) Assess the effectiveness of the Board's processes and procedures in the election or replacement of directors.</p> <p>c) In consultation with the Executive Committee, re-define the role, duties and responsibilities of the Chief Executive Officer/President by integrating the dynamic requirements of the business as a going concern and future expansionary prospects within the realm of good corporate governance at all times.</p> <p>Under Section 3, Article IV of KPHI's By-Laws, the Nomination Committee "shall pre-screen and shortlist all candidates nominated to become a member of the board of directors in accordance with the qualifications and disqualifications provided under the Code of Corporate Governance.</p> <p>"The Nomination Committee shall, in consultation with the Executive Committee, re-define the role, duties and responsibilities of the Chief Executive Officer/President by integrating the dynamic requirements of the business as a going concern and future expansionary prospects within the realm of good corporate governance for the Board."</p>
Remuneration	1	3	1	N/A	<p>Under Section K, Article III, KPHI Manual on Corporate Governance, the Compensation and Remuneration Committee shall:</p> <p>a)Establish a formal and transparent procedure for developing a policy on executive remuneration and for fixing the remuneration packages of corporate officers and directors, and provide oversight over remuneration of senior management and other key personnel, ensuring that compensation is consistent with the Corporation's culture, strategy and control environment.</p> <p>b)Designate amount of remuneration, which shall be in a sufficient level to attract and retain directors and officers who are needed to run the company successfully.</p> <p>c)Develop a form on Full Business Interest Disclosure as part of the pre-employment requirements for all incoming officers, which among others compel all officers to declare under the penalty of perjury all their existing business interests or shareholdings that may directly or indirectly conflict in their performance of duties once hired.</p> <p>d)Disallow any director to decide his or her own remuneration.</p> <p>e)Provide in the Corporation's annual reports, information and proxy statements a clear, concise and understandable disclosure of compensation of its executive officers for the previous fiscal year and the ensuing year.</p> <p>f)Review (if any) of the existing Human Resources Development or Personnel Handbook, to strengthen provisions on conflict of interest, salaries and benefits policies, promotion and career advancement directives and compliance of personnel concerned with all statutory</p>

					requirements that must be periodically met in their respective posts.  g)In the absence of such Personnel Handbook, cause the development of such, covering the same parameters of governance stated above.”		
Others (specify)	N/A	N/A	N/A	N/A	N/A	N/A	N/A

## 2) Committee Members

### (a) Executive Committee

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman/Member (ED)	Stefan Tong Wai Mun	28 May 2014	0	0		8 years
Member (NED)	Ma. Melva E. Valdez	28 May 2014	0	0		8 years
Member (NED)	Toh Ko Lin	28 May 2014	0	0		2 years

\*appointed as Chairman of the Committee on June 2013

### (b) Audit Committee

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman (ID)	Celso P. Vivas	28 May 2014	4	4	100%	8 years
Member (ID)	Noel M. Mirasol	28 May 2014	4	4	100%	8 years
Member (ED)	Stefan Tong Wai Mun	28 May 2014	4	4	100%	7 years
Member (NED)	Toh Ko Lin*	28 May 2014	2	2	100%	0 year
Member (NED)	Mayo Jose B. Ongsingco	28 May 2014	4	4	100%	8 years

\*replaced Mr. Rogelio Cabunag only on 28 May 2014.

Disclose the profile or qualifications of the Audit Committee members.

**Celso P. Vivas**, 67, Filipino, has been elected Independent Director of Keppel Philippines Holdings since June 2005 and is currently the Chairman of the Audit Committee of the Company. Mr. Vivas is a Certified Public Accountant and is currently Vice-Chairman and CEO of the Corporate Governance Institute of the Philippines. He is a member of Marubeni Foundation’s Board of Trustees and Canadian Chamber of Commerce’s Board of Governors. He is an Independent Director and Chairman of the Audit Committee of Keppel Philippines Marine, Inc. and an Independent Director and member of the Audit Committee of Keppel Philippines Properties, Inc. He was formerly the Vice Chairman of Corporate Holdings Management, Inc. and Acacia Hotel Manila. He was Risk Consulting Partner and Assurance Business Advisory Partner of SGV & Company until his retirement in 2001. Mr. Vivas obtained his Bachelor’s Degree in Business Administration (Cum Laude) from University of the East. He also obtained a Master’s Degree in Business Management from the Asian Institute of Management (SGV & Co. Scholar). He is also a graduate of Company Directors’ Course from Australian Institute of Company Directors (ICD Scholar). Mr. Vivas has 47 years of experience in audit, finance, enterprise risk management and corporate governance.

**Noel M. Mirasol**, 76, Filipino, was elected Independent Director of the Company in June 2003 and currently a member of the Audit Committee of the Company. He currently serves as Special Consultant to the CEO of International Container Terminal Services, Inc. He is also a Director and President of ICTSI Georgia Corp.-Cayman Islands. He is also a Director of ICTSI Warehousing, Inc., Container Terminal Systems Solutions, Inc.-Mauritius and Guam-International Container Terminal, Inc. and other international container terminals here and abroad. Mr. Mirasol graduated from De La Salle College, Manila with a Bachelor of Science Degree in

Mechanical Engineering. He also obtained Masters of Science Degree in Management from Rennselaer Polytechnic Institute, New York and a PhD. in Operations Research from Case Institute of Technology, Cleveland, Ohio. Mr. Mirasol has 47 years of experience in finance in various industries.

**Stefan Tong Wai Mun**, 41, Malaysian, was elected as President and Director in June 2007. He has been a Director of Keppel Philippines Properties, Inc. since June 2007 and was elected as Director Keppel Philippines Marine, Inc. in February 2010 and Executive Vice-President in June 2011. He is also a Director of various Keppel companies in the Philippines. Mr. Tong graduated from University of Western Australia with a Bachelor's Degree in Accounting and Finance (Honors). He is a Chartered Accountant and a member of the Institute of Chartered Accountants in Australia. He has 17 years of experience in banking, finance and real estate.

**Mayo Jose B. Ongsingco**, 62, Filipino, was elected as Director of Keppel Philippines Holdings in June 2002 and currently a member of the Audit Committee of the Company. He has been the President and Chief Operating Officer of Insular Life Assurance Co. Ltd. since 2004 and Chairman of the Board of Insular Life Employees' Retirement Fund and Insular Life General Insurance Agency, Inc. He is the Vice-Chairman of Insular Life Health Care, Inc., Insular Life Management & Development Corp., Insular Life Property Holdings, Inc. and Home Credit MBLA. He is also a Director of Insular Investment & Trust Corp., Insular Life Foundation, Mapfre Insular Insurance Corp., Pilipinas Shell Petroleum Corp., PPI Prime Venture, Inc., and Union Bank of the Philippines. Mr. Ongsingco graduated from the De La Salle University with Bachelor's Degrees (Magna Cum Laude) in Economics and Accounting. He also obtained Master's Degree in Business Administration from the University of the Philippines and in National Security Administration from the National Defense College of the Philippines (with Honors). Mr. Ongsingco has 40 years of experience in banking, finance, and insurance.

**Toh Ko Lin**, 61 Singaporean, was re-elected as a Director of the Company in June 2013. He has been a Director and President of the Company since 2002 up to June 2007. He was also President of KPML from January 2001 until June 2011. In October 2012, he was appointed as the Chairman of the Board and President of KPML. He holds chairmanship in Keppel Subic Shipyard, Inc. as well as Keppel Cebu Shipyard, Inc. and also directorship in various affiliated companies in the Keppel Group. He is currently the Executive Director of Keppel Singmarine in Singapore. Mr. Toh graduated from the University of Newcastle-upon-Tyne in UK with a Bachelor of Science (Honors) degree in Naval Architecture. He also obtained a degree of Master of Business Administration from the University of Western Ontario, Canada. His work experience includes 37 years in the marine industry.

Describe the Audit Committee's responsibility relative to the external auditor.

The Audit Committee pre-approves all audit plans, scope and frequency one (1) month before the conduct of external audit and performs oversight functions over the external auditors. It also ensures that the internal and external auditors act independently from each other, and that both auditors are given unrestricted access to all records, properties and personnel to enable them to perform their respective audit functions. Prior to the commencement of the audit, the Audit Committee discusses with the external auditor the nature, scope and expenses of the audit, and ensures proper coordination if more than one audit firm is involved in the activity to secure proper coverage and minimize duplication of efforts. (Section K(2), Article III, Amended Manual on Corporate Governance)

(c) Nomination Committee

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman	Toh Ko Lin*	28 May 2014	1	1	100%	2 years
Member (ED)	Stefan Tong Wai Mun	28 May 2014	1	1	100%	7 years
Member (ID)	Noel M. Mirasol	28 May 2014	1	1	100%	8 years
Member (ID)	Celso Vivas**	28 May 2014	0	0	n/a	0 year

\* replaced Mr. Teo Soon Hoe as Chairman on 28 May 2014/served the Committee as member since 6 June 2013

\*\* replaced Mr. Rogelio Cabunag only on 28 May 2014.

(d) Remuneration Committee

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman	Toh Ko Lin*	28 May 2014	0	N/A	N/A	0 year
Member (ED)	Stefan Tong Wai Mun	28 May 2014	0	N/A	N/A	7 years
Member (ID)	Celso P. Vivas	28 May 2014	0	N/A	N/A	8 years
Member (NED)	Mayo Jose B. Ongsingco	28 May 2014	0	N/A	N/A	8 years

\*appointed as Chairman only on 28 May 2014

(e) Others (Specify)

Provide the same information on all other committees constituted by the Board of Directors:

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman	N/A	N/A	N/A	N/A	N/A	N/A
Member (ED)	N/A	N/A	N/A	N/A	N/A	N/A
Member (NED)	N/A	N/A	N/A	N/A	N/A	N/A
Member (ID)	N/A	N/A	N/A	N/A	N/A	N/A
Member	N/A	N/A	N/A	N/A	N/A	N/A

3) Changes in Committee Members

Indicate any changes in committee membership that occurred during the year and the reason for the changes:

Name of Committee	Name	Reason
Executive	None	N/A
Audit	Rogelio Cabunag	Resignation
Nomination	Teo Soon Hoe Rogelio Cabunag	Resignation
Remuneration	Teo Soon Hoe	Resignation
Others (specify)	N/A	N/A

4) Work Done and Issues Addressed

Describe the work done by each committee and the significant issues addressed during the year.

Name of Committee	Work Done	Issues Addressed
Executive	<ul style="list-style-type: none"> <li>Recommendation on cash dividend of P0.10 per share.</li> </ul>	No issue was raised and addressed.
Audit	<ul style="list-style-type: none"> <li>Recommendation on the approval of quarterly financial results;</li> <li>Recommendation on the re-appointment of External Auditor;</li> <li>Recommendation on the approval of the Company's Annual Report (SEC Form 17-A); and</li> <li>Recommendation on the approval of the Company's Y2011 Audited Financial Statements;</li> <li>Adoption of an Audit Committee Charter</li> </ul>	No issue was raised and addressed.

Nomination	Screening and nomination of Directors (regular and independent) for election at the Annual Stockholders' Meeting.	No issue was raised and addressed.
Remuneration	None	None
Others (specify)	N/A	N/A

5) Committee Program

Provide a list of programs that each committee plans to undertake to address relevant issues in the improvement or enforcement of effective governance for the coming year.

Name of Committee	Planned Programs	Issues to be Addressed
Executive	None	None
Audit	Internal Audit	Address requirement of Audit Charter
Nomination	None	None
Remuneration	None	None
Others (specify)	N/A	N/A

**F. RISK MANAGEMENT SYSTEM**

1) Disclose the following:

(a) Overall risk management philosophy of the company;

The Company's objective is to protect and enhance the interest of its stakeholders by committing itself to the principles of risk management, fairness, accountability and transparency. Thus, it fully embraces and practices sound corporate governance in order to instill trust and confidence to the organization. (Article I, Amended Manual on Corporate Governance)

The Keppel Group assessed the management risk through its quarterly desktop review of the financials of the company. The Company including its subsidiaries and associates submits on monthly basis the financial reports to the Keppel Group.

- (b) A statement that the directors have reviewed the effectiveness of the risk management system and commenting on the adequacy thereof; None
- (c) Period covered by the review; None
- (d) How often the risk management system is reviewed and the directors' criteria for assessing its effectiveness; and
- (e) Where no review was conducted during the year, an explanation why not. None. Any risk or issues shall be raised and settled in the Audit Committee meetings.

2) Risk Policy

(a) Company

Give a general description of the company's risk management policy, setting out and assessing the risk/s covered by the system (ranked according to priority), along with the objective behind the policy for each kind of risk:

Risk Exposure	Risk Management Policy	Objective
None	None	None
None	None	None
None	None	None
None	None	None
None	None	None

(b) Group

Give a general description of the Group's risk management policy, setting out and assessing the risk/s covered by the system (ranked according to priority), along with the objective behind the policy for each kind of risk:

Risk Exposure	Risk Management Policy	Objective
None	None	None
None	None	None
None	None	None
None	None	None
None	None	None

(c) Minority Shareholders

Indicate the principal risk of the exercise of controlling shareholders' voting power.

Risk to Minority Shareholders
Lack of control

3) Control System Set Up

(a) Company - None

Briefly describe the control systems set up to assess, manage and control the main issue/s faced by the company:

Risk Exposure	Risk Assessment (Monitoring and Measurement Process)	Risk Management and Control (Structures, Procedures, Actions Taken)
None	None	None
None	None	None
None	None	None
None	None	None
None	None	None

(b) Group - None

Briefly describe the control systems set up to assess, manage and control the main issue/s faced by the company:

Risk Exposure	Risk Assessment (Monitoring and Measurement Process)	Risk Management and Control (Structures, Procedures, Actions Taken)
None	None	None
None	None	None
None	None	None
None	None	None
None	None	None

(c) Committee

Identify the committee or any other body of corporate governance in charge of laying down and supervising these control mechanisms, and give details of its functions:

Committee/Unit	Control Mechanism	Details of its Functions
Audit Committee	The Audit Committee provides oversight over Management's activities in managing credit,	1.Check all financial reports against its compliance with both the internal financial

	market, liquidity, operational, legal and other risks of the corporation which function includes regular receipt from Management of information on risk exposures and risk management activities. (Section K(2), Article III, Amended Manual on Corporate Governance)	management handbook and pertinent accounting standards, including regulatory requirements; 2. Review interested party transactions; 3. Perform oversight financial management functions especially in the areas of managing credit, market, liquidity, operational, legal and other risks of the Corporation, and crisis management; 4. Perform direct interface functions with the internal and external auditors (Section 5 (a,g,h,i), Article IV, KPHI By-Laws)
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## G. INTERNAL AUDIT AND CONTROL

The Company and its subsidiaries and associates submit to the Keppel group the monthly financial report. The Keppel Group Control conducts review and analysis financial reports submitted. The Company and its subsidiaries and associates are required to answer any queries or material variances on its revenues, expenses, assets and liabilities of the period under review against previous performance. The Keppel Group also conduct physical audit at longer interval when necessary.

### Internal Control System

Disclose the following information pertaining to the internal control system of the company:

- (a) Explain how the internal control system is defined for the company;

The control environment of the Corporation consists of:

- (1) the Board which ensures that the Corporation is properly and effectively managed and supervised;
- (2) a Management that actively manages and operates the Corporation in a sound and prudent manner;
- (3) the organizational and procedural controls supported by effective management information and risk management reporting systems; and
- (4) an independent audit mechanism to monitor the adequacy and effectiveness of the corporation's governance, operations, and information systems, including the reliability and integrity of financial and operational information, the effectiveness and efficiency of operations, the safeguarding of assets, and compliance with laws, rules, regulations and contracts. (Section H, Article III, Amended Manual on Corporate Governance)

- (b) A statement that the directors have reviewed the effectiveness of the internal control system and whether they consider them effective and adequate; None

- (c) Period covered by the review; None

- (d) How often internal controls are reviewed and the directors' criteria for assessing the effectiveness of the internal control system; and

- (e) Where no review was conducted during the year, an explanation why not. None. No issues were raised during the audit committee meetings.

## 2) Internal Audit

### (a) Role, Scope and Internal Audit Function

Although the position of “Internal Auditor” has been provided for in the Company’s Amended Manual on Corporate Governance, the Company has yet to appoint an Internal Auditor. At present, the Internal Audit function is performed by the Audit Committee.

Give a general description of the role, scope of internal audit work and other details of the internal audit function.

Role	Scope	Indicate whether In-house or Outsource Internal Audit Function	Name of Chief Internal Auditor/Auditing Firm	Reporting process
N/A	N/A	N/A	N/A	N/A

(b) Do the appointment and/or removal of the Internal Auditor or the accounting /auditing firm or corporation to which the internal audit function is outsourced require the approval of the audit committee? N/A

(c) Discuss the internal auditor’s reporting relationship with the audit committee. Does the internal auditor have direct and unfettered access to the board of directors and the audit committee and to all records, properties and personnel? N/A

### (d) Resignation, Re-assignment and Reasons

Disclose any resignation/s or re-assignment of the internal audit staff (including those employed by the third-party auditing firm) and the reason/s for them. N/A

Name of Audit Staff	Reason
N/A	N/A

### (e) Progress against Plans, Issues, Findings and Examination Trends

State the internal audit’s progress against plans, significant issues, significant findings and examination trends.

<b>Progress Against Plans</b>	N/A
<b>Issues<sup>6</sup></b>	N/A
<b>Findings<sup>7</sup></b>	N/A
<b>Examination Trends</b>	N/A

[The relationship among progress, plans, issues and findings should be viewed as an internal control review cycle which involves the following step-by-step activities:

- 1) Preparation of an audit plan inclusive of a timeline and milestones;
- 2) Conduct of examination based on the plan;
- 3) Evaluation of the progress in the implementation of the plan;
- 4) Documentation of issues and findings as a result of the examination;
- 5) Determination of the pervasive issues and findings (“examination trends”) based on single year result and/or year-to-year results;
- 6) Conduct of the foregoing procedures on a regular basis.]

### (f) Audit Control Policies and Procedures

<sup>6</sup>“Issues” are compliance matters that arise from adopting different interpretations.

<sup>7</sup>“Findings” are those with concrete basis under the company’s policies and rules.

Disclose all internal audit controls, policies and procedures that have been established by the company and the result of an assessment as to whether the established controls, policies and procedures have been implemented under the column "Implementation."

Policies & Procedures	Implementation
None	None
None	None
None	None

(g) Mechanisms and Safeguards

State the mechanism established by the company to safeguard the independence of the auditors, financial analysts, investment banks and rating agencies (example, restrictions on trading in the company's shares and imposition of internal approval procedures for these transactions, limitation on the non-audit services that an external auditor may provide to the company): External auditors report directly to the Audit Committee for any issues during the conduct of the interim and year-end audit.

Auditors (Internal and External)	Financial Analysts	Investment Banks	Rating Agencies
None	None	None	None
None	None	None	None

(h) State the officers (preferably the Chairman and the CEO) who will have to attest to the company's full compliance with the SEC Code of Corporate Governance. Such confirmation must state that all directors, officers and employees of the company have been given proper instruction on their respective duties as mandated by the Code and that internal mechanisms are in place to ensure that compliance.

Messrs. Chow Yew Yuen and Stefan Tong Wai Mun, Chairman of the Board and President, respectively, of the Corporation, confirms that the Corporation is in full compliance with the SEC Code of Corporate Governance and further confirms that all directors, officers and employees of the company have been given proper instruction on their respective duties as mandated by the Code and that internal mechanisms are in place to ensure that compliance.

## H. ROLE OF STAKEHOLDERS

1) Disclose the company's policy and activities relative to the following: No established policy and activities

	Policy	Activities
Customers' welfare	None	None
Supplier/contractor selection practice	None	None
Environmentally friendly value-chain	None	None
Community interaction	None	None
Anti-corruption programmes and procedures?	None	None
Safeguarding creditors' rights	None	None

2) Does the company have a separate corporate responsibility (CR) report/section or sustainability report/section?  
None

3) Performance-enhancing mechanisms for employee participation.

(a) What are the company's policy for its employees' safety, health, and welfare? None. However, the company provides basic health and benefits.

(b) Show data relating to health, safety and welfare of its employees. The Company provides basic health and other benefits.

(c) State the company's training and development programmes for its employees. Show the data.

Annual PSE seminar on new disclosures- December 2014, Global Finance Management Conference – Singapore August 2014, CFA Conference for Forensic and Risk Management Seminar –May 2014 and October 2014; Futuristic Studies and Management -May 2014 and October 2014, Corporate Governance Seminar- October 2014, Seminar on Corporate Governance for Publicly-Listed companies –June 2014.

(d) State the company's reward/compensation policy that accounts for the performance of the company beyond short-term financial measures - The Company provides regular annual salary increases depending on the employee's individual performance and bonuses depending upon the Company's operating and financial performance.

4) What are the company's procedures for handling complaints by employees concerning illegal (including corruption) and unethical behaviour? Explain how employees are protected from retaliation. The Company has Whistle Blower Protection Policy which provide the mechanisms by which the Whistle-Blowers may report reportable conduct and enable the Group to effectively deal with reports from Whistle-Blowers in a way that will protect, to the extent possible, the identity of the Whistle-Blowers and persons who participate (or who intend to participate) in investigations.

## I. DISCLOSURE AND TRANSPARENCY

### 1) Ownership Structure

(a) Holding 5% shareholding or more

Shareholder	Number of Shares	Percent	Beneficial Owner
Kepwealth, Inc.	26,807,533	44.407%	N/A
Keppel Corporation Ltd.	16,894,082	27.985%	N/A
PCD Nominee Corp. – Filipino *****	13,015,679	21.561%	N/A

\*\*\*\*\* The Insular Life and Assurance Co., Ltd has 6,408,422 shares or 10.616% - under PCD Nominee Corporation. Filipino; Net of the share of The Insular Life and Assurance Co., Ltd., PCD Nominee-Filipino will have 10.945%

Name of Senior Management	Number of Direct shares	Number of Indirect shares / Through (name of record owner)	% of Capital Stock
Stefan Tong Wai Mun	1	None	0.00%
Felicidad V. Razon	1	None	0.00%
<b>TOTAL</b>	<b>2</b>		<b>0.00%</b>

### 2) Does the Annual Report disclose the following:

Key risks	No
Corporate objectives	No
Financial performance indicators	Yes
Non-financial performance indicators	No
Dividend policy	Yes
Details of whistle-blowing policy	No

Biographical details (at least age, qualifications, date of first appointment, relevant experience, and any other directorships of listed companies) of directors/commissioners	<b>Yes</b>
Training and/or continuing education programme attended by each director/commissioner	<b>No</b>
Number of board of directors/commissioners meetings held during the year	<b>Yes</b>
Attendance details of each director/commissioner in respect of meetings held	<b>No</b>
Details of remuneration of the CEO and each member of the board of directors/commissioners	<b>Yes</b>

Should the Annual Report not disclose any of the above, please indicate the reason for the non-disclosure. Not required.

3) External Auditor's fee

<b>Name of auditor</b>	<b>Audit Fee</b>	<b>Non-audit Fee</b>
SyCip Gorres Velayo & Co. (SGV)	Php 320,000.00	N/A

4) Medium of Communication

List down the mode/s of communication that the company is using for disseminating information. Through PSE Website

5) Date of release of audited financial report: The 17A or Annual Report was submitted to Philippine Stock Exchange and was posted on its website on April 11, 2014.

6) Company Website

Does the company have a website disclosing up-to-date information about the following? Yes.

On 14 May 2014, KPHI submitted with the SEC an advisement letter and formally informed SEC of its compliance with SEC Resolution no. 393, series of 2011. Further, in compliance with SEC Memorandum Circular No.11, series of 2014, KPHI has reconstructed its website in accordance with SEC template. The website of KPHI may be visited at: <http://www.keppelph.com>.

Business operations	<b>N/A</b>
Financial statements/reports (current and prior years)	<b>N/A</b>
Materials provided in briefings to analysts and media	<b>N/A</b>
Shareholding structure	<b>N/A</b>
Group corporate structure	<b>N/A</b>
Downloadable annual report	<b>N/A</b>
Notice of AGM and/or EGM	<b>N/A</b>
Company's constitution (company's by-laws, memorandum and articles of association)	<b>N/A</b>

Should any of the foregoing information be not disclosed, please indicate the reason thereto.

Material information mentioned above is likewise disclosed in comprehensive, accurate timely manner via Philippine Stock Exchange (PSE) website. Email addresses of the Company's compliance and information officers are also available at PSE's website.

7) **Disclosure of Related Party Transactions**

When RPTs are involved, what processes are in place to address them in the manner that will safeguard the interest of the company and in particular of its minority shareholders and other stakeholders? The Company enters into a related party transaction based on the market rate. Proper disclosures are made on the Company's 17Q, 17A, IS and 17C when required and necessary.

**J. RIGHTS OF STOCKHOLDERS**

1) Right to participate effectively in and vote in Annual/Special Stockholders' Meetings

(a) Quorum

Give details on the quorum required to convene the Annual/Special Stockholders' Meeting as set forth in its By-laws.

<b>Quorum Required</b>	Section 3, Article X of the Company's By-Laws provides that "[n]o stockholders' meeting shall be competent to decide any matter or transact any business unless a majority of the subscribed capital stock is present or represented thereat, except in those cases in which the Corporation Law expressly requires the affirmative vote of a greater proportion".
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(b) System Used to Approve Corporate Acts

Explain the system used to approve corporate acts.

<b>System Used</b>	One share, one vote
<b>Description</b>	Section 4, Article X of the Company's By-Laws provides that "[v]oting upon all questions at all meetings of the stockholders shall be by shares of stock and not per capita."

(c) Stockholders' Rights

List any Stockholders' Rights concerning Annual/Special Stockholders' Meeting that differ from those laid down in the Corporation Code.

Stockholders' Rights under The Corporation Code	Stockholders' Rights <u>not</u> in The Corporation Code
Voting right on all matters that require their consent or approval	No additional right is conferred.
Right of Inspection of Corporate Books/Records	
Right to Information	
Right to Dividends	
Appraisal Right	

Dividends

Declaration Date	Record Date	Payment Date
28 May 2014	13 June 2014	09 July 2014

(d) Stockholders' Participation

1. State, if any, the measures adopted to promote stockholder participation in the Annual/Special Stockholders' Meeting, including the procedure on how stockholders and other parties interested may communicate directly with the Chairman of the Board, individual directors or board committees. Include in the discussion the steps the Board has taken to solicit and understand the views of the stockholders as well as procedures for putting forward proposals at stockholders' meetings.

Measures Adopted	Communication Procedure
Notices	Shareholders are informed of shareholders' meetings through notices published in the newspapers and reports or circulars sent to all shareholders.
Questions and answers	Shareholders are invited at such meetings to put forth questions they may have on the motions to be debated and decided upon.  All Board committee's Chairman and members are present to address queries at the Annual General Meeting. The external auditor is also present to assist the Board in addressing the shareholders' questions, if necessary.
Proxy	If any shareholder is unable to attend, he is allowed to appoint proxy to vote on his behalf at the meeting through proxy forms sent in ahead together with the notice of the meeting and Definitive Information Statement.
Minutes of Annual General Meeting	The minutes of shareholders' meetings, which contain substantial information that transpired during the meeting are prepared by the Corporate Secretary and are attached and included in the Definitive Information Statement.

2. State the company policy of asking shareholders to actively participate in corporate decisions regarding:

- a. Amendments to the company's constitution

The Corporation adheres to the provision of Section 16 of the Corporation Code of the Philippines which provides that "x xany provision or matter stated in the articles of incorporation may be amended by a majority vote of the board of directors or trustees and the vote or written assent of the stockholders representing at least two-thirds (2/3) of the outstanding capital stock x xx." (underlining ours)

- b. Authorization of additional shares

Since an increase in the authorized capital stock of the Corporation requires an amendment of the Articles of Incorporation, the Corporation adheres to the provision of Section 16 of the Corporation Code of the Philippines which provides that "x xany provision or matter stated in the articles of incorporation may be amended by a majority vote of the board of directors or trustees and the vote or written assent of the stockholders representing at least two-thirds (2/3) of the outstanding capital stock x xx." (underlining ours)

- c. Transfer of all or substantially all assets, which in effect results in the sale of the company

The Corporation adheres to the provision of Section 40 of the Corporation Code of the Philippines which provides that “x xxa corporation may, by a majority vote of its board of directors or trustees, sell, lease, exchange, mortgage, pledge or otherwise dispose of all or substantially all of its property and assets, including its goodwill, upon such terms and conditions and for such consideration, which may be money, stocks, bonds or other instruments for the payment of money or other property or consideration, as its board of directors or trustees may deem expedient, when authorized by the vote of the stockholders representing at least two-thirds (2/3) of the outstanding capital stockx xx.” (underlining ours)

3. Does the company observe a minimum of 21 business days for giving out of notices to the AGM where items to be resolved by shareholders are taken up? Yes, notwithstanding Section 5, Article X of KPHI's By-Laws which provides that “[w]ritten notice stating the date, time and place of the annual meeting shall be sent to each registered owner of stock at his postal address as registered in the Corporation books, at least fifteen (15) business days prior to the date of such meeting.”
- a. Date of sending out notices: 30 April 2014
- b. Date of the Annual/Special Stockholders' Meeting: 28 May 2014
4. State, if any, questions and answers during the Annual/Special Stockholders' Meeting. None.
5. Result of June 2014 Annual/Special Stockholders' Meeting's Resolutions

Resolution	Approving	Dissenting	Abstaining
Reading and Approval of the Minutes of the Annual Stockholders' meeting held on 06 June 2013	All	None	None
Presentation of the Annual Report and Approval of the Audited Financial Statements of 2013	All	None	None
Ratification of the Acts and Proceedings of the Board of Directors, Officers and Management	All	None	None
Election of Directors for year 2014-2015	All	None	None
Directors' Remuneration of Php60,000 each for the last fiscal year	All	None	None
Appointment of the External Auditor	All	None	None
Announcement of Cash Dividend	N/A	N/A	N/A

6. Date of publishing of the result of the votes taken during the most recent AGM for all resolutions: The result of the votes taken during the most recent AGM for all resolutions was submitted to SEC thru Form 17C on same day of AGM on 28 May 2014 and published by PSE the following day 29 May 2014.

(e) Modifications

State, if any, the modifications made in the Annual/Special Stockholders' Meeting regulations during the most recent year and the reason for such modification:

Modifications	Reason for Modification
None	N/A

(f) Stockholders' Attendance

(i) Details of Attendance in the Annual/Special Stockholders' Meeting Held:

Type of Meeting	Names of Board members / Officers present	Date of Meeting	Voting Procedure (by poll, show of hands, etc.)	% of SH Attending in Person	% of SH in Proxy	Total % of SH attendance
Annual	Teo Soon Hoe Stefan Tong WaiMun Celso P. Vivas TohKo Lin Benjamin P. Mata Melva E. Valdez Felicidad V. Razon	28 May 2014	One share, one vote	0.007%	86.620%	86.627%

(ii) Does the company appoint an independent party (inspectors) to count and/or validate the votes at the ASM/SSMs? No.

(iii) Do the company's common shares carry one vote for one share? If not, disclose and give reasons for any divergence to this standard. Where the company has more than one class of shares, describe the voting rights attached to each class of shares. Yes. The Company has two classes of shares (Class 'A' and 'B') but have the same voting rights.

(g) Proxy Voting Policies

State the policies followed by the company regarding proxy voting in the Annual/Special Stockholders' Meeting.

	Company's Policies
Execution and acceptance of proxies	Stockholders may vote at all meetings either in person or by proxy duly given in writing and presented to the Secretary for inspection and record at a date set by the Board prior to the holding of said meeting. (Section 2, Article X, KPHI By-Laws)  A proxy executed by a Corporation shall be in a form executed by a duly authorized corporate officer accompanied by a Corporate Secretary's Certificate quoting the board resolution authorizing said corporate officer to execute said proxy. (Section 1(a), Article XI, KPHI By-Laws)
Notary	Notarization is not required.
Submission of Proxy	Unless a longer period is fixed by the Board of Directors, proxies shall be submitted not later than ten (10) days prior to the date of stockholders' meeting. (Section 1(b), Article XI, KPHI By-Laws)
Several Proxies	No specific policy.
Validity of Proxy	No proxy shall be valid and effective for a period longer than five (5) years at any one time. (Section 58, Corporation Code of the Philippines)
Proxies executed abroad	No specific policy.
Invalidated Proxy	No specific policy.
Validation of Proxy	No specific policy.

Violation of Proxy	No specific policy.
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(h) Sending of Notices

State the company's policies and procedure on the sending of notices of Annual/Special Stockholders' Meeting.

Policies	Procedure
Section 5, Article X of KPHI's By-Laws provides that "[w]ritten notice stating the date, time and place of the annual meeting shall be sent to each registered owner of stock at his postal address as registered in the Corporation books, at least fifteen (15) business days prior to the date of such meeting."	Copies of the notice of the stockholders' meeting together with the copy of the Definitive Information Statement, Audited Financial Statements and Annual Report are sent or delivered to the stockholders at least 15 business days prior to the stockholders' meeting.

(i) Definitive Information Statements and Management Report

<b>Number of Stockholders entitled to receive Definitive Information Statements and Management Report and Other Materials</b>	All stockholders of record
<b>Date of Actual Distribution of Definitive Information Statement and Management Report and Other Materials held by market participants/certain beneficial owners</b>	N/A
<b>Date of Actual Distribution of Definitive Information Statement and Management Report and Other Materials held by stockholders</b>	30 April 2014
<b>State whether CD format or hard copies were distributed</b>	Hard copies are distributed. Soft copies are available at PSE's website
<b>If yes, indicate whether requesting stockholders were provided hard copies</b>	Hard copies are sent via postal mail and are available during Annual General Meeting.

(j) Does the Notice of Annual/Special Stockholders' Meeting include the following:

Each resolution to be taken up deals with only one item.	Yes
Profiles of directors (at least age, qualification, date of first appointment, experience, and directorships in other listed companies) nominated for election/re-election.	Yes
The auditors to be appointed or re-appointed.	Yes
An explanation of the dividend policy, if any dividend is to be declared.	Yes
The amount payable for final dividends.	Yes
Documents required for proxy vote.	Yes

Should any of the foregoing information be not disclosed, please indicate the reason thereto.

## 2) Treatment of Minority Stockholders

(a) State the company's policies with respect to the treatment of minority stockholders.

Policies	Implementation
<p>The Board should be transparent and fair in the conduct of the annual and special stockholders' meetings of the corporation. The stockholders should be encouraged to personally attend such meetings. If they cannot attend, they should be apprised ahead of time of their right to appoint a proxy. Subject to the requirements of the by-laws, the exercise of that right shall not be unduly restricted and any doubt about the validity of a proxy should be resolved in the stockholder's favor. It is the duty of the Board to promote the rights of the stockholders, remove impediments to the exercise of those rights and provide an adequate avenue for them to seek timely redress for breach of their rights.</p> <p>The Board should take the appropriate steps to remove excessive or unnecessary costs and other administrative impediments to the stockholders' meaningful participation in meetings, whether in person or by proxy. Accurate and timely information should be made available to the stockholders to enable them to make a sound judgment on all matters brought to their attention for consideration or approval. Although all stockholders should be treated equally or without discrimination, the Board should give minority stockholders the right to propose the holding of meetings and the items for discussion in the agenda that relate directly to the business of the corporation. (Section 6B, Amended Manual on Corporate Governance)</p>	<ul style="list-style-type: none"> <li>• Copies of the notice of the stockholders' meeting together with the copy of the Definitive Information Statement, Audited Financial Statements and Annual Report including 1st Quarter 2013 SEC Form 17Q, is sent or delivered to the stockholders at least 15 business days prior to the stockholders' meeting.</li> <li>• The notice of the holding of the annual stockholders' meeting is published in a newspaper of general circulation.</li> <li>• Materials/documents relative to the stockholders' meeting are available at the registration desk at the scheduled meeting.</li> <li>• Proxies are submitted not later than ten (10) days prior to the date of the stockholders' meeting.</li> <li>• At the stockholders' meeting, all stockholders of record, whether personally present or represented by proxy, are entitled to vote on matters presented therein.</li> </ul>

(b) Do minority stockholders have a right to nominate candidates for board of directors?

Yes, subject to the approval of the Nomination Committee which shall pre-screen and shortlist all candidates in accordance with the qualifications and disqualifications provided under the Code of Corporate Governance as well as the Company's Amended Manual on Corporate Governance.

## K. INVESTORS RELATIONS PROGRAM

- 1) Discuss the company's external and internal communications policies and how frequently they are reviewed. Disclose who reviews and approves major company announcements. Identify the committee with this responsibility, if it has been assigned to a committee. There is no company policy on external and internal communication. As a procedure, major information is announced or disclosed by the Corporate Information Officer or Secretariat, as mandated by the regulations thru PSE website.
- 2) Describe the company's investor relations program including its communications strategy to promote effective communication with its stockholders, other stakeholders and the public in general. Disclose the contact details (e.g. telephone, fax and email) of the officer responsible for investor relations. There is no investors' relation program. However, stakeholders can contact the Secretariat, the Management and can also check the PSE website for the names of contact persons as stated below.

	Details
(1) Objectives	None
(2) Principles	None
(3) Modes of Communications	Telephone, Fax, Email
(4) Investors Relations Officer	<b>Felicidad V. Razon</b> – Corporate Information Officer/Vice President/Treasurer <i>Tel. No. 892-1816; Fax No. 894-3684;</i> <i>Email address - <a href="mailto:fely.razon@keppelph.com">fely.razon@keppelph.com</a></i> <b>Melva E. Valdez</b> – Corporate Secretary <i>Jimenez Bello Valdez Caluya &amp; Fernandez (JGLAW)</i> <i>Tel. No. 815-9071; Fax No. 813-0081</i> Email address – <a href="mailto:mevaldez@jglawph.com">mevaldez@jglawph.com</a> <b>Stefan Tong Wai Mun</b> – President <i>Tel. No. 892-1816; Fax No. 894-3684</i> Email address – <a href="mailto:stefan.tong@keppelph.com">stefan.tong@keppelph.com</a>

- 3) What are the company's rules and procedures governing the acquisition of corporate control in the capital markets, and extraordinary transactions such as mergers, and sales of substantial portions of corporate assets? The management prepares and submits proposal and secures approval of the Board of Directors.

Name of the independent party the board of directors of the company appointed to evaluate the fairness of the transaction price. Independent directors – Celso P. Vivas and Noel M. Mirasol

- L. **CORPORATE SOCIAL RESPONSIBILITY INITIATIVES** – Depends upon the need of the situation of the environment and the solicitation of an institution.

Discuss any initiative undertaken or proposed to be undertaken by the company.

Initiative	Beneficiary
None	None
None	None
None	None
None	None

#### M. BOARD, DIRECTOR, COMMITTEE AND CEO APPRAISAL

Disclose the process followed and criteria used in assessing the annual performance of the board and its committees, individual director, and the CEO/President.

	Process	Criteria
<b>Board of Directors</b>	None	
<b>Board Committees</b>	None	
<b>Individual Directors</b>	None	
<b>CEO/President</b>	Yearly Appraisal	Performance

#### N. INTERNAL BREACHES AND SANCTIONS

Discuss the internal policies on sanctions imposed for any violation or breach of the corporate governance manual involving directors, officers, management and employees

Violations	Sanctions
Violation of any of the provisions of KPHI's Manual on Corporate Governance	<p>1. In case of first violation, the subject person shall be reprimanded.</p> <p>2. Suspension from office shall be imposed in case of second violation. The duration of the suspension shall depend on the gravity of the violation.</p> <p>3. For third violation, the maximum penalty of removal from office shall be imposed.</p> <p>The commission of a third violation of this manual by any member of the board of the company or its subsidiaries and affiliates shall be a sufficient cause for removal from directorship.</p>

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

(Per SEC Memorandum Circular Nos. 1, 5 and 12, series of 2014, attached herewith is a notarized Secretary's Certificate with excerpts of Board Resolutions or Minutes of meetings regarding said updates and changes in the ACGR.)

#### SIGNATURES

**TohKo Lin**  
Chairman of the Board

**Stefan Tong WaiMun**  
Chief Executive Officer

**Celso P. Vivas**  
Independent Director

**Noel M. Mirasol**  
Independent Director

**Ma. Melva E. Valdez**  
Compliance Officer

**SUBSCRIBED AND SWORN** to before me this \_\_\_\_\_ day of \_\_\_\_\_ affiant(s) exhibiting to me their TIN/passports, as follows:

<u>NAME</u>	<u>TIN/Passport No.</u>	<u>DATE OF ISSUE</u>	<u>PLACE OF ISSUE</u>
Teo Soon Hoe	E3819521J	15 April 2013	Singapore
Stefan Tong WaiMun	201-588-126		
Celso P. Vivas	123-305-216		
Noel M. Mirasol	111-430-461		
Ma. Melva E. Valdez	123-493-209		

#### NOTARY PUBLIC

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

## SECRETARY'S CERTIFICATE

I, **MA. MELVA E. VALDEZ**, of legal age, Filipino with postal address at 6<sup>th</sup> Floor, SOL Building, 112 Amorsolo Street, Legaspi Village, Makati City, after being duly sworn, hereby depose and state that:

1. I am the **Corporate Secretary of Keppel Philippines Holdings, Inc.** (the "Corporation"), a corporation duly organized and existing under and by virtue of the laws of the Republic of the Philippines with principal office at Unit 3-B, Country Space I Building, #133 Sen. Gil Puyat Avenue, Salcedo Village, Brgy. Bel-Air, Makati City;
2. In connection with SEC Memorandum Circular nos. 1, 5 and 12, series of 2014, the following are the excerpts of Board of Directors and Stockholders' Minutes of Meetings reflecting the Consolidated Changes in KPHI's Annual Corporate Governance Report for year 2014 and other details relevant thereto:

• **Item A(1)(a) Board Matters --Composition of the Board**

Director's Name	Type [Executive (ED), Non-Executive (NED) or Independent Director (ID)]	If nominee, identify the principal	Nominator in the last election (if ID, state the relationship with the nominator)	Date first elected	Date last elected (if ID, state the number of years served as ID) <sup>1</sup>	Elected when (Annual /Special Meeting)	No. of years served as director
Teo Soon Hoe*	NED	N/A	Keppel Corp. Ltd.	June 1999	2014	ASM	14*
Toh Ko Lin	NED	N/A	Keppel Corp. Ltd.	June 2002	2014	ASM	6
Stefan Tong Wai Mun	ED	N/A	Kepwealth, Inc.	June 2007	2014	ASM	7
Celso P. Vivas	ID	N/A	Stefan Tong Wai Mun	June 2005	2014 (3)	ASM	9
Noel M. Mirasol	ID	N/A	Ma. Melva E. Valdez	June 2003	2014 (3)	ASM	11
Mayo Jose B. Ongsingco	NED	N/A	PCD Nominee	June 2002	2014	ASM	12
Felicidad V. Razon	NED	N/A	Kepwealth, Inc.	May 2014	2014	ASM	0
Benjamin P. Mata	NED	N/A	Kepwealth, Inc.	1975	2014	ASM	39
Ma. Melva E. Valdez	NED	N/A	Kepwealth, Inc.	2001	2014	ASM	13

<sup>1</sup> Reckoned from their election as of the annual stockholders' meeting (ASM) held on 28 May 2014.

\*Replaced by Mr. Chow Yew Yuen on 26 June 2014.

In the regular meeting of the Board of Directors of KPHI, held on 28 May 2014, "the Chairman inquired from the Corporate Secretary if there had been any nominations submitted in accordance with the Corporation's By-laws and Manual on Corporate Governance. The Secretary answered in the affirmative and read the names of the seven (7) nominees for election as regular members of the Board of Directors and two (2) nominees for independent directors for the year 2014-2015. She added that there were no other nominations filed in accordance with the By-laws and Manual on Corporate Governance other than the names she had mentioned.

Considering that there were nine (9) nominees to fill in nine (9) seats in the Board, the Chairman directed the Corporate Secretary to cast the votes equally in favor of the 9 nominees. The following were elected as directors of the Corporation for the year 2014-2015 and shall serve as such until their successors are elected and shall have qualified:

1. Teo Soon Hoe
2. Stefan Tong Wai Mun
3. Celso P. Vivas – Independent Director
4. Noel M. Mirasol – Independent Director
5. Mayo Jose B. Ongsingco
6. Toh Ko Lin
7. Benjamin P. Mata
8. Ma. Melva E. Valdez
9. Felicidad V. Razon

After having been elected in the just concluded stockholders' meeting, the members of the Board of Directors proceeded to organize the Corporation by electing its officers.

On even date, an organizational meeting was also held, "whereupon, after proper nomination and on motion duly seconded, the following officers were elected to the position(s) indicated opposite their respective names for the year 2014-2015 and shall serve as such until their successors are elected and shall have qualified:

Teo Soon Hoe	-Chairman
Stefan Tong Wai Mun	-President
Felicidad V. Razon	-Vice President/Treasurer
Ma. Melva E. Valdez	-Corporate Secretary
Lory Anne P. Manuel-McMullin	-Assistant Corporate Secretary

In said organizational meeting, the following were appointed as chairmen, members of various committees and compliance officer/corporate information officer:

**a. Executive Committee**

Chairman: Stefan Tong Wai Mun  
 Members: Toh Ko Lin  
 Ma. Melva E. Valdez

**b. Nominations Committee**

Chairman: Toh Ko Lin  
 Members: Celso P. Vivas – Independent Director  
 Noel M. Mirasol – Independent Director  
 Stefan Tong Wai Mun

**c. Compensation Committee**

Chairman: Toh Ko Lin  
 Members: Celso P. Vivas – Independent Director  
 Mayo Jose B. Ongsingco  
 Stefan Tong Wai Mun

**d. Audit Committee**

Chairman: Celso P. Vivas - Independent Director  
 Members: Noel M. Mirasol - Independent Director  
 Mayo Jose B. Ongsingco  
 Toh Ko Lin  
 Stefan Tong Wai Mun

**e. Compliance Officer & Corporate Information Officer**  
 Felicidad V. Razon"

• **Item A(1) (d)(i) Directorship in the Company's Group**

Director's Name	Corporate Name of the Group Company	Type of Directorship (Executive, Non-Executive, Independent). Indicate if director is also the Chairman.
Chow Yew Yuen	Keppel Singmarine	Chairman
	Keppel AmFELS	Chairman
	Keppel O&M USA	Chairman
	Keppel FELS Brasil	Chairman
	Keppel Offshore & Marine (Keppel O&M), Ltd.	Executive
	Keppel FELS	Non-Executive
	Keppel Shipyard	Non-Executive
	Keppel O&M Technology Centre	Non-Executive
	Keppel Infrastructure Holdings	Non-Executive
	Keppel Energy	Non-Executive

• **Item A(1) (e) Shareholdings in the Company**

Name of Director	Number of Direct shares	Number of Indirect shares / Through (name of record owner)	% of Capital Stock
Chow Yew Yuen	Class 'B' : 1	-	0.00%

• **Item A(2) Changes in the Board of Directors--Chairman and CEO**

Chairman of the Board	Chow Yew Yuen
CEO/President	Stefan Tong Wai Mun

*\*Please see excerpt of minutes as written in the item below.*

• **A(5)(a) Changes in the Board of Directors--Resignation/Death/Removal**

Name	Position	Date of Cessation	Reason
Rogelio R. Cabuñag	Director	11 April 2014	Resignation
Teo Soon Hoe	Chairman/Director	26 June 2014	Resignation

On 11 April 2014, the Board of Directors accepted the resignation of Mr. Rogelio Cabuñag.

"The Chairman reported to the Board that a resignation letter dated 10 April 2014 was previously received from Mr. Rogelio R. Cabuñag, informing the Company of his resignation as Director of Keppel Philippines Holdings, Inc. Furthermore, a copy of said resignation letter was also given to the Nomination Committee. The Nomination Committee had convened earlier today to discuss the matter and proceeded on the business of selecting a replacement for Mr. Cabuñag.

Anent thereto, he presented the signed resignation letter of Mr. Cabuñag; said resignation to take effect upon submission by the Nomination Committee of the Final List of Candidates which contained one qualified candidate, Ms. Felicidad V. Razon, and acceptance thereof by the Board there being no other nomination received by the Committee. Ms. Razon had been attending the various KPH meetings as the incumbent Vice-President and Treasurer of KPH.

The Board likewise noted that Mr. Cabuñag was also a member of the Audit and Nomination Committee and, as a result of said resignation from the Board, is likewise effectively resigned as a member of said Committees.

After several discussions and on motion duly made and seconded, the Board resolved as follows:

**"RESOLVED,** That the Board of Directors hereby accepts with regrets the resignation of Mr. Rogelio R. Cabuñag as a member of the Board of Directors as well as the Audit and Nomination Committee effective immediately and hereby expresses its appreciation for his invaluable services/contribution to the Company;

**"RESOLVED FURTHER,** That in light of the vacancy created by such resignation, the stockholders will elect his replacement at the forth coming annual stockholders' meeting;

**"RESOLVED FURTHERMORE,** That by reason of Mr. Cabuñag's resignation as Director, his appointment as member of the Audit and Nomination Committee is likewise deemed vacated. Mr. Cabunag's replacement in the said committees will be appointed during the Board's organizational meeting on 28 May 2014, to be held shortly after the annual stockholders' meeting."

On 26 June 2014, the Board of Directors accepted the resignation of Mr. Teo Soon Hoe and elected Mr. Chow Yew Yuen as Chairman and member of the Board of Directors.

"After some discussion and on motion duly made and seconded, the following resolution was approved:

**"RESOLVED,** That the resignation of Mr. Teo Soon Hoe as Chairman and member of the Board of Directors of the Corporation, effective 01 June 2014, is hereby accepted;

**RESOLVED FURTHER,** That the Corporation hereby expresses its profound gratitude and deepest appreciation for the invaluable services and contribution of Mr. Teo Soon Hoe to the Corporation;

**RESOLVED FURTHERMORE,** That the Corporation hereby elects Mr. Chow Yew Yuen as Chairman and member of the Board of Directors, effective immediately;

**RESOLVED FINALLY,** That the Board of Directors warmly welcomes Mr. Chow Yew Yuen as its new Chairman."

**• Item A(6)(c) Continuing Education Programs for Directors**

<b>Name of Director/Officer</b>	<b>Date of Training</b>	<b>Program</b>	<b>Name of training Institution</b>
Chow Yew Yuen (Chairman/Director)	05 December 2014	Corporate Governance	Risks, Opportunities, Assessment and Management (ROAM), Inc.
Toh Ko Lin (Director)	05 December 2014	Corporate Governance	Risks, Opportunities, Assessment and Management (ROAM), Inc.
Celso P. Vivas (Independent Director)	05 December 2014	Corporate Governance	Risks, Opportunities, Assessment and Management (ROAM), Inc.
Benjamin P. Mata (Director)	05 December 2014	Corporate Governance	Risks, Opportunities, Assessment and Management (ROAM), Inc.
Mayo Jose B. Ongsingco (Director)	29 October 2014	Corporate Governance	Institute of Corporate Directors
Stefan Tong Wai Mun (President/Director)	21 October 2014	SEC-PSE Corporate Governance Forum for Publicly Listed Companies	SEC Corporate Governance and Finance Department
Noel M. Mirasol (Independent Director)	21 October 2014	SEC-PSE Corporate Governance Forum for Publicly Listed Companies	SEC Corporate Governance and Finance Department
Ma. Melva E. Valdez (Director/Corporate Secretary)	21 October 2014	SEC-PSE Corporate Governance Forum for Publicly Listed Companies	SEC Corporate Governance and Finance Department
Felicidad V. Razon (Director/Treasurer/ Compliance Officer/ Corporate Information Officer)	21 October 2014	SEC-PSE Corporate Governance Forum for Publicly Listed Companies	SEC Corporate Governance and Finance Department

**• Item B(1)(a) Disclosure and Transparency—Ownership Structure**

(a) Holding 5% shareholding or more

Shareholder	Number of Shares	Percent	Beneficial Owner
Kepwealth, Inc.	26,807,533	44.407%	N/A
Keppel Corporation Ltd.	16,894,082	27.985%	N/A
PCD Nominee Corp. – Filipino *****	13,015,679	21.561%	N/A

\*\*\*\*\* The Insular Life and Assurance Co., Ltd has 6,408,422 shares or 10.616% - under PCD Nominee Corporation. Filipino; Net of the share of The Insular Life and Assurance Co., Ltd., PCD Nominee-Filipino will have 10.945%

Name of Senior Management	Number of Direct shares	Number of Indirect shares / Through (name of record owner)	% of Capital Stock
Stefan Tong Wai Mun	1	None	0.00%
Felicidad V. Razon	1	None	0.00%
<b>TOTAL</b>	<b>2</b>		<b>0.00%</b>

• **Item B(3) External Auditor's Fee**

Name of auditor	Audit Fee	Non-audit Fee
SyCip Gorres Velayo & Co. (SGV)	Php320,000.00	N/A

• **Item C(2) Board Meetings and Attendance--Details of the Attendance of Directors (Y2014)**

Board	Name	Date of Election	No. of Meetings Held during the year	No. of Meetings Attended	%
Chairman	Teo Soon Hoe*	28 May 2014	7	4*	100%*
Member	Chow Yew Yuen	28 May 2014	7	3*	100%
Member	Stefan Tong Wai Mun	28 May 2014	7	7	100%
Member	Mayo Jose B. Ongsingco	28 May 2014	7	5	71.43%
Member	Rogelio R. Cabuñag**	28 May 2014	7	1	100%**
Member	Toh Ko Lin	28 May 2014	7	7	100%
Member	Benjamin P. Mata	28 May 2014	7	7	100%
Member	Ma. Melva E. Valdez	28 May 2014	7	7	100%
Independent	Noel M. Mirasol	28 May 2014	7	7	71.43%
Independent	Celso P. Vivas	28 May 2014	7	7	100%
Member	Felicidad V. Razon***	28 May 2014	7	4***	100%***

\*replaced by Mr. Chow Yew Yuen on 26 June 2014

\*\*resigned as Director of KPHI on 11 April 2014

\*\*\*elected as director only on 28 May 2014

• **Item D(2) Remuneration Matters-- Total Remuneration Details for the last 3 years and Item D(3) Aggregate Remuneration**

**Total remuneration details for the last 3 years**

Remuneration Scheme	Date of Stockholders' Approval
Fixed amount (Php60,000.00)	28 May 2014
Fixed amount (Php60,000.00)	06 June 2013
Fixed amount (Php60,000.00)	07 June 2012

### Aggregate Remuneration

Remuneration Item	Executive Director/President & Treasurer	Non-Executive Directors (other than independent directors)	Independent Directors
(a) Fixed Remuneration	Php4,425,000 as stated in the 17A and IS	Php348,000 as stated in the 17A and IS	Php152,000 as stated in the 17A and IS
(b) Variable Remuneration			
(c) Per diem Allowance			
(d) Bonuses			
(e) Stock Options and/or other financial instruments			
(f) Others (Specify)			
<b>Total</b>			

On 28 May 2014 meeting of the Board of Directors, the following resolution was approved and adopted by the Stockholders on a meeting held on even date:

**"RESOLVED**, That the directors' remuneration for the year ended 2013 be maintained at Sixty Thousand Pesos (P60,000.00) per annum for each director and that the same be submitted to the stockholders for approval during the annual stockholders' meeting."

x x x."

### • Item E(2)(a) Board Committees--Executive Committee

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman/Member (ED)	Stefan Tong Wai Mun	28 May 2014	0	0		8 years
Member (NED)	Ma. Melva E. Valdez	28 May 2014	0	0		8 years
Member (NED)	Toh Ko Lin	28 May 2014	0	0		2 years

\*appointed as Chairman of the Committee on June 2013

### • Item E(2)(b) Audit Committee

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman (ID)	Celso P. Vivas	28 May 2014	4	4	100%	8 years
Member (ID)	Noel M. Mirasol	28 May 2014	4	4	100%	8 years
Member (ED)	Stefan Tong Wai Mun	28 May 2014	4	4	100%	7 years

Member (NED)	Toh Ko Lin*	28 May 2014	2	2	100%	0 year
Member (NED)	Mayo Jose B. Ongsingco	28 May 2014	4	4	100%	8 years

**• Item E(2)(c) Nomination Committee**

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman	Toh Ko Lin*	28 May 2014	1	1	100%	2 years
Member (ED)	Stefan Tong Wai Mun	28 May 2014	1	1	100%	7 years
Member (ID)	Noel M. Mirasol	28 May 2014	1	1	100%	8 years
Member (ID)	Celso Vivas**	28 May 2014	0	0	n/a	0 year

**• Item E(2)(d) Remuneration Committee**

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman	Toh Ko Lin*	28 May 2014	0	N/A	N/A	0 year
Member (ED)	Stefan Tong Wai Mun	28 May 2014	0	N/A	N/A	7 years
Member (ID)	Celso P. Vivas	28 May 2014	0	N/A	N/A	8 years
Member (NED)	Mayo Jose B. Ongsingco	28 May 2014	0	N/A	N/A	8 years

**• Item G(2)(h) Internal Audit and Control—Internal Audit**

(h) x x x

Messrs. Chow Yew Yuen and Stefan Tong Wai Mun, Chairman of the Board and President, respectively, of the Corporation, confirms that the Corporation is in full compliance with the SEC Code of Corporate Governance and further confirms that all directors, officers and employees of the company have been given proper instruction on their respective duties as mandated by the Code and that internal mechanisms are in place to ensure that compliance.

**• Item H(3)(c) Role of Stockholders—Training and Development Programmes**

(c) State the company's training and development programmes for its employees. Show the data.

Annual PSE seminar on new disclosures- December 2014, Global Finance Management Conference – Singapore August 2014, CFA Conference for Forensic and Risk Management Seminar –May 2014 and October 2014; Futuristic Studies and Management -May 2014 and October 2014, Corporate Governance Seminar- October 2014, Seminar on Corporate Governance for Publicly-Listed companies –June 2014.

• **Item I(5) Disclosure and Transparency – Release of Audited Financial Report**

The 17A or Annual Report was submitted to Philippine Stock Exchange and was posted on its website on April 11, 2014.

• **Item I(6) Company Website**

On 14 May 2014, KPHI submitted with the SEC an advisement letter and formally informed SEC of its compliance with SEC Resolution no. 393, series of 2011. Further, in compliance with SEC Memorandum Circular No.11, series of 2014, KPHI has reconstructed its website in accordance with SEC template. The website of KPHI may be visited at: <http://www.keppelph.com>.

• **Item J(1)(c) Rights of Stockholders--Dividends**

Declaration Date	Record Date	Payment Date
28 May 2014	13 June 2014	09 July 2014

On 28 May 2014 Board of Directors and Stockholders' meeting, the following resolution was approved:

**“RESOLVED**, That the Board of Directors of Keppel Philippines Holdings, Inc. (the “Corporation”) hereby declares a cash dividend of **Php 0.10 (10%) per share**, or a total of Php 6.04 Million for 60,367,419 shares issued and outstanding, from the unrestricted retained earnings of the Corporation as of 31 December 2013, to be distributed to all stockholders record as of **13 June 2014**;

**RESOLVED FURTHER**, That the payment date shall not be later than **09 July 2014**;

x x x. “

• **Item J(1)(d)(5) Results of 28 May 2014 Annual Stockholders' Meeting**

Resolution	Approving	Dissenting	Abstaining
Reading and Approval of the Minutes of the Annual Stockholders' meeting held on 06 June 2013	All	None	None
Presentation of the Annual Report and Approval of the Audited Financial Statements of 2013	All	None	None
Ratification of the Acts and Proceedings of the Board of Directors, Officers and Management	All	None	None
Election of Directors for year 2014-2015	All	None	None

Directors' Remuneration of Php60,000 each for the last fiscal year	All	None	None
Appointment of the External Auditor	All	None	None
Announcement of Cash Dividend	N/A	N/A	N/A

During the 2014 Annual Stockholders' Meeting, it was "indicated that copies of the minutes of the last annual meeting held on 06 June 2013 were made available to the stockholders before the start of the meeting. Thus, on proper motion duly made and seconded, the reading of the aforesaid minutes was dispensed with and the minutes of the 06 June 2013 Annual Stockholder's Meeting was accordingly approved."

#### **PRESENTATION OF ANNUAL REPORT AND APPROVAL OF AUDITED FINANCIAL STATEMENTS**

"The Chairman stated that the Annual Report was not prepared for 2013 and even prior to that to save on costs. However, he indicated that all relevant information can be found under the Company's Annual Report (SEC Form 17-A) and/or Definitive Information Statement (SEC Form 20-IS). Furthermore, a copy of SEC Form 17-A is available at the PSE website or may be requested from the Corporate Secretary. The SEC Form 20-IS which contained the audited financial statements has been sent out to the stockholders prior to the stockholders' meeting and that copies thereof were made available at the entrance of the venue for the meeting for those who have not received a copy yet."

#### **RATIFICATION OF THE ACTS AND PROCEEDINGS OF THE BOARD OF DIRECTORS, OFFICERS AND MANAGEMENT DURING THE YEAR UNDER REVIEW**

"Whereupon, on motion duly made and seconded, the following resolution was adopted:

**"RESOLVED,** That all the official or corporate acts and proceedings of the Board of Directors, Officers and Management of the Corporation since the last annual meeting of the stockholders up to the present are hereby ratified."

x x x"

#### **APPOINTMENT OF EXTERNAL AUDITOR**

Whereupon, on motion duly made and seconded, the following resolution was adopted:

**"RESOLVED,** That SyCip Gorres Velayo & Co. be as it is hereby reappointed as the external auditor of the Corporation for the year 2014 at a fee to be fixed by Management."

**Item J(1)(f)(i) Details of AGM Attendance**

Type of Meeting	Names of Board Members / Officers Present	Date of Meeting	Voting Procedure (by poll, show of hands, etc.)	% of SH Attending in Person	% of SH in Proxy	Total % of SH attendance
Annual	Teo Soon Hoe Stefan Tong Wai Mun Celso P. Vivas Toh Ko Lin Benjamin P. Mata Melva E. Valdez Felicidad V. Razon	28 May 2014	One share, one vote	0.007%	86.620%	86.627%

During the 2014 Annual Stockholders' Meeting, "the Corporate Secretary advised the Chairman that out of the total outstanding shares, about 86.63% were present either in person or by proxy; hence, there was a quorum."

3. The foregoing information is in accordance with the records of the Corporation in my custody as Assistant Corporate Secretary.
4. This certification is being issued in compliance with SEC Memorandum Circulars no. 1, 5 and 12, series of 2014 and for whatever legal purposes it may serve.


IN WITNESS WHEREOF, I have hereunto affixed my signature at Makati City, on 12<sup>th</sup> day of January 2015.

Prepared by:

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

**SUBSCRIBED AND SWORN** to before me this 12<sup>th</sup> day of January 2015 in Makati City; affiant **MA. MELVA E. VALDEZ** exhibited to me her Social Security System (SSS) ID No. 03-8437676-4

Doc. No. 83;  
Page No. 18;  
Book No. 11;  
Series of 2015.

  
**ETHELENE G. VELASCO**  
Notary Public, Appt. No. M-501, Makati City  
Valid until: 31 December 2015  
JGLaw, 6<sup>th</sup> Floor, SOL Bldg., 112 Amorsolo St.  
Legaspi Village, Makati City  
PTR No. 4230477, 02 Jan. 2014, Makati City  
IBP No. 950784, 06 Jan. 2014, Pangasinan Chapter  
Roll No. 62420