

## RELATED PARTY TRANSACTIONS POLICY

Related Party Transactions (RPT's) is a transfer of resources, services or obligations between a reporting entity and a related party, regardless of whether a price is charged. It should be interpreted broadly to include not only transactions that are entered into with related parties, but also outstanding transactions that are entered into with an unrelated party that subsequently becomes a related party.

Keppel Philippines Holdings, Inc. (KPHI) and its subsidiaries, whether owned or controlled directly or indirectly, being part of the controlling group, conduct some of its business activities or operations with the related parties of the Group.

The Board of Directors (Board) of the KPHI through the Audit and Risk Management Committee (ARMC) is tasked to formulate and implement policies and procedures that will ensure the integrity and transparency of related party transactions between and among KPHI and its parent company, joint 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.

One of the functions of the ARMC is to review all material related party transactions of KPHI to ensure that it is conducted at arm's length, it is market based and in compliance with all applicable laws.

In evaluating RPTs, the Committee takes into account, among others, the following:

- The related party's relationship to KPHI and interest in the transaction;
- The material facts of the proposed RPT, including the proposed aggregate value of such transaction;
- The benefits to KPHI of the proposed RPT;
- The availability of other sources or comparable products or services; and
- An assessment of whether the proposed RPT is on terms and conditions that are comparable to the terms generally available to an unrelated party under similar circumstances. KPHI will have an effective price discovery system in place and exercise due diligence in determining a fair price for RPTs.

RPT's that are required to be disclosed and reported in the Company's filings with the Securities and Exchange Commission shall be disclosed in accordance with laws, rules and regulations set under the Philippine Accounting Standards (PAS 24).

The Company shall comply with PAS 24's required disclosures separately for each of the following categories:

- a) the parent;
- b) entities with joint control or significant influence over the entity;
- c) subsidiaries;
- d) associates;
- e) joint ventures in which the entity is a venture;
- f) key management personnel of the entity or its parent; and
- g) other related parties.

The entity shall also disclose information about the transactions and outstanding balances necessary for an understanding of the potential effect of the relationship on the financial statements.

At a minimum, the disclosures shall include:

- the amount of the transactions;
- the amount of outstanding balances and their terms and conditions, including whether they are secured, and the nature of the consideration to be provided in settlement, and details of any guarantees given or received;
- provisions for doubtful debts related to the amount of outstanding balances; and,
- the expense recognized during the period in respect of bad or doubtful debts due from related parties.

Examples of RPT's are:

- sale or purchase of goods
- sale or purchase or lease of property and/or assets
- provision or receipt of services or leases
- subscription for debt or equity issuances
- assumption of financial/operating obligations
- establishment of joint venture entities
- settlement of liabilities on behalf of the company or its subsidiary
- settlement of liabilities by the company or its subsidiary on behalf of a related party
- loans to directors
- compensation, benefits (monetary and non-monetary), post-employment benefits, termination benefits and any share-based payment of current employees.