



SEC FORM – I-ACGR

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT

1. For the fiscal year ended **December 31, 2023**
2. SEC Identification Number **CS200516361**
3. BIR Tax Identification No. **242-186-710-000**
4. Exact name of issuer as specified in its charter **KEPWEALTH PROPERTY PHILS., INC.**
5. **Philippines**
Province, Country or other jurisdiction of incorporation or organization
6. (SEC Use Only)
Industry Classification Code:
7. **Unit IJ01-23 Burgundy Corporate Tower**
252 Sen. Gil Puyat Ave., Makati City, Metro Manila
Address of principal office
8. **(+632) 7978 5080; (+63) 917 888 2789**
Issuer's telephone number, including area code
9. **N/A**
Former name, former address, and former fiscal year, if changed since last report.

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT

	COMPLIANT/ NON- COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
The Board's Governance Responsibilities			
<p>Principle 1: The company should be headed by a competent, working board to foster the long- term success of the corporation, and to sustain its competitiveness and profitability in a manner consistent with its corporate objectives and the long- term best interests of its shareholders and other stakeholders.</p>			
Recommendation 1.1			
<p>1. Board is composed of directors with collective working knowledge, experience or expertise that is relevant to the company's industry/sector.</p>	Compliant	<p>Annual Report p.45-48 (https://kepwealth.com/other-disclosures-to-sec-pse-and-other-pertinent-agencies/).</p> <p>Manual on Corporate Governance (p.3, Section 1.1.1), https://kepwealth.com/manual-on-corporate-governance/</p>	
<p>2. Board has an appropriate mix of competence and expertise.</p>	Compliant		
<p>3. Directors remain qualified for their positions individually and collectively to enable them to fulfill their roles and responsibilities and respond to the needs of the organization.</p>	Compliant		
Recommendation 1.2			
<p>1. Board is composed of a majority of non-executive directors.</p>	Compliant	<p>Annual Report p.45-48 (https://kepwealth.com/other-disclosures-to-sec-pse-and-other-pertinent-agencies/).</p> <p>Manual on Corporate Governance (p.3, Section 1.1.3), may be accessed through https://kepwealth.com/manual-on-corporate-governance/</p>	

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Recommendation 1.3

<p>1. Company provides in its Board Charter and Manual on Corporate Governance a policy on training of directors.</p>	<p>Compliant</p>	<p>Manual on Corporate Governance p. 3, Section 1.2.1 which may be accessed through https://kepwealth.com/manual-on-corporate-governance/</p>	
<p>2. Company has an orientation program for first time directors.</p>	<p>Compliant</p>	<p>Manual on Corporate Governance (p. 3, Section 1.2.2), may be accessed through https://kepwealth.com/manual-on-corporate-governance/</p> <p>Seminars attended: Roles, Responsibilities and Liabilities of Board Directors September 11, 2023 2pm-4pm</p>	
<p>3. Company has relevant annual continuing training for all directors.</p>	<p>Compliant</p>	<p>Leading Change: Best Leadership Practices for Fast & Effective Change Management August 30, 2023 9am-12nn</p> <p>Board Directors' Guide for Audit Committees June 14, 2023 9am-12nn</p>	

Recommendation 1.4

1. Board has a policy on board diversity.	Compliant	Manual on Corporate Governance (p. 4, Section 1.4), may be accessed through https://kepwealth.com/manual-on-corporate-governance/	
Optional: Recommendation 1.4			
1. Company has a policy on and discloses measurable objectives for implementing its board diversity and reports on progress in achieving its objectives.			
Recommendation 1.5			
1. Board is assisted by a Corporate Secretary.	Compliant	Manual on Corporate Governance (p. 4, Section 1.4), may be accessed through https://kepwealth.com/manual-on-corporate-governance/ General Information Sheet ("GIS") which is available at https://kepwealth.com/general-information-sheet-gis/ .	
2. Corporate Secretary is a separate individual from the Compliance Officer.	Compliant	Annual Report p. 46-47 which is available at (https://kepwealth.com/other-disclosures-to-sec-pse-and-other-pertinent-agencies/)	

<p>3. Corporate Secretary is not a member of the Board of Directors.</p>	<p>Compliant</p>	<p>Annual Report p.45 which is available at (https://kepwealth.com/other-disclosures-to-sec-pse-and-other-pertinent-agencies/)</p> <p>Manual on Corporate Governance (p.4, Section 1.4.1) may be accessed through https://kepwealth.com/manual-on-corporate-governance/</p> <p>GIS which is available at https://kepwealth.com/general-information-sheet-gis/</p>	
<p>4. Corporate Secretary attends training/s on corporate governance.</p>	<p>Compliant</p>	<p>Manual on Corporate Governance (p. 4, Section 1.4.1), may be accessed through https://kepwealth.com/manual-on-corporate-governance/</p>	
<p>Optional: Recommendation 1.5</p>			
<p>1. Corporate Secretary distributes materials for board meetings at least five business days before scheduled meeting.</p>			
<p>Recommendation 1.6</p>			

<p>1. Board is assisted by a Compliance Officer.</p>	<p>Compliant</p>	<p>Manual on Corporate Governance (p. 5 , Section 1.5.1), may be accessed through https://kepwealth.com/manual-on-corporate-governance/</p> <p>GIS which is available at https://kepwealth.com/general-information-sheet-gis/</p>	
<p>2. Compliance Officer has a rank of Senior Vice President or an equivalent position with adequate stature and authority in the corporation.</p>	<p>Non-Compliant</p>		<p>The Corporation's Compliance Officer is able to adequately perform his functions notwithstanding that he does not have the rank of a Senior Vice President or equivalent position.</p>
<p>3. Compliance Officer is not a member of the board.</p>	<p>Non-Compliant</p>		<p>The person acting as compliance officer is able to exercise his functions separate from his function as a member of the Board of Directors.</p>
<p>4. Compliance Officer attends training/s on corporate governance.</p>	<p>Compliant</p>	<p>Manual on Corporate Governance (p. 5, Section 1.5.1), may be accessed through https://kepwealth.com/manual-on-corporate-governance/</p> <p>Seminars Attended: Roles, Responsibilities and Liabilities of Board Directors September 11, 2023 2pm-4pm</p> <p>Leading Change: Best Leadership Practices for Fast & Effective Change Management August 30, 2023 9am-12nn</p>	

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Principle 2: The fiduciary roles, responsibilities and accountabilities of the Board as provided under the law, the company's articles and by-laws, and other legal pronouncements and guidelines should be clearly made known to all directors as well as to stockholders and other stakeholders.

Recommendation 2.1

1. Directors act on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the company.	Compliant	Manual on Corporate Governance (p. 6, Section 2.1a), may be accessed through https://kepwealth.com/manual-on-corporate-governance/	
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Recommendation 2.2

1. Board oversees the development, review and approval of the company's business objectives and strategy.	Compliant	Manual on Corporate Governance (p. 6, Section 2.1a), may be accessed through https://kepwealth.com/manual-on-corporate-governance/	
2. Board oversees and monitors the implementation of the company's business objectives and strategy.	Compliant		

Supplement to Recommendation 2.2

1. Board has a clearly defined and updated vision, mission and core values.	Compliant	Please refer to the Corporation's website https://kepwealth.com/mission-vision-and-values/	
2. Board has a strategy execution process that facilitates effective management performance and is attuned to the company's business environment, and culture.	Compliant	Manual on Corporate Governance (p. 8, Section 2.1p), may be accessed through https://kepwealth.com/manual-on-corporate-governance/	
Recommendation 2.3			
1. Board is headed by a competent and qualified Chairperson.	Compliant	Annual Report p. 44-45 Manual on Corporate Governance (p. 6, Section 2.1b), may be accessed through https://kepwealth.com/manual-on-corporate-governance/	
Recommendation 2.4			
1. Board ensures and adopts an effective succession planning program for directors, key officers and management.	Compliant	Manual on Corporate Governance (p. 7, Section 2.1k), may be accessed through https://kepwealth.com/manual-on-corporate-governance/	
2. Board adopts a policy on the retirement for directors and key officers.	Compliant		
Recommendation 2.5			
1. Board aligns the remuneration of key officers and board members with long- term interests of the company.	Compliant	Manual on Corporate Governance (p. 7, Section 2.1), may be accessed through https://kepwealth.com/manual-on-corporate-governance/	

2. Board adopts a policy specifying the relationship between remuneration and performance.	Compliant	corporate-governance/ Manual on Corporate Governance (p.7, Section 2.1)	
3. Directors do not participate in discussions or deliberations involving his/her own remuneration.	Compliant	Manual on Corporate Governance (p.7, Section 2.1)	
Optional: Recommendation 2.5			
1. Board approves the remuneration of senior executives.			
2. Company has measurable standards to align the performance-based remuneration of the executive directors and senior executives with long-term interest, such as claw back provision and deferred bonuses.			
Recommendation 2.6			
1. Board has a formal and transparent board nomination and election policy.	Compliant	Manual on Corporate Governance (p. 7, Section 2.1m), may be accessed through https://kepwealth.com/manual-on-corporate-governance/	
2. Board nomination and election policy is disclosed in the company's Manual on Corporate Governance.	Compliant	Manual on Corporate Governance p.7, Section 2.1m	
3. Board nomination and election policy includes how the company accepted nominations from minority shareholders.	Compliant	Manual on Corporate Governance p.7, Section 2.1m	

4. Board nomination and election policy includes how the board shortlists candidates.	Compliant	Manual on Corporate Governance p.7, Section 2.1m	
5. Board nomination and election policy includes an assessment of the effectiveness of the Board's processes in the nomination, election or replacement of a director.	Compliant	Manual on Corporate Governance p.7, Section 2.1m	
6. Board has a process for identifying the quality of directors that is aligned with the strategic direction of the company.	Compliant	Manual on Corporate Governance p.7, Section 2.1m	
Optional: Recommendation to 2.6			
1. Company uses professional search firms or other external sources of candidates (such as director databases set up by director or shareholder bodies) when searching for candidates to the board of directors.			
Recommendation 2.7			
1. Board has overall responsibility in ensuring that there is a group-wide policy and system governing related party transactions (RPTs) and other unusual or infrequently occurring transactions.	Compliant	Manual on Corporate Governance (p. 8, Section 2.1n), may be accessed through https://kepwealth.com/manual-on-corporate-governance/ The Board, thru the Related Party Transaction Committee, is tasked with reviewing all material RPTs of the Corporation.	
2. RPT policy includes appropriate review and approval of material RPTs, which guarantee fairness and transparency of the transactions.	Compliant	The material RPTs approved are discussed in the Annual Report and in the Notes 15 of the Financial Statements [https://kepwealth.com/other-	

<p>3. RPT policy encompasses all entities within the group, taking into account their size, structure, risk profile and complexity of operations.</p>	<p>Compliant</p>	<p>disclosures-to-sec-pse-and-other-pertinent-agencies/].</p> <p>Please also refer to the Related Party Transaction Policy (https://kepwealth.com/companys-policies/).</p>	
<p>1. Board clearly defines the threshold for disclosure and approval of RPTs and categorizes such transactions according to those that are considered <i>de minimis</i> or transactions that need not be reported or announced, those that need to be disclosed, and those that need prior shareholder approval. The aggregate amount of RPTs within any twelve (12) month period should be considered for purposes of applying the thresholds for disclosure and approval.</p>	<p>Compliant</p>	<p>The material RPTs approved are discussed in the Annual Report and in the Notes 15 of the Audited Financial Statements (https://kepwealth.com/financial-information/).</p> <p>Please also refer to the Related Party Transaction Policy (https://kepwealth.com/companys-policies/).</p>	
<p>2. Board establishes a voting system whereby a majority of non-related party shareholders approve specific types of related party transactions during shareholders' meetings.</p>	<p>Compliant</p>		
Recommendation 2.8			
<p>1. Board is primarily responsible for approving the selection of Management led by the Chief Executive Officer (CEO) and the heads of the other control functions (Chief Risk Officer, Chief Compliance Officer and Chief Audit Executive).</p>	<p>Compliant</p>	<p>Manual on Corporate Governance (p. 8, Section 2.1o), may be accessed through https://kepwealth.com/manual-on-corporate-governance/</p>	

<p>2. Board is primarily responsible for assessing the performance of Management led by the Chief Executive Officer (CEO) and the heads of the other control functions (Chief Risk Officer, Chief Compliance Officer and Chief Audit Executive).</p>	<p>Compliant</p>	<p>Manual on Corporate Governance (p. 8, Section 2.p), may be accessed through https://kepwealth.com/manual-on-corporate-governance/</p>	
<p>Recommendation 2.9</p>			
<p>1. Board establishes an effective performance management framework that ensures that Management's performance is at par with the standards set by the Board and Senior Management.</p>	<p>Compliant</p>	<p>Manual on Corporate Governance (p. 8, Section 2.p), may be accessed through https://kepwealth.com/manual-on-corporate-governance/</p>	
<p>2. Board establishes an effective performance management framework that ensures that personnel's performance is at par with the standards set by the Board and Senior Management.</p>	<p>Compliant</p>		
<p>Recommendation 2.10</p>			
<p>1. Board oversees that an appropriate internal control system is in place.</p>	<p>Compliant</p>	<p>Manual on Corporate Governance (p. 8, Section 2.q), may be accessed through https://kepwealth.com/manual-on-corporate-governance/</p>	
<p>2. The internal control system includes a mechanism for monitoring and managing potential conflict of interest of the Management, members and shareholders.</p>	<p>Compliant</p>		

3. Board approves the Internal Audit Charter.	Compliant	Manual on Corporate Governance (p. 8, Section 2.1q) , may be accessed through https://kepwealth.com/manual-on-corporate-governance/	
Recommendation 2.11			
1. Board oversees that the company has in place a sound enterprise risk management (ERM) framework to effectively identify, monitor, assess and manage key business risks.	Compliant	Manual on Corporate Governance (p. 14, Section 12), may be accessed through https://kepwealth.com/manual-on-corporate-governance/	
2. The risk management framework guides the board in identifying units/business lines and enterprise-level risk exposures, as well as the effectiveness of risk management strategies.	Compliant	Manual on Corporate Governance (p.14 Section 12), may be accessed through https://kepwealth.com/manual-on-corporate-governance/	
Recommendation 2.12			
1. Board has a Board Charter that formalizes and clearly states its roles, responsibilities and accountabilities in carrying out its fiduciary role.	Non-Compliant		Although the Board does not have a Charter, the Board is guided by relevant laws, the Corporation's By-laws, the Manual on Corporate Governance, and company policies in the exercise of its duties and responsibilities.
2. Board Charter serves as a guide to the directors in the performance of their functions.	Non-Compliant		
3. Board Charter is publicly available and posted on the company's website.	Non-Compliant		
Additional Recommendation to Principle 2			
1. Board has a clear insider trading policy.	Compliant	The Corporation's Insider Trading Policy may be accessed through https://kepwealth.com/companys-policies/	
Optional: Principle 2			

1. Company has a policy on granting loans to directors, either forbidding the practice or ensuring that the transaction is conducted at arm's length basis and at market rates.			
2. Company discloses the types of decision requiring board of directors' approval.			

Principle 3: Board committees should be set up to the extent possible to support the effective performance of the Board's functions, particularly with respect to audit, risk management, related party transactions, and other key corporate governance concerns, such as nomination and remuneration. The composition, functions and responsibilities of all committees established should be contained in a publicly available Committee Charter.

Recommendation 3.1

1. Board establishes board committees that focus on specific board functions to aid in the optimal performance of its roles and responsibilities.	Compliant	Manual on Corporate Governance (p. 8, Section 3), may be accessed through https://kepwealth.com/manual-on-corporate-governance/	
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Recommendation 3.2

<p>1. Board establishes an Audit Committee to enhance its oversight capability over the company's financial reporting, internal control system, internal and external audit processes, and compliance with applicable laws and regulations.</p>	<p>Compliant</p>	<p>Manual on Corporate Governance (p. 9, Section 3.2), may be accessed through https://kepwealth.com/manual-on-corporate-governance/ See also https://kepwealth.com/board-committees/</p>	
<p>2. Audit Committee is composed of at least three appropriately qualified non-executive directors, the majority of whom, including the Chairman is independent.</p>	<p>Non-Compliant</p>	<p>The composition of the Audit Committee can be found at https://kepwealth.com/board-committees/. Please also refer to the Corporation's GIS at https://kepwealth.com/general-information-sheet-gis/.</p>	<p>While Mr. Ignacio Salvador R. Gimenez, III also serves as the Corporation's Treasurer and Investor Relations Officer, he is able to perform his duties and responsibilities as member of the Audit Committee despite concurrently holding such executive positions.</p> <ul style="list-style-type: none"> •

<p>3. All the members of the committee have relevant background, knowledge, skills, and/or experience in the areas of accounting, auditing and finance.</p>	<p>Compliant</p>	<p>Composition can be found at https://kepwealth.com/board-committees/</p> <p>Profiles can be found at the Annual Report p. 45-48 (https://kepwealth.com/other-disclosures-to-sec-pse-and-other-pertinent-agencies/).</p>	
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<p>4. The Chairman of the Audit Committee is not the Chairman of the Board or of any other committee.</p>	<p>Non-Compliant</p>	<p>Composition can be found at https://kepwealth.com/board-committees/ Manual on Corporate Governance (p. 9, Section 3.1), may be accessed through https://kepwealth.com/manual-on-corporate-governance/</p>	<p>Mr. Restituto T. Lopez is able to perform his duties and responsibilities as Chairman of the Audit Committee despite also holding the position of Chairman of the Board.</p>
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Supplement to Recommendation 3.2

<p>1. Audit Committee approves all non-audit services conducted by the external auditor.</p>	<p>Compliant</p>	<p>Please refer to the Corporation's Audit Committee Charter (https://kepwealth.com/wp-content/uploads/2019/03/KPPI_Audit-Committee-Charter-30-Jan-2019.pdf).</p>	
<p>2. Audit Committee conducts regular meetings and dialogues with the external audit team without anyone from management present.</p>	<p>Compliant</p>	<p>Please refer to the Corporation's Audit Committee Charter (https://kepwealth.com/wp-content/uploads/2019/03/KPPI_Audit-Committee-Charter-30-Jan-2019.pdf).</p>	

Optional: Recommendation 3.2

1. Audit Committee meet at least four times during the year.	Compliant	Please refer to the Corporation's Audit Committee Charter (https://kepwealth.com/wp-content/uploads/2019/03/KPPI_Audit-Committee-Charter-30-Jan-2019.pdf).	
2. Audit Committee approves the appointment and removal of the internal auditor.			

Recommendation 3.3

1. Board establishes a Corporate Governance Committee tasked to assist the Board in the performance of its corporate governance responsibilities, including the functions that were formerly assigned to a Nomination and Remuneration Committee.	Compliant	Manual on Corporate Governance (p. 9, Section 3.2), may be accessed through https://kepwealth.com/manual-on-corporate-governance/ See also https://kepwealth.com/board-committees/	
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<p>2. Corporate Governance Committee is composed of at least three members, all of whom should be independent directors.</p>	<p>Non-compliant</p>		<p>The Corporation's Corporate Governance Committee is composed of (3) members of the Board, two (2) of whom are independent directors. The Committee is chaired by an independent director. All independent directors are members of the Committee but since the Corporation only has 2 independent directors, the third member is a regular director. This, however, does not affect the performance of the duties and responsibilities of the Committee as recommended under the Code of Corporate Governance for Publicly-Listed Companies.</p>
<p>3. Chairman of the Corporate Governance Committee is an independent director.</p>	<p>Compliant</p>	<p>The composition of the Committee can be found at https://kepwealth.com/board-committees/. Profiles can be found at the Annual Report p. 45-48 (https://kepwealth.com/other-disclosures-to-sec-pse-and-other-pertinent-agencies/).</p> <p>Manual on Corporate Governance (p. 9, Section 3.3), may be accessed through https://kepwealth.com/manual-on-corporate-governance/.</p> <p>Please also refer to the GIS (https://kepwealth.com/general-</p>	

		information-sheet-gis/).	
Optional: Recommendation 3.3.			
1. Corporate Governance Committee meet at least twice during the year.			
Recommendation 3.4			
1. Board establishes a separate Board Risk Oversight Committee (BROC) that should be responsible for the oversight of a company's Enterprise Risk Management system to ensure its functionality and effectiveness.	Non-Compliant		The Corporation does not have a BROC because its operations (i.e., lease and asset management) are not complex and it has a low risk profile.

<p>2. BROC is composed of at least three members, the majority of whom should be independent directors, including the Chairman.</p>	<p>Non-Compliant</p>		<p>The Corporation does not have a BROC because its operations (i.e., lease and asset management) are not complex and it has a low risk profile.</p>
<p>3. The Chairman of the BROC is not the Chairman of the Board or of any other committee.</p>	<p>Non-Compliant</p>		<p>The Corporation does not have a BROC because its operations (i.e., lease and asset management) are not complex and it has a low risk profile.</p>
<p>4. At least one member of the BROC has relevant thorough knowledge and experience on risk and risk management.</p>	<p>Non-Compliant</p>		<p>The Corporation does not have a BROC because its operations (i.e., lease and asset management) are not complex and it has a low risk profile.</p>

Recommendation 3.5

<p>1. Board establishes a Related Party Transactions (RPT) Committee, which is tasked with reviewing all material related party transactions of the company.</p>	<p>Compliant</p>	<p>The composition of the RPT Committee can be found at https://kepwealth.com/board-committees/</p> <p>Manual on Corporate Governance (p. 9, Section 3.4), may be accessed through https://kepwealth.com/manual-on-corporate-governance/</p> <p>RPT Committee Charter (https://kepwealth.com/board-committees/).</p>	
<p>2. RPT Committee is composed of at least three non-executive directors, two of whom should be independent, including the Chairman.</p>	<p>Non-Compliant</p>	<p>The composition of the RPT Committee can be found at https://kepwealth.com/board-committees/</p> <p>Profiles can be found at the Annual Report p. 46-48.</p> <p>Manual on Corporate Governance (p. 9, Section 3.3) may be accessed through https://kepwealth.com/manual-on-corporate-governance/.</p>	<p>John F. Catindig, who is also the Corporation's Chief Information Officer and Compliance Officer, is also a member of the RPT Committee. The Chairman, Mr. Mark Anthony C. Migallos, and the other member, Mr. Restituto T. Lopez, are independent and non-executive directors.</p> <p>Since the operations of the Corporation are not complex, it is not necessary for the third member of the RPT Committee to be a non-executive director. Further, Mr. Catindig is able to perform his duties as a member of the</p>

			Committee notwithstanding that he likewise hold the positions of Chief Information Officer and Compliance Officer.
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Recommendation 3.6

1. All established committees have a Committee Charter stating in plain terms their respective purposes, memberships, structures, operations, reporting process, resources and other relevant information.	Compliant	The Committee Charters can be found at https://kepwealth.com/board-committees/ .	
2. Committee Charters provide standards for evaluating the performance of the Committees.	Compliant		
3. Committee Charters were fully disclosed on the company's website.	Compliant		

Principle 4: To show full commitment to the company, the directors should devote the time and attention necessary to properly and effectively perform their duties and responsibilities, including sufficient time to be familiar with the corporation's business.

Recommendation 4.1

<p>1. The Directors attend and actively participate in all meetings of the Board, Committees and shareholders in person or through tele-/videoconferencing conducted in accordance with the rules and regulations of the Commission.</p>	<p>Compliant</p>	<p>Manual on Corporate Governance (p. 9, Section 4.1), may be accessed through https://kepwealth.com/manual-on-corporate-governance/</p> <p>Disclosure on the attendance of the Board to the meetings may be accessed through https://edge.pse.com.ph/openDiscViewer.do?edge_no=48fa9cb60056977e0de8473cebbd6407 and https://kepwealth.com/wp-content/uploads/2020/03/PSE-Form-17-18-Dated-01-29-2020-Other-SEC-Forms-Reports-and-Requirements-Attendance-in-Board-Meetings.pdf.</p>	
<p>2. The directors review meeting materials for all Board and Committee meetings.</p>	<p>Compliant</p>	<p>Manual on Corporate Governance (p. 9, Section 4.1), may be accessed through https://kepwealth.com/manual-on-corporate-governance/</p>	
<p>3. The directors ask the necessary questions or seek clarifications and explanations during the Board and Committee meetings.</p>	<p>Compliant</p>	<p>Manual on Corporate Governance (p. 9, Section 4.1), may be accessed through https://kepwealth.com/manual-on-corporate-governance/</p>	

Recommendation 4.2

<p>1. Non-executive directors concurrently serve in a maximum of five publicly-listed companies to ensure that they have sufficient time to fully prepare for minutes, challenge Management's proposals/views, and oversee the long-term strategy of the company.</p>	<p>Compliant</p>	<p>Manual on Corporate Governance (p. 10, Section 4.2), may be accessed through https://kepwealth.com/manual-on-corporate-governance/.</p>	
<p>Recommendation 4.3</p>			
<p>1. The directors notify the company's board before accepting a directorship in another company.</p>	<p>Compliant</p>	<p>Manual on Corporate Governance (p. 10, Section 4.3), may be accessed through https://kepwealth.com/manual-on-corporate-governance/.</p>	
<p>Optional: Principle 4</p>			
<p>1. Company does not have any executive directors who serve in more than two boards of listed companies outside of the group.</p>			
<p>2. Company schedules board of directors' meetings before the start of the financial year.</p> <p>3.</p>			

4. Board of directors meet at least six times during the year.			
5. Company requires as minimum quorum of at least 2/3 for board decisions.			

Principle 5: The board should endeavor to exercise an objective and independent judgment on all corporate affairs

Recommendation 5.1

1. The Board has at least 3 independent directors or such number as to constitute one-third of the board, whichever is higher.	Non-Compliant		The Corporation has two (2) independent directors which constitute approximately 30% of the total number of directors as indicated in its Articles of Incorporation. This is also in compliance with Section 38.7.1 of the Implementing Rules and Regulations of the Securities Regulation Code which only requires issuers of registered securities and public companies to have at least two (2) independent directors or at least twenty percent (20%) of its board size, whichever is less.
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Recommendation 5.2

1. The independent directors possess all the qualifications and none of the disqualifications to hold the positions.	Compliant	Annual Report p.45-48 (https://kepwealth.com/other-disclosures-to-sec-pse-and-other-pertinent-agencies/) Manual on Corporate Governance (p.10, Section 5.2), may be accessed through https://kepwealth.com/manual-on-corporate-governance/	
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Supplement to Recommendation 5.2

<p>1. Company has no shareholder agreements, by-laws provisions, or other arrangements that constrain the directors' ability to vote independently.</p>	Compliant	<p>Under the Corporation's Code of Business Conduct and Ethics, available at https://kepwealth.com/code-of-business-conduct-and-ethics/, the Conflict of Interest Policy requires directors, officers, and employees to make a conscious effort to avoid conflict of interest situations; so that his judgment and discretion is not influenced by considerations of personal gain or benefit</p> <p>In view of the above, Corporation has no shareholder agreements, by-laws provisions or other arrangements that constrain the directors' ability to vote independently.</p>	
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Recommendation 5.3

<p>1. The independent directors serve for a cumulative term of nine years (reckoned from 2012).</p>	Compliant	<p>Manual on Corporate Governance (p. 10, Section 5.3), may be accessed through https://kepwealth.com/manual-on-corporate-governance/</p>	
<p>2. The company bars an independent director from serving in such capacity after the term limit of nine years.</p>	Compliant	<p>Manual on Corporate Governance (p.10, Section 5.3), may be accessed through https://kepwealth.com/manual-on-corporate-governance/</p>	

<p>3. In the instance that the company retains an independent director in the same capacity after nine years, the board provides meritorious justification and seeks shareholders' approval during the annual shareholders' meeting.</p>	<p>Compliant</p>	<p>Manual on Corporate Governance (p. 10, Section 5.3), may be accessed through https://kepwealth.com/manual-on-corporate-governance/</p>	
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Recommendation 5.4

<p>1. The positions of Chairman of the Board and Chief Executive Officer are held by separate individuals.</p>	<p>Compliant</p>	<p>Manual on Corporate Governance (p. 10, Section 5.4), may be accessed through https://kepwealth.com/manual-on-corporate-governance/</p> <p>Annual Report p. 45-48 (https://kepwealth.com/other-disclosures-to-sec-pse-and-other-pertinent-agencies/).</p> <p>GIS (https://kepwealth.com/general-information-sheet-gis/)</p>	
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<p>2. The Chairman of the Board and Chief Executive Officer have clearly defined responsibilities.</p>	<p>Compliant</p>	<p>The roles and responsibilities of the Chairman of the Board and Chief Executive Officer are clearly delineated in the Manual on Corporate Governance, p. 10, Section 5.4., which may be accessed through https://kepwealth.com/manual-on-corporate-governance/</p>	
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Recommendation 5.5

<p>1. If the Chairman of the Board is not an independent director, the board designates a lead director among the independent directors.</p>	<p>Compliant</p>	<p>Manual on Corporate Governance (p. 10, Section 5.5) may be accessed through https://kepwealth.com/manual-on-corporate-governance/</p> <p>Annual Report p. 45-48 (https://kepwealth.com/other-disclosures-to-sec-pse-and-other-pertinent-agencies/).</p> <p>The Chairman of the Board is an Independent Director. Please refer to the GIS (https://kepwealth.com/general-information-sheet-gis/).</p>	
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Recommendation 5.6

<p>1. Directors with material interest in a transaction affecting the corporation abstain from taking part in the deliberations on the transaction.</p>	<p>Compliant</p>	<p>Per the Code of Business Conduct and Ethics found at https://kepwealth.com/code-of-business-conduct-and-ethics/, any member of the Board of Directors who has an interest in the transaction under discussion shall not participate in the deliberations and voting on the approval of the Related Party Transaction either at level of the Board of Directors or the Related Party Transaction Committee.</p> <p>Manual on Corporate Governance (p.10, Section 5.5), may be accessed through https://kepwealth.com/manual-on-corporate-governance/</p>	
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Recommendation 5.7			
1. The non-executive directors (NEDs) have separate periodic meetings with the external auditor and heads of the internal audit, compliance and risk functions, without any executive present.	Compliant	Manual on Corporate Governance (p. 11, Section 5.7), may be accessed through https://kepwealth.com/manual-on-corporate-governance/	
2. The meetings are chaired by the lead independent director.	Compliant		
Optional: Principle 5			

1. None of the directors is a former CEO of the company in the past 2 years.			
Principle 6: The best measure of the Board's effectiveness is through an assessment process. The Board should regularly carry out evaluations to appraise its performance as a body, and assess whether it possesses the right mix of backgrounds and competencies.			
Recommendation 6.1			
1. Board conducts an annual self-assessment of its performance as a whole.	Compliant	Manual on Corporate Governance (p. 11, Section 6.1), may be accessed through https://kepwealth.com/manual-on-corporate-governance/	
2. The Chairman conducts a self-assessment of his performance.	Compliant		
3. The individual members conduct a self-assessment of their performance.	Compliant		
4. Each committee conducts a self-assessment of its performance.	Compliant		

5. Every three years, the assessments are supported by an external facilitator.	Compliant		
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Recommendation 6.2

1. Board has in place a system that provides, at the minimum, criteria and process to determine the performance of the Board, individual directors and committees.	Compliant	<p>Manual on Corporate Governance (p. 11, Section 6) may be accessed through https://kepwealth.com/manual-on-corporate-governance/</p> <p>Some of the feedback mechanisms already in place by the Corporation are the following:</p> <ol style="list-style-type: none"> 1. Open Forum during the Annual Stockholders' Meetings 2. Website/Investor Relations Office 3. Office of the Corporate Secretary 	
2. The system allows for a feedback mechanism from the shareholders.	Compliant		

Principle 7: Members of the Board are duty-bound to apply high ethical standards, taking into account the interests of all stakeholders.

Recommendation 7.1

<p>1. Board adopts a Code of Business Conduct and Ethics, which provide standards for professional and ethical behavior, as well as articulate acceptable and unacceptable conduct and practices in internal and external dealings of the company.</p>	<p>Compliant</p>	<p>The Board adopts a Code of Business Conduct and Ethics, which can be found at https://kepwealth.com/code-of-business-conduct-and-ethics/.</p> <p>Manual on Corporate Governance (p. 12, Section 7.1), may be accessed through https://kepwealth.com/manual-on-corporate-governance/</p>	
<p>2. The Code is properly disseminated to the Board, senior management and employees.</p>	<p>Compliant</p>	<p>Copies of the Code of Business Conduct and Ethics are disseminated to the Board, all senior management and employees through the Company's Compliance Officer and by posting in its corporate website.</p>	
<p>3. The Code is disclosed and made available to the public through the company website.</p>	<p>Compliant</p>	<p>The Code of Business Conduct and Ethics may be accessed through https://kepwealth.com/code-of-business-conduct-and-ethics/.</p>	
<p>Supplement to Recommendation 7.1</p>			
<p>1. Company has clear and stringent policies and procedures on curbing and penalizing company involvement in offering, paying and receiving bribes.</p>	<p>Compliant</p>	<p>The Board adopts a Code of Business Conduct and Ethics, which can be found at https://kepwealth.com/code-of-business-conduct-and-ethics/.</p> <p>Manual on Corporate Governance (p. 12), may be accessed through https://kepwealth.com/manual-on-corporate-governance/</p>	

Recommendation 7.2			
1. Board ensures the proper and efficient implementation and monitoring of compliance with the Code of Business Conduct and Ethics.	Compliant	The Board adopts a Code of Business Conduct and Ethics, which can be found at its corporate website, https://kepwealth.com/code-of-business-conduct-and-ethics/ .	
2. Board ensures the proper and efficient implementation and monitoring of compliance with company internal policies.	Compliant	Manual on Corporate Governance (p. 12), may be accessed through https://kepwealth.com/manual-on-corporate-governance/	

Disclosure and Transparency

Principle 8: The company should establish corporate disclosure policies and procedures that are practical and in accordance with best practices and regulatory expectations.

Recommendation 8.1

<p>1. Board establishes corporate disclosure policies and procedures to ensure a comprehensive, accurate, reliable and timely report to shareholders and other stakeholders that gives a fair and complete picture of a company's financial condition, results and business operations.</p>	<p>Compliant</p>	<p>Manual on Corporate Governance (p. 12, Section 8.1), may be accessed through https://kepwealth.com/manual-on-corporate-governance/</p> <p>All reports and disclosures are made available to its shareholders and stakeholders thru comprehensive, accurate, reliable and timely disclosures and posting on the Corporation's website.</p>	
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<p>1. Company distributes or makes available annual and quarterly consolidated reports, cash flow statements, and special audit revisions. Consolidated financial statements are published within ninety (90) days from the end of the fiscal year, while interim reports are published within forty-five (45) days from the end of the reporting period.</p>	<p>Compliant</p>	<p>The Annual, Quarterly, and other related reports are available at the Corporation's website (https://kepwealth.com/).</p>	
<p>2. Company discloses in its annual report the principal risks associated with the identity of the company's controlling shareholders; the degree of ownership concentration; cross-holdings among company affiliates; and any imbalances between the controlling shareholders' voting power and overall equity position in the company.</p>	<p>Compliant</p>	<p>The Annual Report is available at the Corporation's website (https://kepwealth.com/).</p>	

Recommendation 8.2

<p>1. Company has a policy requiring all directors to disclose/report to the company any dealings in the company's shares within three business days.</p>	<p>Compliant</p>	<p>Manual on Corporate Governance (p. 12, Section 8.2), may be accessed through https://kepwealth.com/manual-on-corporate-governance/</p>	
<p>2. Company has a policy requiring all officers to disclose/report to the company any dealings in the company's shares within three business days.</p>	<p>Compliant</p>		

Supplement to Recommendation 8.2

<p>1. Company discloses the trading of the corporation's shares by directors, officers (or persons performing similar functions) and controlling shareholders. This includes the disclosure of the company's purchase of its shares from the market (e.g. share buy-back program).</p>	<p>Compliant</p>	<p>The dealings of directors, management and top 100 shareholders involving the corporation's shares including their nature, number/percentage and date of transaction, , as well as the disclosures on the share buy-back transactions of the company, are disclosed at https://kepwealth.com/ and in PSE Edge.</p>	
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Recommendation 8.3

<p>1. Board fully discloses all relevant and material information on individual board members to evaluate their experience and qualifications, and assess any potential conflicts of interest that might affect their judgment.</p>	<p>Compliant</p>	<p>Manual on Corporate Governance (p. 12, Section 8.3), may be accessed through https://kepwealth.com/manual-on-corporate-governance/</p>	
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<p>2. Board fully discloses all relevant and material information on key executives to evaluate their experience and qualifications, and assess any potential conflicts of interest that might affect their judgment.</p>	<p>Compliant</p>	<p>Manual on Corporate Governance (p. 12, Section 8.3), may be accessed through https://kepwealth.com/manual-on-corporate-governance/</p>	
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Recommendation 8.4

<p>1. Company provides a clear disclosure of its policies and procedure for setting Board remuneration, including the level and mix of the same.</p>	<p>Compliant</p>	<p>Manual on Corporate Governance (p. 12, Section 8.4), may be accessed through https://kepwealth.com/manual-on-corporate-governance/</p>	
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<p>2. Company provides a clear disclosure of its policies and procedure for setting executive remuneration, including the level and mix of the same.</p>	<p>Compliant</p>	<p>Manual on Corporate Governance (p. 12, Section 8.4), may be accessed through https://kepwealth.com/manual-on-corporate-governance/</p>	
<p>3. Company discloses the remuneration on an individual basis, including termination and retirement provisions.</p>	<p>Compliant</p>	<p>Manual on Corporate Governance (p. 12, Section 8.4) , may be accessed through https://kepwealth.com/manual-on-corporate-governance/</p> <p>Annual Report p. 49 (https://kepwealth.com/other-disclosures-to-sec-pse-and-other-pertinent-agencies/)</p>	
Recommendation 8.5			
<p>1. Company discloses its policies governing Related Party Transactions (RPTs) and other unusual or infrequently occurring transactions in their Manual on Corporate Governance.</p>	<p>Compliant</p>	<p>Manual on Corporate Governance (p. 12, Section 8.5), may be accessed through https://kepwealth.com/manual-on-corporate-governance/</p> <p>Related Party Transaction Policy (https://kepwealth.com/companys-policies/)</p> <p>Related Party Transaction Committee Charter (https://kepwealth.com/board-committees/)</p>	

2. Company discloses material or significant RPTs reviewed and approved during the year.	Compliant	Manual on Corporate Governance (p. 12, Section 8.5), may be accessed through https://kepwealth.com/manual-on-corporate-governance/ All material RPTs for the previous year are disclosed in Note 15 of the Financial Statements which is attached to the Annual Report (https://kepwealth.com/other-disclosures-to-sec-pse-and-other-pertinent-agencies/).	
Supplement to Recommendation 8.5			
1. Company requires directors to disclose their interests in transactions or any other conflict of interests.	Compliant	Manual on Corporate Governance (p. 12, Section 8.2), may be accessed through https://kepwealth.com/manual-on-corporate-governance/ Conflict of Interests Policy (https://kepwealth.com/wp-content/uploads/2019/03/KPPI_Conflict-of-Interest-Policy.pdf)	
Optional : Recommendation 8.5			
1. Company discloses that RPTs are conducted in such a way to ensure that they are fair and at arms' length.			
Recommendation 8.6			

<p>1. Company makes a full, fair, accurate and timely disclosure to the public of every material fact or event that occur, particularly on the acquisition or disposal of significant assets, which could adversely affect the viability or the interest of its shareholders and other stakeholders.</p>	<p>Compliant</p>	<p>Manual on Corporate Governance (p. 12, Section 8.6), may be accessed through https://kepwealth.com/manual-on-corporate-governance/</p> <p>All material fact or event that occur, particularly on the acquisition or disposal of significant assets, which could adversely affect the viability or the interest of its shareholders and other stakeholders are disclosed with the Philippine Stock Exchange and the Securities and Exchange Commission, and posted on the Corporation's website.</p>	
<p>2. Board appoints an independent party to evaluate the fairness of the transaction price on the acquisition or disposal of assets.</p>	<p>Compliant</p>	<p>Manual on Corporate Governance (p. 12, Section 8.6), may be accessed through https://kepwealth.com/manual-on-corporate-governance/</p> <p>The Board relies on the recommendation and sound discretion of management in evaluating these types of transactions.</p>	

Supplement to Recommendation 8.6

<p>1. Company discloses the existence, justification and details on shareholder agreements, voting trust agreements, confidentiality agreements, and such other agreements that may impact on the control, ownership, and strategic direction of the company.</p>	<p>Compliant</p>	<p>As stated in the Annual Report, p. 11, the Company enters into transactions with affiliates and other related parties on an arm's length basis. Aligned with this thrust, the Company, in dealing with affiliates and other related parties, ensures above-board transactions and fairness and equity among all parties. The Company exerts efforts to obtain the most beneficial terms and conditions for the Company, taking into consideration various factors including pricing and quality. The Annual Report is available at the Corporation's website (https://kepwealth.com/other-disclosures-to-sec-pse-and-other-pertinent-agencies/).</p> <p>The Corporation does not have any shareholder agreement or similar arrangement which may impact on the control, ownership and strategic direction of the Company,</p> <ul style="list-style-type: none"> • 	
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Recommendation 8.7			
1. Company's corporate governance policies, programs and procedures are contained in its Manual on Corporate Governance (MCG).	Compliant	The Manual on Corporate Governance was submitted to the SEC and PSE and posted on the Company website. See date of filing and link below: 1. PSE Edge: Revised Manual on Corporate Governance April 5, 2022 2. SEC: April 06, 2022 3. Company Website: https://kepwealth.com/manual-on-corporate-governance/	
2. Company's MCG is submitted SEC to the and PSE.	Compliant		
3. Company's MCG is posted on its company website.	Compliant		
Supplement to Recommendation 8.7			
1. Company submits to the SEC and PSE an updated MCG to disclose any changes in its corporate governance practices.	Compliant	Per the following link, the Company submitted its Revised Manual on Corporate Governance to PSE and SEC on April 05, 2022 and April 06, 2022, respectively (https://kepwealth.com/manual-on-corporate-governance/).	
Optional: Principle 8			
1. Does the company's Annual Report disclose the following information:			
a. Corporate Objectives			
b. Financial performance indicators			
c. Non-financial performance indicators			
d. Dividend Policy			

<p>e. Biographical details (at least age, academic qualifications, date of first appointment, relevant experience, and other directorships in listed companies) of all directors</p>			
<p>f. Attendance details of each director in all directors meetings held during the year</p>			
<p>g. Total remuneration of each member of the board of directors</p>			
<p>2. The Annual Report contains a statement confirming the company's full compliance with the Code of Corporate Governance and where there is non-compliance, identifies and explains reason for each such issue.</p>			

3. The Annual Report/Annual CG Report discloses that the board of directors conducted a review of the company's material controls (including operational, financial and compliance controls) and risk management systems.			
4. The Annual Report/Annual CG Report contains a statement from the board of directors or Audit Committee commenting on the adequacy of the company's internal controls/risk management systems.			
5. The company discloses in the Annual Report the key risks to which the company is materially exposed to (i.e. financial, operational including IT, environmental, social, economic).			

Principle 9: The company should establish standards for the appropriate selection of an external auditor, and exercise effective oversight of the same to strengthen the external auditor's independence and enhance audit quality.

Recommendation 9.1

1. Audit Committee has a robust process for approving and recommending the appointment, reappointment, removal, and fees of the external auditors.	Compliant	<p>Manual on Corporate Governance (p. 13, Section 9.2), may be accessed through https://kepwealth.com/manual-on-corporate-governance/</p> <p>Audit Committee Charter (https://kepwealth.com/wp-content/uploads/2019/03/KPPI_Audit-Committee-Charter-30-Jan-2019.pdf)</p>	
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<p>2. The appointment, reappointment, removal, and fees of the external auditor is recommended by the Audit Committee, approved by the Board and ratified by the shareholders.</p>	<p>Compliant</p>	<p>Manual on Corporate Governance (p. 13, Section 9.1), may be accessed through https://kepwealth.com/manual-on-corporate-governance/</p> <p>Audit Committee Charter https://kepwealth.com/wp-content/uploads/2019/03/KPPI_Audit-Committee-Charter-30-Jan-2019.pdf</p>	
<p>3. For removal of the external auditor, the reasons for removal or change are disclosed to the regulators and the public through the company website and required disclosures.</p>	<p>Compliant</p>	<p>PSE Edge: August 28, 2020 (engagement of RS Bernaldo & Associates) Reason: Rationalization of company's expenditures Ratified on ASM on September 09, 2020</p>	
<p>Supplement to Recommendation 9.1</p>			
<p>1. Company has a policy of rotating the lead audit partner every five years.</p>	<p>Compliant</p>	<p>See Audit Committee Charter https://kepwealth.com/wp-content/uploads/2019/03/KPPI_Audit-Committee-Charter-30-Jan-2019.pdf</p>	
<p>Recommendation 9.2</p>			

<p>1. Audit Committee Charter includes the Audit Committee's responsibility on:</p> <ul style="list-style-type: none"> i. assessing the integrity and independence of external auditors; ii. exercising effective oversight to review and monitor the external auditor's independence and objectivity; and iii. exercising effective oversight to review and monitor the effectiveness of the audit process, taking into consideration relevant Philippine professional and regulatory requirements. 	Compliant	<p>The Audit Committee Charter can be found at https://kepwealth.com/wp-content/uploads/2019/03/KPPI_Audit-Committee-Charter-30-Jan-2019.pdf</p>	
<p>2. Audit Committee Charter contains the Committee's responsibility on reviewing and monitoring the external auditor's suitability and effectiveness on an annual basis.</p>	Compliant	<p>The Audit Committee Charter can be found at https://kepwealth.com/wp-content/uploads/2019/03/KPPI_Audit-Committee-Charter-30-Jan-2019.pdf</p>	
Supplement to Recommendations 9.2			
<p>1. Audit Committee ensures that the external auditor is credible, competent and has the ability to understand complex related party transactions, its counterparties, and valuations of such transactions.</p>	Compliant	<p>Manual on Corporate Governance (p.13, Section 9.2), may be accessed through https://kepwealth.com/manual-on-corporate-governance/</p> <p>The Audit Committee Charter (https://kepwealth.com/wp-content/uploads/2019/03/KPPI_Audit-Committee-Charter-30-Jan-2019.pdf)</p>	
<p>2. Audit Committee ensures that the external auditor has adequate quality control procedures.</p>	Compliant		
Recommendation 9.3			

<p>1. Company discloses the nature of non-audit services performed by its external auditor in the Annual Report to deal with the potential conflict of interest.</p>	<p>Compliant</p>	<p>Annual Report (https://kepwealth.com/other-disclosures-to-sec-pse-and-other-pertinent-agencies/)</p>	
<p>2. Audit Committee stays alert for any potential conflict of interest situations, given the guidelines or policies on non-audit services, which could be viewed as impairing the external auditor's objectivity.</p>	<p>Compliant</p>	<p>Manual on Corporate Governance (p.13, Section 9.3), may be accessed through https://kepwealth.com/manual-on-corporate-governance/</p> <p>The Audit Committee Charter can be found at https://kepwealth.com/wp-content/uploads/2019/03/KPPI_Audit-Committee-Charter-30-Jan-2019.pdf</p>	

Supplement to Recommendation 9.3

1. Fees paid for non-audit services do not outweigh the fees paid for audit services.	Compliant	Annual Report p. 44 (https://kepwealth.com/other-disclosures-to-sec-pse-and-other-pertinent-agencies/)	
Additional Recommendation to Principle 9			
1. Company's external auditor is duly accredited by the SEC under Group A category.	Compliant	R.S. Bernaldo & Associates BOA/PRC No 0300 Valid until May 28, 2024 SEC Group A Accredited Accreditation No. 0300-SEC Valid until 2024 audit period BSP Group B accredited Accreditation No. 0300-BSP Valid until 2026 audit period BIR Accreditation No 08-007679-000-2023 Valid from January 31, 2023 to January 30, 2026 IC Accreditation no. 0300-IC Valid until 2026 audit period.	
2. Company's external auditor agreed to be subjected to the SEC Oversight Assurance Review (SOAR) Inspection Program conducted by the SEC's Office of the General Accountant (OGA).	Compliant	In 2021, the members of the external auditor's Audit Engagement Team agreed to be subjected to the SOAR Inspection Program.	

Principle 10: The company should ensure that the material and reportable non-financial and sustainability issues are disclosed.

Recommendation 10.1

<p>1. Board has a clear and focused policy on the disclosure of non-financial information, with emphasis on the management of economic, environmental, social and governance (EESG) issues of its business, which underpin sustainability.</p>	<p>Compliant</p>	<p>Manual on Corporate Governance (p. 13, Section 10.1), may be accessed through https://kepwealth.com/manual-on-corporate-governance/</p>	
<p>2. Company adopts a globally recognized standard/framework in reporting sustainability and non-financial issues.</p>	<p>Compliant</p>	<p>Sustainability Report (https://kepwealth.com/other-disclosures-to-sec-pse-and-other-pertinent-agencies/) PSE Edge</p>	

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

Recommendation 11.1

1. Company has media and analysts' briefings as channels of communication to ensure the timely and accurate dissemination of public, material and relevant information to its shareholders and other investors.	Compliant	The communication channels used by the company are the following: 1. Website – https://kepwealth.com 2. Quarterly reporting- PSE Edge 3. Current reporting-PSE Edge 4. Annual Stockholders' Meeting-PSE Edge	
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Supplemental to Principle 11

1. Company has a website disclosing up-to-date information on the following:	Compliant	Please see website https://kepwealth.com/ .	
a. Financial statements/reports (latest quarterly)	Compliant		
b. Materials provided in briefings to analysts and media	Compliant		
c. Downloadable annual report	Compliant		
d. Notice of ASM and/or SSM	Compliant		
e. Minutes of ASM and/or SSM	Compliant		
f. Company's Articles of Incorporation and By-Laws	Compliant		

Additional Recommendation to Principle 11

1. Company complies with SEC-prescribed website template.	Compliant	Please see website https://kepwealth.com/ .	
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Principle 12: To ensure the integrity, transparency and proper governance in the conduct of its affairs, the company should have a strong and effective internal control system and enterprise risk management framework.

Recommendation 12.1

<p>1. Company has an adequate and effective internal control system in the conduct of its business.</p>	<p>Compliant</p>	<p>Manual on Corporate Governance (p. 14, Section 12), may be accessed through https://kepwealth.com/manual-on-corporate-governance/</p>	
<p>2. Company has an adequate and effective enterprise risk management framework in the conduct of its business.</p>	<p>Compliant</p>	<p>The enterprise risk management framework is available at https://kepwealth.com/wp-content/uploads/2019/03/KPPI_Risk-Management-Policy.pdf</p>	

Supplement to Recommendations 12.1

<p>1. Company has a formal comprehensive enterprise-wide compliance program covering compliance with laws and relevant regulations that is annually reviewed. The program includes appropriate training and awareness initiatives to facilitate understanding, acceptance and compliance with the said issuances.</p>	<p>Compliant</p>	<p>Manual on Corporate Governance (p. 14-15, Part V), may be accessed through https://kepwealth.com/manual-on-corporate-governance/</p>	
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Optional: Recommendation 12.1			
1. Company has a governance process on IT issues including disruption, cyber security, and disaster recovery, to ensure that all key risks are identified, managed and reported to the board.			
Recommendation 12.2			
1. Company has in place an independent internal audit function that provides an independent and objective assurance, and consulting services designed to add value and improve the company's operations.	Compliant	Internal Audit is in-house. Manual on Corporate Governance (https://kepwealth.com/manual-on-corporate-governance/)	
Recommendation 12.3			
1. Company has a qualified Chief Audit Executive (CAE) appointed by the Board.	Compliant	Although the Company has no Chief Audit Executive (CAE), the internal audit functions are exercised by the in-house internal auditor, such as but not limited to: 1. Evaluating the reliability and integrity of financial information. 2. Evaluating the effectiveness and	
2. CAE oversees and is responsible for the internal audit activity of the organization, including that portion that is outsourced to a third party service provider.			

<p>3. In case of a fully outsourced internal audit activity, a qualified independent executive or senior management personnel is assigned the responsibility for managing the fully outsourced internal audit activity.</p>		<p>efficiency of operations and compliance with established policies and procedures. 3. Evaluating the means of safeguarding assets and verifying the existence of such assets. 4. Evaluating specific operations at the request of the Board or management, as appropriate. 5. Reporting the internal audit performance.</p>	
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Recommendation 12.4

<p>1. Company has a separate risk management function to identify, assess and monitor key risk exposures.</p>	<p>Compliant</p>	<p>Manual on Corporate Governance (p.15, Section 12.4), may be accessed through https://kepwealth.com/manual-on-corporate-governance/</p>	
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Supplement to Recommendation 12.4

<p>1. Company seeks external technical support in risk management when such competence is not available internally.</p>	<p>Compliant</p>	<p>The Board may seek external professional or technical opinion or advice as it deems necessary in connection with any matter which is pending before the Board, and which opinion or advice the members may consider in their individual assessment and evaluation of the issues.</p>	
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Recommendation 12.5

1. In managing the company's Risk Management System, the company has a Chief Risk Officer (CRO), who is the ultimate champion of Enterprise Risk Management (ERM).	Non-compliant		Although the Corporation does not have a Chief Risk Officer, risk management is handled collectively by different groups, including legal, internal audit, finance, under the supervision of the COO to oversee the Corporation's Enterprise Risk Management system to ensure its functionality and effectiveness.
2. CRO has adequate authority, stature, resources and support to fulfill his/her responsibilities.	Non-compliant		

Additional Recommendation to Principle 12

1. Company's Chief Executive Officer and Chief Audit Executive attest in writing, at least annually, that a sound internal audit, control and compliance system is in place and working effectively.	Non-compliant		The directors of the Corporation have reviewed the effectiveness of the Corporation's internal control system and consider them effective and adequate.
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Cultivating a Synergic Relationship with Shareholders

Principle 13: The company should treat all shareholders fairly and equitably, and also recognize, protect and facilitate the exercise of their rights.

Recommendation 13.1

1. Board ensures that basic shareholder rights are disclosed in the Manual on Corporate Governance.	Compliant	Manual on Corporate Governance (p. 16 , Section 13.1), may be accessed through https://kepwealth.com/manual-on-corporate-governance/	
2. Board ensures that basic shareholder rights are disclosed on the company's website.	Compliant	The Manual on Corporate Governance containing the basic shareholder rights is disclosed at https://kepwealth.com/manual-on-corporate-governance/ .	
Supplement to Recommendation 13.1			
1. Company's common share has one vote for one share.	Compliant	The Corporation's common share has one vote for one common share. However, in the election of directors, a common stockholder may cumulate his vote pursuant to Section 23 of the Revised Corporation Code.	
2. Board ensures that all shareholders of the same class are treated equally with respect to voting rights, subscription rights and transfer rights.	Compliant	Under Section 13 of the Manual on Corporate Governance, the Corporation shall treat all shareholders fairly and equitably, and also recognize, protect and facilitate the exercise of their rights (https://kepwealth.com/manual-on-corporate-governance/).	

<p>3. Board has an effective, secure, and efficient voting system.</p>	<p>Compliant</p>	<p>The Corporation observes and complies with the Revised Corporation Code with respect to the minimum required number of stockholder votes on certain acts of the Board that significantly affect the rights of all stockholders.</p>	
<p>4. Board has an effective shareholder voting mechanisms such as supermajority or "majority of minority" requirements to protect minority shareholders against actions of controlling shareholders.</p>	<p>Compliant</p>	<p>While there is a risk that the controlling shareholders' voting power may be restrictive or authorize preferences, the Board is committed to respect the rights of the shareholders as provided for in the Revised Corporation Code. These include the right to vote on all matters that require their consent or approval, such that a director shall not be removed without cause if it will deny minority shareholders representation in the Board.</p>	

5. Board allows shareholders to call a special shareholders' meeting and submit a proposal for consideration or agenda item at the AGM or special meeting.	Compliant	See By-Laws https://kepwealth.com No shareholder called for a special stockholders' meeting and submitted a proposal or agenda item for consideration during the period.	
6. Board clearly articulates and enforces policies with respect to treatment of minority shareholders.	Compliant	Manual on Corporate Governance (p. 7, Section 2.1m), may be accessed through https://kepwealth.com/manual-on-corporate-governance/	

7. Company has a transparent and specific dividend policy.	Compliant	Annual Report p. 35-38 (https://kepwealth.com/other-disclosures-to-sec-pse-and-other-pertinent-agencies/)	
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Optional: Recommendation 13.1

1. Company appoints an independent party to count and/or validate the votes at the Annual Shareholders' Meeting.			
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Recommendation 13.2

<p>1. Board encourages active shareholder participation by sending the Notice of Annual and Special Shareholders' Meeting with sufficient and relevant information at least 28 days before the meeting.</p>	<p>Compliant</p>	<p>(FOR 2023 annual meeting) The Notice of Annual Stockholders' Meeting was disclosed on April 03, 2023, before the meeting held on July 12, 2023.</p> <p>The Information Statement containing the Notice and Agenda of the annual stockholders' meeting was sent out on May 31, 2023 pursuant to Section 4, Article II of the By-Laws of the Corporation which provides that the notice of the Annual Stockholders' Meeting must be sent to all stockholders at least fifteen (15) business days before the meeting</p>	
<p>Supplemental to Recommendation 13.2</p>			
<p>1. Company's Notice of Annual Stockholders' Meeting contains the following information:</p>			
<p>a. The profiles of directors (i.e., age, academic qualifications, date of first appointment, experience, and directorships in other listed companies)</p>	<p>Compliant</p>	<p>Information Statement PSE Edge, May 31, 2023 Company website at https://Kepwealth.com</p>	
<p>b. Auditors seeking appointment/re-appointment</p>	<p>Compliant</p>	<p>Information Statement PSE Edge, May 31, 2023 Company Website at https://kepwealth.com</p>	
<p>c. Proxy documents</p>	<p>Compliant</p>	<p>Information Statement PSE Edge, May 31, 2023 Company website at https://kepwealth.com</p>	

Optional: Recommendation 13.2			
1. Company provides rationale for the agenda items for the annual stockholders meeting			
Recommendation 13.3			
1. Board encourages active shareholder participation by making the result of the votes taken during the most recent Annual or Special Shareholders' Meeting publicly available the next working day.	Compliant	Manual on Corporate Governance (p. 17 Section 13.3), may be accessed through https://kepwealth.com/manual-on-corporate-governance/ . The Minutes of the last ASM, which was uploaded in the Company's website, contains all the relevant questions raised and answers during the ASM as well as the results of the vote taken.	
2. Minutes of the Annual and Special Shareholders' Meetings were available on the company website within five business days from the end of the meeting.	Compliant	The Minutes of 2023 Annual Stockholders' Meeting is disclosed at the company website https://kepwealth.com . The voting on resolutions was by poll. There was opportunity to ask questions and the answers were also given.	
Supplement to Recommendation 13.3			
1. Board ensures the attendance of the external auditor and other relevant individuals to answer shareholders questions during the ASM and SSM.	Compliant	(FOR 2023 ASM) The external auditor, Chief Financial Officer, Investor Relations Officer, and Corporate Secretary were present during the ASM.	
Recommendation 13.4			

1. Board makes available, at the option of a shareholder, an alternative dispute mechanism to resolve intra-corporate disputes in an amicable and effective manner.	Compliant	Manual on Corporate Governance (p. 17, Section 13.4), may be accessed through https://kepwealth.com/manual-on-corporate-governance/	
2. The alternative dispute mechanism is included in the company's Manual on Corporate Governance.	Compliant	Manual on Corporate Governance (p. 17, Section 13.4), may be accessed through https://kepwealth.com/manual-on-corporate-governance/	
Recommendation 13.5			
1. Board establishes an Investor Relations Office (IRO) to ensure constant engagement with its shareholders.	Compliant	1. Name of Investor Relations Officer – John F. Catindig 2. Telephone number – (+632)79785080 3. E-mail address jfcatindig@yahoo.com and Johnfcattindig70@gmail.com	
2. IRO is present at every shareholder's meeting.	Compliant	(FOR 2023 ASM) The IRO was present during the ASM.	
Supplemental Recommendations to Principle 13			

<p>1. Board avoids anti-takeover measures or similar devices that may entrench ineffective management or the existing controlling shareholder group</p>	<p>Compliant</p>	<p>As indicated in the Manual on Corporate Governance, the presence of Independent Directors and the combination of executive and non-executive Directors is one measure that the Corporation adapted in order that no director, small group of directors, and controlling shareholder group can dominate the decision-making process.</p>	
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2. Company has at least thirty percent (30%) public float to increase liquidity in the market.		The Company's public float as of 31 March 2024 is 33.34%, may be accessed through https://edge.pse.com.ph/openDiscViewer.do?edge_no=ca259952e529c6c90de8473ceb6d6407	
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Optional: Principle 13

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

Duties to Stakeholders

Principle 14: The rights of stakeholders established by law, by contractual relations and through voluntary commitments must be respected. Where stakeholders' rights and/or interests are at stake, stakeholders should have the opportunity to obtain prompt effective redress for the violation of their rights.

Recommendation 14.1

1. Board identifies the company's various stakeholders and promotes cooperation between them and the company in creating wealth, growth and sustainability.	Compliant	Manual on Corporate Governance (p. 17, Section 14.1), may be accessed through https://kepwealth.com/manual-on-corporate-governance/	
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Recommendation 14.2

<p>1. Board establishes clear policies and programs to provide a mechanism on the fair treatment and protection of stakeholders.</p>	<p>Compliant</p>	<p>Manual on Corporate Governance (p. 17, Sections 13 and 14), may be accessed through https://kepwealth.com/manual-on-corporate-governance/</p>	
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Recommendation 14.3

<p>1. Board adopts a transparent framework and process that allow stakeholders to communicate with the company and to obtain redress for the violation of their rights.</p>	<p>Compliant</p>	<p>The stakeholders can voice their concerns and/or complaints for possible violation of their rights to the following:</p> <ol style="list-style-type: none"> 1. Investor Relations Officer 2. Chief Financial Officer 3. Compliance Officer 3. Corporate Secretary <p>Whistleblowing policy, practices and procedures for stakeholders can be found at https://kepwealth.com/companys-policies/</p>	
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Supplement to Recommendation 14.3			
1. Company establishes an alternative dispute resolution system so that conflicts and differences with key stakeholders is settled in a fair and expeditious manner.	Compliant	Manual on Corporate Governance (p. 17, Section 13.4), may be accessed through https://kepwealth.com/manual-on-corporate-governance/	
Additional Recommendations to Principle 14			
1. Company does not seek any exemption from the application of a law, rule or regulation especially when it refers to a corporate governance issue. If an exemption was sought, the company discloses the reason for such action, as well as presents the specific steps being taken to finally comply with the applicable law, rule or regulation.	Compliant	The Corporation has not yet sought any exemption from the application of any law, rule or regulation especially when it refers to a corporate governance issue.	
2. Company respects intellectual property rights.	Compliant	Annual Report p.11 (https://kepwealth.com/other-disclosures-to-sec-pse-and-other-pertinent-agencies/)	
Optional: Principle 14			
1. Company discloses its policies and practices that address customers' welfare			
2. Company discloses its policies and practices that address supplier/contractor selection procedures			

Principle 15: A mechanism for employee participation should be developed to create a symbiotic environment, realize the company's goals and participate in its corporate governance processes.

Recommendation 15.1

<p>1. Board establishes policies, programs and procedures that encourage employees to actively participate in the realization of the company's goals and in its governance.</p>	<p>Compliant</p>	<p>Manual on Corporate Governance (p. 17, Section 15.1), may be accessed through https://kepwealth.com/manual-on-corporate-governance/</p>	
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Supplement to Recommendation 15.1

<p>1. Company has a reward/compensation policy that accounts for the performance of the company beyond short-term financial measures.</p>	<p>Compliant</p>	<p>Manual on Corporate Governance (p. 17, Section 15.1), may be accessed through https://kepwealth.com/manual-on-corporate-governance/</p>	
<p>2. Company has policies and practices on health, safety and welfare of its employees.</p>	<p>Compliant</p>		
<p>3. Company has policies and practices on training and development of its employees.</p>	<p>Compliant</p>		

Recommendation 15.2

<p>1. Board sets the tone and makes a stand against corrupt practices by adopting an anti-corruption policy and program in its Code of Conduct.</p>	<p>Compliant</p>	<p>Manual on Corporate Governance (p. 17, Section 15.2) may be accessed through https://kepwealth.com/manual-on-corporate-governance/</p>	
<p>2. Board disseminates the policy and program to employees across the organization through trainings to embed them in the company's culture.</p>	<p>Compliant</p>	<p>Code of Conduct and Business Ethics, may be accessed through https://kepwealth.com/code-of-business-conduct-and-ethics/</p>	
<p>Supplement to Recommendation 15.2</p>			
<p>1. Company has clear and stringent policies and procedures on curbing and penalizing employee involvement in offering, paying and receiving bribes.</p>	<p>Compliant</p>	<p>Code of Conduct and Business Ethics, may be accessed through https://kepwealth.com/code-of-business-conduct-and-ethics/</p> <p>Whistle Blowing Policy (https://kepwealth.com/wp-content/uploads/2019/03/KPPI_WhistleBlowing-Policy.pdf)</p>	
<p>Recommendation 15.3</p>			

<p>1. Board establishes a suitable framework for whistleblowing that allows employees to freely communicate their concerns about illegal or unethical practices, without fear of retaliation</p>	<p>Compliant</p>	<p>Code of Conduct and Business Ethics, may be accessed through https://kepwealth.com/code-of-business-conduct-and-ethics/</p> <p>Whistle Blowing Policy (https://kepwealth.com/wp-content/uploads/2019/03/KPPI_WhistleBlowing-Policy.pdf)</p>	
<p>2. Board establishes a suitable framework for whistleblowing that allows employees to have direct access to an independent member of the Board or a unit created to handle whistleblowing concerns.</p>	<p>Compliant</p>	<p>Code of Conduct and Business Ethics, may be accessed through https://kepwealth.com/code-of-business-conduct-and-ethics/</p> <p>Whistle Blowing Policy (https://kepwealth.com/wp-content/uploads/2019/03/KPPI_WhistleBlowing-Policy.pdf)</p>	
<p>3. Board supervises and ensures the enforcement of the whistleblowing framework.</p>	<p>Compliant</p>	<p>Code of Conduct and Business Ethics, may be accessed through https://kepwealth.com/code-of-business-conduct-and-ethics/</p> <p>Whistle Blowing Policy (https://kepwealth.com/wp-content/uploads/2019/03/KPPI_WhistleBlowing-Policy.pdf)</p>	

Principle 16: The company should be socially responsible in all its dealings with the communities where it operates. It should ensure that its interactions serve its environment and stakeholders in a positive and progressive manner that is fully supportive of its comprehensive and balanced development.

Recommendation 16.1

<p>1. Company recognizes and places importance on the interdependence between business and society, and promotes a mutually beneficial relationship that allows the company to grow its business, while contributing to the advancement of the society where it operates.</p>	<p>Compliant</p>	<p>Manual on Corporate Governance (p. 17, Section 16.1), may be accessed through https://kepwealth.com/manual-on-corporate-governance/</p>	
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Optional: Principle 16

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

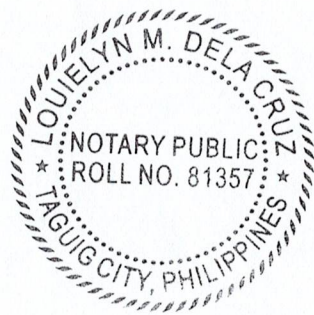
IN WITNESS WHEREOF, I have hereunto set my hand on 20 MAY 2024 in Taguig City, Metro Manila.

Rosa Michele C. Bagtas
ROSA MICHELE C. BAGTAS
Corporate Secretary

SUBSCRIBED AND SWORN to before me on 20 MAY 2024 in Taguig City, affiant exhibiting to me her current competent evidence of identity bearing her photograph and signature with the following particulars:

<u>Name</u>	<u>Identification Card</u>	<u>Official Issuing Agency</u>
ROSA MICHELE C. BAGTAS	Unified Multi-purpose ID No. 0111-7616105-0	Republic of the Philippines

Doc. No. 350 :
Page No. 71 :
Book No. II :
Series of 2024.



Louie

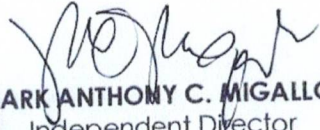
LOUIELYN M. DELA CRUZ
Notary Public
Taguig City, Appointment No. 57 (2023-2024)
Until December 31, 2024, Roll No. 81357
PTR No. A-6060177 – 01/02/24 – Taguig City
IBP No. 296845 – 12/21/23 – RSM
10th Floor, One Orion, 11th Avenue corner
University Parkway, Bonifacio Global City
Taguig City, Metro Manila, Philippines

22 MAY 2024

IN WITNESS WHEREOF, we have hereunto set our hands on _____ in QUEZON CITY, Metro Manila.



RESTITUTO T. LOPEZ
Chairman/Independent Director



MARK ANTHONY C. MIGALLOS
Independent Director



AUGUSTO PABLO A. CORPUS, JR.
President/Director

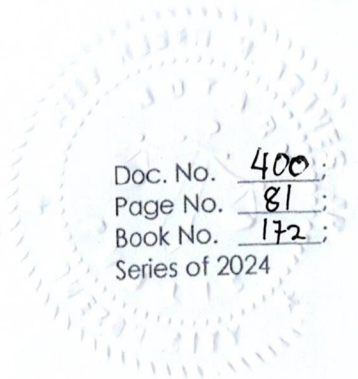


JOHN F. CATINDIG
Compliance Officer/Director


QUEZON CITY

SUBSCRIBED AND SWORN to before me on 22 MAY 2024 in _____, affiants exhibiting to me their current competent evidence of identity bearing their photographs and signatures with the following particulars:

<u>Name</u>	<u>Identification Card</u>	<u>Official Issuing Agency</u>
RESTITUTO T. LOPEZ	PRC ID No. 0029515	Professional Regulation Commission
AUGUSTO PABLO A. CORPUS, JR.	Driver's License No. N02-74-075656	Land Transportation Office
MARK ANTHONY C. MIGALLOS	Passport ID No. P8929073B	DFA Manila
JOHN F. CATINDIG	Driver's License No. N02-99-404028	Land Transportation Office



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 Book No. 172 ;
 Series of 2024


 ATTY. RUBEN M. AZANES, JR.
 NOTARY PUBLIC
 UNTIL DECEMBER 31, 2024
 PTR No. 5555119, 01/02/2024-Q.C.
 IBP No. 384112, 01/01/2024-Quezon City Chapter
 Roll of Attorney's No. 46427
 Admin Matter No. 025(2023-2024)
 MCLE-VII-0018605-05-24-2022
 TIN: 140-394-386-000
 Bagong Lipunan Crame Q.C.