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Responses to shareholders on substantial and relevant questions raised for Keppel Corporation's 54th Annual General Meeting

Singapore, 16 April 2022 – Keppel Corporation Limited (“Keppel” and the “Company”) would like to thank shareholders for submitting questions ahead of the Company's 54th Annual General Meeting (AGM) to be held by electronic means on Friday, 22 April 2022 at 3.00 p.m. (Singapore time).

Due to overlaps in several of the questions received, including questions from the Securities Investors Association (Singapore) (SIAS) on Keppel Corporation's Annual Report, the Company will not be providing responses to every question individually. Instead, responses to substantial and relevant questions have been set out via the following topics:

1. Vision 2030
2. Proposed Combination of Keppel O&M and Sembcorp Marine
3. Proposed Acquisition of SPH ex-Media
4. Business and Operations
5. Shareholder Returns, Dividends and Share Buyback Programme
6. Other Matters

Please refer to the Company's responses set out in **Appendix 1**.

By Order of the Board

Caroline Chang/Kenny Lee
Company Secretaries
16 April 2022

Appendix 1

VISION 2030

S/N	Question	Response
1	Can you provide an update on Keppel's Vision 2030, and the progress achieved in 2021?	<p>Against the volatile backdrop of 2021, Keppel continued to accelerate the execution of Vision 2030, making significant progress across our different goals – asset monetisation, business transformation, driving integration and improving earnings. We also deepened our commitment to sustainability, in terms of both how we run our business, and making sustainability our business.</p> <p>Notably, strong progress on our Vision 2030 asset monetisation programme contributed to the improved earnings, lower gearing and stronger cashflow in 2021. As a result of this, we were able to propose a more generous final dividend for FY 2021.</p> <p>During the year, we also made significant efforts to be more disciplined and refocus our portfolio. We have since signed an agreement for the divestment of Keppel Logistics. We are presently working towards definitive agreements for the proposed combination of Keppel Offshore & Marine (Keppel O&M) and Sembcorp Marine, as well as the sale of Keppel O&M's legacy rigs and associated receivables by 30 April 2022.</p> <p>As we continued to drive transformation and growth in each of our key business units, we have also made significant strides forward in other Vision 2030 targets.</p> <p>For more details on Keppel's achievements, please refer to pages 18-21 of Keppel Corporation's Annual Report 2021.</p>
2	<p>What are Keppel's future growth plans and focus areas?</p> <p>What are your plans to improve Keppel's business performance?</p>	<p>Keppel's Vision 2030 drives the company's long-term strategy and transformation as one integrated business providing solutions for sustainable urbanisation.</p> <p>We have made good progress in the execution of Vision 2030 in the past two years, and are committed to accelerating growth and realising our Vision 2030 targets by 2025.</p> <p>We will continue to build on the traction of our asset monetisation programme and increasingly pivot towards an asset-light model. We will gravitate away from lumpy earnings towards more recurring income, and will also continue working towards our medium to long-term Return on Equity (ROE) target of 15% per annum. We will also look at further focusing and simplifying our business.</p> <p>As we pursue the many exciting growth opportunities, we will be very disciplined and selective about what we will do. We will double down and scale up in our focus areas such as renewables, decarbonisation solutions, sustainable urban renewal, connectivity solutions such as data centres, and asset management.</p> <p>We have also put sustainability at the core of our strategy.</p>

		<p>We will both run our business sustainably and make sustainability our business. As the world focuses increasingly on climate action, Keppel is well-placed to provide compelling solutions that can help to advance sustainable development and combat climate change. We believe we are in the right space, at the right time.</p>
3	<p>What are the other investments or acquisitions planned for the next few years?</p> <p>How will you fund these opportunities?</p>	<p>We are exploring a number of exciting merger and acquisition opportunities, as we continue to grow Keppel's business in line with Vision 2030. Keppel is well-placed to seize opportunities in renewables, decarbonisation solutions, sustainable urban renewal and connectivity, which are supported by the macro trends of urbanisation, digitalisation, and growing international concerns about climate change. We will make further announcements, if and when there are material developments.</p> <p>As we monetise our assets, we will be able to free up our balance sheet and put the capital to work in pursuing new growth initiatives. However, we are not limited just to the size of our balance sheet. We will have the option of tapping third-party capital from Keppel Capital's private investors, or even our REITs and Keppel Infrastructure Trust, for some of these investments. We can also choose to take on larger investments through forming consortiums.</p> <p>A recent example is the acquisition of a majority joint venture stake in Cleantech Renewable Assets, a leading solar energy platform. This deal was undertaken by Keppel Corporation, together with Keppel Asia Infrastructure Fund (KAIF) and a co-investor of KAIF.</p>
4	<p>What is the rationale behind the asset monetisation programme?</p> <p>What will the proceeds from asset monetisation be used for and how will shareholders benefit from the asset monetisation programme?</p>	<p>We had earlier announced that the Group had S\$17.5 billion of monetisable assets, based on carrying value as at June 2020. These assets included the Group's landbank which is held at historical cost, development projects, investment properties, assets being developed and stabilised for monetisation, as well as non-core assets.</p> <p>As we execute our Vision 2030 plans and build growth engines for the future, we also seek to realise the Group's potential by unlocking value from our sizeable pool of assets, which can be redeployed to seize new opportunities, improve returns and also reward our shareholders.</p> <p>The results speak for themselves. Our monetisation efforts have contributed to the Group's strong financial performance in 2021. Importantly, they have contributed to a strong cash inflow of S\$1.75 billion in FY 2021, compared to an outflow of S\$72 million in FY 2020. Our net gearing had also fallen to 0.68x at the end of 2021, from 0.91x at the end of 2020. We were thus able to propose a final dividend of 21.0 cents, bringing the total dividend for FY 2021 to 33.0 cents per share, which is more than three times what the Company had paid for the whole of FY 2020.</p> <p>Moving forward, asset monetisation will be a consistent feature of Keppel's asset-light business model and an integral part of our ecosystem for value creation.</p>

PROPOSED COMBINATION OF KEPPEL O&M AND SEMBCORP MARINE

S/N	Question	Response
5	When can we expect an announcement on whether the proposed combination is taking place?	<p>Both Keppel Corporation and Sembcorp Marine have made significant progress on mutual due diligence, the transaction structure, exchange ratio and other related areas, since we announced on 24 June 2021 the non-binding Memorandums of Understanding (MOUs) in relation to the proposed combination of Keppel O&M and Sembcorp Marine, as well as the sale of Keppel O&M's legacy rigs and associated receivables to a separate Asset Co.</p> <p>Both parties are committed to continue with exclusive negotiations and work towards a definitive agreement by 30 April 2022. We will provide further updates in due course if there are material developments.</p>
6	What is the reason for the delay to 30 April 2022?	<p>As the Company announced on 31 March 2022, both parties have agreed on the extension as more time and deliberation will be required to complete due diligence, reach mutual agreement on the transaction terms and finalise definitive legal documentation.</p> <p>We are committed to continue with exclusive negotiations and work towards a definitive agreement by 30 April 2022.</p>
7	How will Keppel shareholders benefit from the proposed combination of Keppel O&M and Sembcorp Marine?	<p>With the changing global energy environment, we believe that the proposed combination, if completed, would create a stronger and more competitive player to capitalise on growing opportunities amid the energy transition.</p> <p>By combining the best-in-class expertise of both Keppel O&M and Sembcorp Marine, the Combined Entity would be able to accelerate the companies' pivot towards opportunities in renewables and clean energy. The Combined Entity would be better positioned to compete for larger contracts, benefitting from the increased operational scale, a broader geographic footprint and the enhanced capabilities of a larger entity. It is envisaged that the Combined Entity will be able to realise synergies between Keppel O&M and Sembcorp Marine and deliver sustainable value over the long term for its shareholders.</p> <p>As Keppel had announced in June 2021, it intends to distribute in specie to its shareholders the shares that it receives in the Combined Entity, which would enable shareholders to continue to enjoy the upside from (i) synergies created through resource optimisation and capital allocation and (ii) the recovery of the offshore and marine (O&M) business and the opportunities in the energy transition.</p> <p>Keppel will also continue to retain an up to 20% stake in Asset Co as an investment, and will continue to share the potential upside from the legacy rigs and the recovery of the O&M business.</p> <p>The proposed combination is inter-conditional and concurrently pursued with the sale of Keppel O&M's legacy rigs and associated receivables to a separate company,</p>

		<p>Asset Co, that will be majority-owned by external investors. This will help to address the issue of Keppel O&M's legacy rigs and associated receivables. With higher oil prices and improving market conditions, we are hopeful that Keppel O&M's legacy rigs can be substantially monetised in the next three to five years.</p> <p>The proposed transactions are in line with Keppel's Vision 2030 and our plans to be more focused and disciplined as we execute our mission to provide solutions for sustainable urbanisation. We believe that the proposed transactions, if successful, would be in Keppel Corporation's and our shareholders' best interests.</p>
8	<p>What would Keppel's strategy be moving forward, assuming the proposed combination of Keppel O&M and Sembcorp Marine is successfully completed?</p>	<p>We will remain focused on accelerating the execution of Keppel's Vision 2030 plans, with the aim of achieving our goals by 2025.</p> <p>If we are successful in the proposed combination of Keppel O&M and Sembcorp Marine and the resolution of the legacy rigs and associated receivables, our Energy & Environment segment would then comprise mainly Keppel's business activities in renewables, new energy, decarbonisation and environmental solutions. It will be much more streamlined, focused and aligned to Keppel's mission of delivering solutions for sustainable urbanisation under Vision 2030.</p>
9	<p>Given the Group's heydays as the world's biggest oil rig builder, has the Board carried out an independent review to understand how Keppel O&M is now seen as a drag on the Group?</p>	<p>The Board and Management have been engaging with various third parties, including industry experts, consultants, advisors and auditors throughout the extensive process of reviewing and transforming the Group's O&M business.</p> <p>This process began in 2020 amid the O&M downturn and still continues as we work towards completing due diligence and finalising the definitive legal documentation for the proposed combination of Keppel O&M and Sembcorp Marine.</p> <p>The review takes into consideration the congruence of the O&M business with Keppel's vision and strategy as well as the long-term prospects of the industry, and the discussions on the proposed transaction are based on maximising shareholder value.</p> <p>We believe that a potential combination would create a stronger player that can capitalise on growing opportunities in the O&M, renewables and clean energy sectors and also generate significant synergies.</p>
10	<p>With rising oil prices and with it, improving market conditions, would the Board be reviewing if the decision to sell Keppel O&M and the legacy rigs is still valid since it was made at the peak of the pessimism in the market?</p> <p>Would the recent improvement in oil prices necessitate a review of the decision and pace of the</p>	<p>The decision to pursue the proposed transactions was taken considering the dramatic, long-term changes in the global O&M engineering and energy sectors and the global energy transition away from oil. It is not based on oil prices and market conditions in the short term.</p> <p>Through the proposed combination, Keppel O&M and Sembcorp Marine will be able to realise synergies, leveraging their complementary strengths to emerge as a stronger player to seize opportunities in the energy transition. The Combined Entity will accelerate the companies' pivot towards</p>

	<p>divestment? If not, how is the Board/management structuring any combination/sale such that the Group retains a fair share of the potential upside of the O&M business, the legacy rigs and the receivables?</p>	<p>renewables and clean energy, while addressing the opportunities and challenges in the evolving and consolidating O&M industry.</p> <p>For Keppel Corporation, the proposed combination of Keppel O&M and Sembcorp Marine, including the resolution of the legacy rigs, are in line with our Vision 2030 plans to be more focused and disciplined as we execute our mission to deliver solutions for sustainable urbanisation. Under Vision 2030, we have put sustainability at the core of our strategy. The proposed transactions, if successfully completed, will allow us to sharpen our focus on renewables, new energy and decarbonisation solutions.</p> <p>As Keppel had announced in June 2021, it intends to distribute in specie to its shareholders the shares that it receives in the Combined Entity, which would enable shareholders to continue to enjoy upside from synergies of the business combination, the recovery in the O&M sector, as well as new growth opportunities in the energy transition.</p> <p>As discussions are ongoing, we are unable to disclose further details on the structure of the transaction at this juncture.</p>
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PROPOSED ACQUISITION OF SPH EX-MEDIA

S/N	Question	Response
11	<p>Given that the proposed acquisition of SPH ex-Media did not materialise, has that affected Keppel's Vision 2030 plans?</p>	<p>The proposed acquisition of Singapore Press Holdings (SPH) was opportunistic, given SPH's plans to restructure and divest its non-media business. We remain focused on and committed to achieving Keppel's Vision 2030 goals, which are not affected even though the SPH deal did not take place.</p> <p>Apart from the SPH portfolio, we are exploring several other exciting merger and acquisition opportunities, as we continue to grow Keppel's business in line with Vision 2030.</p>
12	<p>Would Keppel be compensated for its efforts and resources invested in the process of making the Offer for SPH ex-Media?</p> <p>Is the break fee payable to Keppel?</p>	<p>SPH itself had announced in its media release dated 15 November 2021 that the break fee is payable to Keppel if the Cuscaden Scheme and/or any other competing offer is effective or goes unconditional.</p> <p>Under and subject to the terms of the Keppel Implementation Agreement, Keppel is eligible for the break fee if there is a superior competing offer and the superior competing offer becomes or is declared effective or unconditional (in all respects) and/or is completed.</p> <p>We are not able to comment further on the other types of potential remedies, which is confidential to the arbitration process.</p>

BUSINESS AND OPERATIONS

S/N	Question	Response
13	<p>How is Keppel navigating the headwinds in China, including</p>	<p>Sentiments have turned more cautious in China after the debt crisis affecting developers. The recent resurgence of COVID-</p>

	<p>the debt issues faced by Chinese developers, as well as COVID-19 lockdowns?</p>	<p>19 cases and lockdowns across several cities have also caused some short-term disruptions to operations in affected cities.</p> <p>Nevertheless, we remain optimistic and confident about opportunities in China over the mid to long term. Despite the slowdown in economic growth, China, which achieved 8.1% GDP growth in 2021 and targets to achieve 5.5% GDP growth in 2022, is still one of the fastest growing economies in the world. The Chinese government is also taking steps to stabilise the economy and promote the stable and healthy development of the property market, which supports nearly a quarter of the country's GDP. Many Chinese cities for instance, have begun to make financial adjustments in their property sectors since the start of this year, including lowering downpayments and loan interest rates while increasing loan amounts.</p> <p>Moreover, China should not be seen as one market. The debt crisis and slowing economic growth are not affecting different Chinese cities in the same way. In the Tier 1 and other key cities where Keppel operates, we continue to see healthy demand-supply dynamics in the residential market. The current situation in China's real estate market may also present opportunities for Keppel, as some local developers in China may need foreign capital to help them invest. This is where we can play a role, either as a joint venture partner, or a provider of funding by bringing in co-investors.</p>
14	<p>Can management showcase to shareholders examples of its renewables, clean energy, decarbonisation and environmental solutions?</p> <p>Does it already have an established leadership position in these areas?</p>	<p>Keppel Corporation's Annual Report 2021 provides considerable detail on examples of the Group's involvement in renewables, clean energy, decarbonisation and environmental solutions.</p> <p>For example, in December 2021, we announced the acquisition of a majority stake in Cleantech Renewable Assets, a leading solar energy platform. Including this transaction, we have announced renewables projects with a total capacity of 1.1GW. We are also exploring the import of renewable energy into Singapore.</p> <p>Clean energy and decarbonisation solutions that Keppel is exploring include developing electric vehicle charging infrastructure, providing sustainable Energy-as-a-Service and studying the feasibility of developing an Asia-Pacific green ammonia supply chain. Keppel has also been helping our customers drive down their carbon footprint through rooftop photovoltaic systems, district cooling systems as well as smart, zero-energy buildings.</p> <p>Examples of our environmental solutions include the landmark projects – the Hong Kong Integrated Waste Management Facility (IWMF) and the Tuas Nexus IWMF in Singapore - which are currently being developed, as well as the dual-mode Keppel Marina East Desalination Plant, which was officially opened by Singapore's Prime Minister in February 2021.</p> <p>Keppel is an independent power producer, and provides water and waste management, as well as district cooling</p>

		<p>solutions. These are some of the areas in which we have strong capabilities and a proven track record. In addition, we are actively exploring decarbonisation and circular economy solutions, including carbon capture, utilisation and storage, smart distributed energy resources, materials recovery and incinerated bottom ash reuse.</p> <p>For more details, please refer to pages 48-53 of Keppel Corporation's Annual Report 2021.</p>
15	<p>What is the impact of the high oil and gas prices on Keppel Electric and Keppel Corporation?</p>	<p>Higher energy prices affect the Group in different ways.</p> <p>Keppel Electric is one of the leading electricity retailers in Singapore, with over 20 years of track record in powering Singapore's electricity grid. Amidst the increase in energy prices, Keppel Electric is looking to support and provide value to its commercial and residential customers. Keppel Electric is an integral part of a vertically integrated business with long-term gas supply and reliable generation assets, and it is able to hedge against price volatility in the Singapore wholesale electricity market and lock in competitive rates for its customers.</p> <p>On the whole, the rise in oil and gas prices have so far not had a significant impact on Keppel Electric. Although electricity prices have risen, production and other related costs have also increased.</p> <p>For Keppel O&M, on the back of higher oil prices, the offshore drilling rig market has shown signs of improvement. We are thus hopeful that Keppel O&M's legacy rigs, which based on the MOU with Kyanite Investment Holdings, would be injected into a separate Asset Co to be majority owned by external investors, can be substantially monetised over the next three to five years.</p> <p>As for the rest of the Keppel Group, rising energy prices are part of business and operating costs that we would have to manage. Over the years, Keppel has invested in increasing the energy efficiency of our assets and operations, including tapping renewable energy where possible, as well as other energy innovations like thermal storage. This has helped to mitigate the impact of rising energy prices. So far, the impact has been manageable.</p>
16	<p>How has Keppel been affected by the war in Ukraine and the sanctions against Russian entities?</p>	<p>The Keppel Group has very limited exposure to Russia and Ukraine. Keppel O&M is not currently working on any projects for Russian customers. We have minimal forex exposure to the Russian rouble. We also do not have dealings with sanctioned Russian entities or individuals.</p> <p>Keppel's exposure is more in terms of the second order impacts, such as higher energy and commodity prices, and supply chain disruptions. These are execution risks which we would have to manage, alongside the other risks that we are already managing due to COVID-19 and geopolitical tensions.</p> <p>In every crisis, there would also be opportunities. For example, rising oil price could accelerate the energy</p>

		<p>transition and increase demand for renewables and clean energy solutions. These are areas where we are growing our business in line with Vision 2030.</p> <p>In short, the direct impact on Keppel is limited, but we are watching the situation carefully to mitigate risks and seize opportunities that may arise.</p>
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SHAREHOLDER RETURNS, DIVIDENDS AND SHARE BUYBACK PROGRAMME

S/N	Question	Response
17	What is the total shareholder return (TSR) for the past three years?	<p>The TSR for 2019, 2020 and 2021 were 18.5%, -18.6% and -1.5% respectively. The annualised TSR for the past three calendar years was -1.6%.</p> <p>It is significant to note that two of the past three years were severely affected by the COVID-19 pandemic, especially 2020, when the Group suffered losses mainly due to impairments in the O&M business, following the sharp plunge in oil price as a result of COVID-19.</p> <p>Despite the challenging backdrop, Keppel achieved net profit of over S\$1 billion in 2021, with improved performance across all business segments. This was the highest net profit achieved in the past six years.</p> <p>Significantly, Keppel's ROE for 2021, at 9.1%, is not only a reversal from the 2020 ROE of -4.6%, but also higher than the pre-COVID-19 ROE of 6.3% in 2019.</p> <p>Keppel's 2021 full year dividend of 33.0 cents is also the highest in the past six years and more than triple the full year dividend for 2020.</p> <p>From 31 December 2021 to 31 March 2022, TSR was 25.4% on the back of the marked increase in share price. TSR for 2022 will also benefit from the proposed final dividend of 21.0 cents to be paid on 12 May 2022.</p>
18	Can FY 2021's full year dividend be sustained over the next few years?	<p>We understand that dividends are important to our shareholders. As seen from FY 2021's full year dividend, we are committed to rewarding shareholders.</p> <p>While we do not have an explicit dividend policy, we have been consistent in paying out 40-50% of our annual net profit as dividends over the past few years.</p> <p>FY 2021's full year dividend was proposed after considering not only the profit that has been made, but also the strong progress the Group has achieved in our asset monetisation programme. The FY 2021 total dividend of 33.0 cents per share represents a 45% payout ratio, after ringfencing S\$318 million of impairments associated with KrisEnergy.</p> <p>We are unable to provide a forecast on future dividends. However, we are actively driving the Group's growth in line with Vision 2030. As the Group's financial performance and recurring income continue to improve, and we make further progress in achieving our asset monetisation target, we are</p>

		confident that we can continue to reward Keppel's shareholders well.
19	<p>Keppel's share price as at 1 April 2022 is S\$6.46, which is higher than Net Asset Value (NAV) per Share as at end-December 2021 of S\$6.41. What is the rationale of increasing the share purchase mandate to 5%? Why is Keppel purchasing its shares at prices higher than its NAV?</p> <p>What will the shares repurchased be used for?</p>	<p>We are proposing to raise the share purchase mandate from 2% to 5% to support and accelerate our S\$500 million share buyback programme announced on 27 January 2022.</p> <p>Keppel's share buyback programme allows the Company to purchase its shares when they may be mispriced by the market. While the Company's shares are currently trading at about or even above its book value, we believe the current share price does not fully reflect Keppel's potential value.</p> <p>A case in point is our residential landbank, which is held at historical cost in our books. At the end of 2021, the landbank had a historical cost of about S\$3.8 billion, while the market value of these assets was almost 74% higher at S\$6.6 billion. Furthermore, our business platforms such as Keppel Capital and Keppel Infrastructure are usually valued using multiples of their earnings, which would typically result in values that are significantly higher than their NAVs.</p> <p>Sum-of-the-parts is another method that analysts often use to value Keppel's stock, and this usually gives rise to values above the NAV.</p> <p>Shares repurchased under the buyback programme will be held as treasury shares which will be used in part for the annual vesting of employee share plans, and more importantly, as possible currency for future merger and acquisition activities to advance Keppel's Vision 2030 plans. As Keppel embarks on acquisitions, especially of founders' platforms, using shares as acquisition currency would help ensure that the founders of such platforms have vested interests in the long-term success of Keppel, thereby aligning their interests with Keppel's.</p> <p>Guided by Keppel's Vision 2030, we are confident of being able to create and extract value for shareholders, as one integrated business providing solutions for sustainable urbanisation.</p>

OTHER MATTERS

S/N	Question	Response
20	Can the Board/Remuneration Committee help shareholders understand if it considers Economic Value Added (EVA) as a key performance indicator (KPI), and one that is well-aligned with the interests of shareholders?	<p>EVA is one possible KPI, but not the only one.</p> <p>In 2016 to 2017, Keppel's Remuneration Committee (RC) had reviewed the total remuneration structure in consultation with an external remuneration consultant. The key objectives of the review were to ensure that the remuneration structure supports the transformational business goals, provides a long-term orientation to drive sustainable long-term growth, is aligned to shareholders' interests and is meaningful and simple enough for employees to relate to.</p> <p>During the review of the total remuneration structure, the remuneration consultant shared global best practices on remuneration for key executives. It was noted that the</p>

		<p>principle of using EVA in long-term incentive plans was no longer widely prevalent. Nevertheless, the RC agreed with the principle of selecting performance indicators that require a minimum level of return to be generated before management is rewarded, thus aligning remuneration with shareholder interests.</p> <p>In 2021, the RC did another review of the total compensation structure with an external remuneration consultant to update and further refine Keppel's executive compensation framework and practices.</p> <p>Based on global practices, commonly adopted capital measures include indicators such as ROCE (Return on Capital Employed) and ROE. The PSP (Performance Share Plan) and PSP-TI (Performance Share Plan-Transformation Incentive) awarded to key management in FY 2021 comprised performance measures including ROE, ROCE as well as Absolute TSR (Total Shareholder Return). Absolute TSR follows principles similar to EVA, where management would only be rewarded if a return above a minimum hurdle rate is achieved. For the Absolute TSR, the targets were set with reference to the Company's cost of equity.</p>
21	<p>What are the main KPIs (financial and non-financial) used in measuring performance for executive director(s) and the senior management team?</p>	<p>The KPIs of the CEO and senior management team each year are set with reference to the corporate scorecard. The main KPIs (financial and non-financial) used to measure the performance of the CEO and senior management team include:</p> <ul style="list-style-type: none"> • Financial and business outcomes, such as ROE, profit growth and the delivery of key business projects. • Non-financial outcomes, such as sustainability, people, safety, risk management, compliance and controls.
22	<p>Can the Remuneration Committee help shareholders understand if the remuneration framework results in remuneration practices that are aligned to shareholders' interests?</p> <p>Specifically, if the level and structure of remuneration are appropriate and proportionate to sustained performance and value creation (Principle 7 of the Code of Corporate Governance 2018)?</p>	<p>The RC strongly believes in alignment of management with shareholders and for that purpose, a significant portion of the annual bonus as well as the entire PSP is paid out in the form of shares with minimum shareholding requirements for senior executives.</p> <p>The performance bonus received by members of senior management is determined based on the achievement of the Company's corporate scorecard as well as the individual's performance. Approximately 50% of the scorecard weightage is assigned to financial outcomes including ROE and the delivery of key business projects. The remaining approximately 50% of the scorecard focuses on key enablers, including sustainability, people, safety, risk management, compliance and controls.</p> <p>Besides the performance bonus awarded in the form of cash bonus and deferred shares, a significant portion of key management's remuneration is tied to contingent PSP shares awards as well as the one-off PSP-TI award. The performance measures in these awards include ROE, ROCE, Absolute TSR, sustainability and growth in business engines. The vesting of performance shares is subject to the achievement of specific performance conditions, failing which</p>

		<p>the awarded shares may not be vested or may only be partially vested.</p> <p>The vesting of the PSP awards, which in turn affects the actual realised remuneration of the CEO and key executives, reflects the Company's performance. In the years 2017 to 2021, the PSP each year was either partially vested, or not vested at all, depending on the Company's performance.</p>
23	<p>Given that the Group is in the business of providing decarbonisation solutions, would Keppel give itself and its solutions more credibility if it sets and achieves its net zero targets significantly before 2050, for instance, by 2035 or 2040?</p>	<p>Keppel has announced its commitment to halve the Group's Scope 1 and 2 emissions by 2030 and achieve net zero by 2050. The target is in line with the Paris Agreement's goal to limit global temperature increase to 1.5°C compared to pre-industrial levels.</p> <p>The target was set for the Group, taking into account, among others, Keppel's range of businesses, industry-specific contexts and our future growth plans.</p> <p>On top of the Group-wide carbon emissions reduction target, we encourage Keppel's business units to pursue even higher standards wherever possible, in line with their respective sectoral contexts and unique capabilities. For example, Keppel Land has committed to halve its Scope 1 and 2 emissions by 2025 and achieve net zero by 2030.</p>