

Risk Management Policy

Kepwealth Property Phils. Inc. (“KPPI” or “the Company”) establishes a risk management system to evaluate and minimize the effect of various risks that the Company is exposed to.

The risk management framework mandates the Board Risk Oversight Committee (the “Committee”) to supervise the Company’s control mechanisms in its finance and investments, operations, regulatory compliance, and other areas of risk. The Committee ensures the functionality and effectiveness of the Company’s risk management system.

The Committee has the following tasks:

1. Development of a formal enterprise risk management plan which contains (a) common language or register of risks, (b) well-defined risk management goals, objectives and oversight, (c) uniform processes of assessing risks and developing strategies to manage prioritized risks, (d) designing and implementing risk management strategies, and (e) continuing assessments to improve risk strategies and measures;
2. Oversee the implementation of the enterprise risk management plan;
3. Conduct regular discussions on the Company’s prioritized and residual risk exposures based on regular risk management reports and assess how the concerned units or offices are addressing and managing these risks;
4. Evaluate the risk management plan to ensure its continued relevance, comprehensiveness and effectiveness;
5. Advise the Board of Directors (the “Board”) on its risk appetite levels and risk tolerance limits;
6. Review, at least annually, the Company’s risk appetite levels and risk tolerance limits based on changes and developments in the business, the regulatory framework, the external economic and business environment, and when major events occur that are considered to have major impacts on the Company;
7. Assess the probability of each identified risk becoming a reality and estimate its possible significant financial impact and likelihood of occurrence;
8. Regularly receive information on risk exposures and risk management activities from Management and provide oversight over Management’s activities in managing credit, market, liquidity, operational, legal and other risk exposures of the Company; and
9. Report to the Board on a regular basis, or as deemed necessary, the Company’s material risk exposures and the actions taken to reduce the risks, and recommend further action or plans as necessary. The Board of Directors is tasked with oversight function to ensure the effective implementation of its risk management policy.