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Keppel Offshore & Marine Successfully Concludes its U.S. Deferred Prosecution Agreement

The Company wishes to inform that Keppel Offshore & Marine (“KOM”) has successfully complied with its obligations under the Deferred Prosecution Agreement (“DPA”) entered into with the U.S. Department of Justice (“DOJ”) on 22 December 2017 and that the DPA has accordingly concluded.

The DPA was part of KOM's global resolution with criminal authorities in the United States, Brazil and Singapore in connection to corrupt payments made by KOM's former agent in Brazil. It reflected the DOJ's recognition of Keppel's efforts in cooperating and remediating those issues and provided a 25% credit on fines calculated under the U.S. Sentencing Guidelines. Under the DPA, the DOJ agreed not to take further action against KOM in connection to the bribery scheme or the conduct described in the statement of facts, subject to KOM's payment of the applicable fines and completion of a three-year period of reporting, compliance, and other obligations.

KOM has also been in compliance with its obligations under the Conditional Warning issued by the Corrupt Practices Investigation Bureau (“CPIB”) in Singapore and the Leniency Agreement entered into with the Public Prosecutor's Office in Brazil, Ministério Público Federal. As part of the applicable fines payable under the global resolution, a sum of US\$52,777,122.50 (less any penalties that KOM may pay to specified Brazilian authorities) was payable to CPIB within three years from the date of the Conditional Warning and has been included in accrued expenses since FY 2017. The discussions with the specified Brazilian authorities remain ongoing, and CPIB has agreed to extend this three-year period for a further 12 months until 22 December 2021.

Over the course of the DPA reporting period, Keppel Group continued its remediation efforts and implemented significant compliance enhancements across its businesses. KOM's successful completion of the DPA reflects Keppel Group's ongoing commitment to ethics, integrity, and robust controls in all its business operations. In 2019, KOM successfully achieved global certification for the ISO 37001 Anti-Bribery Management System, and Keppel is progressively implementing the same standard throughout the Group.

Dr Lee Boon Yang, Chairman of Keppel Corporation, said, “Keppel has zero tolerance for corruption. Since the allegations first emerged, we have put in place stricter controls and embedded best practices across the Group. Following the global resolution in 2017, we continued to enhance our compliance measures, including through comprehensive training, setting the tone from the top, tightening policies, and attaining the relevant certification, as we sought to build a strong culture of compliance. Keppel's Whistle-Blower Policy was also enhanced to encourage reporting in good faith of suspected reportable conduct. We will continue to take all necessary steps and to ensure that such incidents are not repeated.

23 December 2020