

Keppel Pacific Oak US REIT

(Constituted in the Republic of Singapore pursuant to a trust deed dated 22 September 2017 (as amended))

RESPONSE TO SGX-ST'S QUERIES ON KEPPEL PACIFIC OAK US REIT'S ANNUAL REPORT

Keppel Pacific Oak US REIT Management Pte. Ltd., as manager of Keppel Pacific Oak US REIT (the "**Manager**") sets out its response to the queries raised by the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") on 7 April 2022 in relation to Keppel Pacific Oak US REIT's Annual Report for the financial year ended 31 December 2021 ("**Annual Report**"), as follows:

SGX-ST Query on 7 April 2022:

We refer to page 140 of Keppel Pacific Oak US REIT's Annual Report and note that, "The ARC also reviewed the independence and performance of the internal audit function and was satisfied that the internal audit team was independent, adequately resourced to perform its functions, and had appropriate standing within KORE and the Manager."

Listing Rule 1207(10C) requires the Audit Committee's comments on whether the internal audit function is independent, effective and adequately resourced. Accordingly, please provide the Audit Committee's comments on Listing Rule 1207(10C), in particular on whether the internal audit function is effective.

Manager's Response:

The Audit and Risk Committee had reviewed the independence and performance of the internal audit function and in accordance with Listing Rule 1207(10C), was satisfied that the internal audit team was independent, effective and adequately resourced to perform its functions, and had appropriate standing within Keppel Pacific Oak US REIT and the Manager.

SGX-ST Query on 7 April 2022:

Listing Rule 710 requires issuers to explicitly state, when deviating from the provisions prescribed in the Code, an explanation on how the practices it had adopted are consistent with the intent of the relevant principle. We note that the Company had not complied with Provisions 8.1(a) of the Code of Corporate Governance 2018 (the "**Code**") with regards to the disclosure of remuneration, and there were no explanations provided for in your 2021 annual report on how it is consistent with the intent of Principle 8 of the Code. Please clarify how the practices the Company had adopted are consistent with the intent of Principle 8 of the Code, which requires transparency on the Company's remuneration policies, level and mix of remuneration, the procedure for setting remuneration and the relationships between remuneration, performance and value creation.

Manager's Response:

The explanation on non-compliance can be found on page 138 of Keppel Pacific Oak US REIT's annual report and is set out below:

"In order not to hamper the Manager's efforts to retain and nurture its talent pool and given the highly competitive conditions in the REIT industry where poaching of senior management is commonplace, the Manager is disclosing the remuneration of the CEO and key management personnel in bands of S\$250,000, and is not disclosing the aggregate total remuneration paid to the top five key management personnel. The Manager is of the view that such disclosure or non-disclosure (as the case may be) will

not be prejudicial to the interests of Unitholders as (i) the NRC, which comprises a majority of independent directors, conducted reviews of the Manager's remuneration policies and packages; and (ii) sufficient information is provided on the Manager's remuneration framework to enable Unitholders to understand the link between the remuneration paid to the CEO and its key management personnel, and performance as set out on pages 136 to 139."

The Manager confirms that this is consistent with the intent of Principle 8 of the Code.

By Order of the Board
Keppel Pacific Oak US REIT Management Pte. Ltd.
(Company Registration Number: 201719652G)
as manager of Keppel Pacific Oak US REIT

Darren Tan
Company Secretary
11 April 2022