

# KENNEDY-WILSON HOLDINGS, INC.

## CORPORATE GOVERNANCE GUIDELINES

These Corporate Governance Guidelines reflect current policies of the Board of Directors for the governance of Kennedy-Wilson Holdings, Inc. and its subsidiaries (the “**Company**”). These guidelines will be subject to periodic review by the Board of Directors.

### **Director Responsibilities**

The business and affairs of the Company are managed by or under the direction of the Company’s Board of Directors (the “**Board**”) in accordance with Delaware law. The Board’s responsibility is to provide direction and oversight. The Board establishes the strategic direction of the Company and oversees the performance of the Company’s business and management. The management of the Company is responsible for presenting strategic plans to the Board for review and approval and for implementing the Company’s strategic direction. In performing their duties, the primary responsibility of the directors is to exercise their business judgment in the best interests of the Company and its stockholders.

All directors should make every effort to attend meetings of the Board and the Board committees of which they are members and all annual and special meetings of stockholders. Attendance by telephone or video conference may be used to facilitate a director’s attendance. Directors should also review the materials provided by management and advisors in advance of the meetings of the Board and its committees and should arrive prepared to discuss the issues presented.

### **Director Qualification Standards**

It is the policy of the Company that the Board shall consist of the number of independent directors required by the New York Stock Exchange (“**NYSE**”) listing standards and any other law or regulation applicable to the Company.

A majority of the directors must be independent directors under Section 303A.01 of the listing standard of NYSE. Section 303A.02 of the NYSE listing standards provides that no director can qualify as independent unless the Board affirmatively determines that the director has no material relationship with the listed company. The Board has adopted the following standards in determining whether or not a director has a material relationship with the Company and these standards are:

- No director who is an employee or a former employee of the Company can be independent until three years after termination of such employment.
- No director who is, or in the past three years has been, affiliated with or employed by the Company’s present or former independent auditor can be independent until three years after the end of the affiliation, employment or auditing relationship.
- No director can be independent if he or she is, or in the past three years has been, part of an interlocking directorship in which an executive officer of the Company serves on the compensation committee of another company that employs the director.

- No director can be independent if he or she is receiving, or in the last three years has received, more than \$120,000 during any 12-month period in direct compensation from the Company, other than director and committee fees and pension or other forms of deferred compensation for prior service (provided such compensation is not contingent in any way on continued service).
- Directors with immediate family members in the foregoing categories are subject to the same three-year restriction.
- No director can be independent if he or she is a current employee, or an immediate family member is a current executive officer, of a company that has made payments to, or received payments from, the Company for property or services in an amount which, in any of the last three fiscal years, exceeds the greater of \$1 million, or 2% of such other company's consolidated gross revenues.

Based on these independence standards and all of the relevant facts and circumstances, the Board shall affirmatively determine whether each director has any material relationship with the Company that would cause the director not to be independent under Section 303A.02 of the listing standards of NYSE and any other law or regulation applicable to the Company.

The Lead Independent Director will be responsible for calling separate meetings of the independent directors, determining the agenda and serving as chairperson of meetings of independent directors, reporting to the Chairman regarding feedback from executive sessions, and performing such other responsibilities as may be designated by a majority of the independent directors from time to time. If a Lead Independent Director is appointed, his or her identity will be disclosed in the Company's annual proxy statement or published on the investors relations page of the Company's website.

The Nominating Committee shall assess, develop and communicate with the full Board concerning the appropriate criteria for nominating and appointing directors as provided for in its charter.

### **Circumstances that May Adversely Reflect Upon the Director or the Company**

When a director, including any director who is currently an officer or employee of the Company, becomes aware of circumstances that may adversely reflect upon the director, any other director, or the Company, the director should notify the Nominating Committee of such circumstances. The Nominating Committee will consider the circumstances, and may in certain cases request the director to cease the conflicting activity, or in more severe cases, request that the director submit his or her resignation from the Board if, for example, continuing service on the Board by the individual is not consistent with the criteria deemed necessary for continuing service on the Board.

### **Conflicts of Interest**

Directors are expected to avoid any action, position or interest that conflicts with the interests of the Company or gives the appearance of a conflict. If an actual or potential conflict of interest develops, the director will report all facts regarding the matter to the chairperson of the Audit Committee of the Board (the "**Audit Committee**"). If a director has a personal interest in a

matter before the Board, the director must disclose the interest to the Board, excuse himself or herself from discussion, and abstain from voting, on the matter.

### **Board Access to Management and Independent Advisors**

Directors shall have complete access to the Company's management and may meet individually with members of management at any reasonable time. Management will provide information requested by directors. Directors will use discretion to avoid any undue burden on management or distraction from their duties with the Company. As necessary and appropriate, the Board and its committees may retain, at the Company's expense, such independent counsel or other advisors as they deem necessary and pursuant to the guidelines set forth in their applicable charter.

The independent non-employee directors will meet in executive sessions without management directors or management present on a regular basis.

### **Committee Matters**

#### **Number, Name, Responsibilities and Independence of Committees**

The Board currently has four standing committees: the Audit Committee, the Compensation Committee, the Nominating Committee, and the Capital Markets Committee. The Audit Committee, Compensation Committee and Nominating Committee are each composed of independent directors. The Capital Markets Committee is composed of a majority of independent directors. From time to time, the Board may form or disband an ad hoc or standing Board committee, depending upon the circumstances. Each committee will perform its duties as assigned by the Board in compliance with the Bylaws and the committee's charter.

#### **Assignment and Rotation of Committee Members**

Based on the recommendation of the Nominating Committee, the Board appoints committee members and committee chairpersons in accordance with applicable law and according to criteria set forth in the applicable committee charter and other criteria that the Board determines to be relevant to the responsibilities of each committee. Committee membership and the position of committee chairperson will not be rotated on a mandatory or regular basis unless the Board determines that rotation is in the best interest of the Company.

#### **Frequency of Committee Meetings and Agendas**

The committee chairpersons and appropriate members of management, in accordance with the committee's charter and, as appropriate, in consultation with the committee members, will determine the frequency and length of the committee meetings and develop the meeting agendas. Committee chairpersons will summarize committee discussions and actions with the full Board.

#### **Committee Charters**

Each committee will periodically review its charter and recommend to the Board any changes it deems necessary.

#### **Confidentiality**

The proceedings and deliberations of the Board and its committees are confidential and each director must maintain the confidentiality of information received in connection with his or her service as a director.

### **Director Compensation**

The Compensation Committee has the responsibility to determine and recommend to the Board the compensation and benefits for non-employee directors in accordance with the guidelines provided for in its charter.

### **Equity Ownership Guidelines**

The Board expects all executive officers and non-employee directors to own a meaningful equity interest in the Company to more closely align the interests of directors and executive officers with those of stockholders. Accordingly, the Company has established equity ownership guidelines as follows:

*Definition of Ownership.* For purposes of these guidelines, the term “**Company common shares**” shall include (a) any class of equity securities of the Company, whether held directly or indirectly or by or for the benefit of immediate family members; (b) by trusts for the benefit of such person or such person’s immediate family members; (c) in a 401(k) plan, IRA or employee equity purchase or deferred compensation plan; and (d) vested and unvested shares of restricted stock, but shall exclude (x) stock options; whether exercisable or unexercisable; (y) unearned performance-based restricted stock; and (z) warrants and all other forms of derivative securities. The determination of compliance with these guidelines shall be made as of December 31 of each year.

*Guidelines for Executive Officers.* Each of the executive officers shall be required to hold Company common shares having a value equal to a multiple of the officer’s then current base salary. The value of an officer’s equity ownership shall be calculated by multiplying (i) the sum of the number of the Company’s common shares which are owned by the officer by (ii) the average closing price of the Company’s common shares for the 15 trading days prior to the date of computation. The following are the minimum multiples of current base salary for the designated officer:

<b>Executive</b>	<b>Ownership Multiple</b>
Chairman and Chief Executive Officer	10.0x
Chief Financial Officer	3.0x
President and Chief Executive Officer, Kennedy Wilson Europe	4.0x
Executive Vice President, General Counsel	3.0x
Executive Vice President (Named Executive Officer)	3.0x
Other Executive Officers	1.5x

*Guidelines for Non-employee Directors.* Each non-employee director shall be required to hold a fixed number of the Company’s common shares equal to three times the annual cash retainer. The value of a director’s equity ownership shall be calculated by multiplying (i) the sum of the number of the Company’s common shares which are owned by the director by (ii) the average closing price of the Company’s common shares for the 15 trading days prior to the date of computation.

*Grace Period.* The executive officers and non-employee directors shall have a grace period ending on the later of December 31, 2020 or on December 31 of the year in which the fifth anniversary of the executive officer and non-employee director's appointment or first election to the Board. At the end of the grace period and on each December 31 thereafter, if the executive officer or non-employee director does not hold shares with the requisite minimum equity ownership value, the person will be required to hold all vested equity grants on an after-tax basis until the required ownership level has been satisfied.

### **Board Service on Other Boards**

Directors should advise the Nominating Committee of any invitations to join the board of directors of any other public company prior to accepting the directorship and the Nominating Committee will determine whether such service may affect a director's eligibility to continue serving on the Board. The Board, through the Nominating Committee, will have the opportunity to review the appropriateness of the continued service of a director who changes the role, position or areas of responsibility that he or she held when he or she was elected to the Board.

Service on other boards and/or committees should be consistent with the Company's conflict of interest policies set forth below.

### **Management Succession**

The Compensation Committee will review and assist the Board in developing succession plans for the executive officers and other appropriate management personnel. The Chief Executive Officer will ensure that the Board has opportunities to become acquainted with the senior officers of the Company and others who may have the potential to handle significant management positions.

### **Annual Performance Evaluation of the Board**

The Nominating Committee shall oversee an annual review of the performance of the full Board. Each committee of the Board shall conduct an annual self-evaluation as provided for in its respective charter.

### **Director Orientation and Continuing Education**

Management, working with the Nominating Committee, shall provide an orientation process for new directors, including background material on the Company and its business. As appropriate, management and the Nominating Committee shall prepare additional educational sessions for directors on matters relevant to the Company and its business.

### **Capital Markets Activities**

The purpose of the Capital Markets Committee is to provide assistance to the Board in monitoring and overseeing the policies and activities of the Company and its subsidiaries relating to the Company's capital markets activities, including equity and debt offerings. In discharging its responsibilities and duties, among other things, the Capital Markets Committee: (i) reviews management's plans and recommendations with respect to public equity and debt offerings and recommends any actions to be taken by the Board that it deems advisable and in the best interests

of the Company, (ii) reviews management's plans and recommendations with respect to corporate mergers and acquisitions and recommends any actions to be taken by the Board that it deems advisable and in the best interests of the Company; and (iii) unless otherwise specified by the Board, acts as the pricing or special committee for all public equity and debt offerings to be undertaken by the Company or acts as the transaction committee for all corporate mergers and acquisition transactions to be taken by the Company.

### **Stakeholder-Director Communications**

The Board believes that stockholders should have an opportunity to send communications to the Board and it is important for the Company to speak to its employees and outside constituencies with a unified voice. The Board believes that senior management should serve as the primary spokesperson for the Company and that directors and senior management will seek to maintain an open dialogue with stakeholders on matters of significance to the Company.

Any communication from a stockholder to the Board generally or to a particular director should be in writing and should be delivered to the General Counsel by registered or overnight mail at the principal executive office of the Company. Each communication should set forth (i) the name and address of the stockholder, as it appears on the Company's books, and if the Company's common stock is held by a nominee, the name and address of the beneficial owner of the Company's common stock, and (ii) the class and number of shares of the Company's common stock that are owned of record by the record holder and beneficially by the beneficial owner.

The General Counsel or the Legal Department will, in consultation with appropriate directors as necessary, generally screen communications from stockholders to identify communications that (i) are solicitations for products and services, (ii) relate to matters of a personal nature not relevant for the Company's stockholders to act on or for the Board to consider or (iii) matters that are of a type that render them improper or irrelevant to the functioning of the Board or the Company.