

CORPORATE GOVERNANCE

The Board of Jardine Cycle & Carriage believes that good corporate governance is integral to the Company's success. It has put in place corporate governance policies, practices and terms of reference for the Board, Audit Committee, Nominating Committee and Remuneration Committee, closely in line with the principles prescribed by the Code of Corporate Governance 2018 ("Code"). These are constantly reviewed and refined in line with changing requirements.

This report describes the corporate governance practices of the Company for the financial year ended 31st December 2019 ("2019"). The Company has complied in all material aspects with the principles and guidelines of the Code.

BOARD RESPONSIBILITIES

SIZE, COMPOSITION AND INDEPENDENCE

The Board in 2019 comprised 12 directors, seven of whom, being the majority, were independent directors. Among the non-independent directors, there were two executive directors and three non-executive directors.

No alternate director has been appointed to the Board.

Director	Board Position	Status
Benjamin Keswick	Chairman	● ●
Boon Yoon Chiang ¹	Deputy Chairman	● ●
Mark Greenberg	Member	● ●
Alexander Newbigging/ Benjamin Birks ²	Member	● ●
Adrian Teng/ Stephen Gore ³	Member	● ●
Hassan Abas ⁴	Member	● ●
Michael Kok	Member	● ●
Mrs Lim Hwee Hua	Member	● ●
Vimala Menon	Member	● ●
Dr Marty Natalegawa	Member	● ●
Anthony Nightingale	Member	● ●
Steven Phan ⁵	Member	● ●
Chang See Hiang ⁶	Member	● ●

1. Retired on 31st December 2019

2. Alexander Newbigging was Group Managing Director up to 30th September 2019 and was succeeded by Benjamin Birks on 1st October 2019

3. Adrian Teng was Group Finance Director up to 31st March 2019 and was succeeded by Stephen Gore on 1st April 2019

4. Lead Independent Director

5. Appointed on 25th April 2019

6. Retired on 26th April 2019

Key for Status

● Non-executive ● Executive ● Non-independent ● Independent

SEPARATE CHAIRMAN AND GROUP MANAGING DIRECTOR (CEO)

The Chairman of the Board is a separate role from that of the Group Managing Director and both roles are held by different individuals who are not related to each other. In 2019, the Chairman of the Board was Benjamin Keswick and the Group Managing Director was Alexander Newbigging up to 30th September and he was then succeeded by Benjamin Birks on 1st October 2019.

There is a clear division of responsibilities between the two roles to ensure effective oversight, an appropriate balance of power, increased accountability and more independent decision making. The Group Managing Director is the chief executive officer of the organisation who manages the day-to-day business operations of the Company in accordance with the strategies, budgets and plans approved by the Board. The Chairman occupies a non-executive position, leads the Board and oversees all of its functions to ensure that the Board performs effectively in its role.

LEAD INDEPENDENT DIRECTOR

Since the Chairman is not an independent director, a lead independent director, Hassan Abas, has been appointed to provide shareholders with an independent channel for contact with the Company.

BOARD COMPETENCIES

The Board, with the assistance of the Nominating Committee, continually ensures that there is an adequate mix of competencies among its members to meet its responsibilities and effectively lead the Company.

The nature of the Company's business is that of investment holding in diversified market-leading businesses across Southeast Asia. Its investment strategy is focused on urbanisation and the emerging consumers in the region. It has an established regional automotive presence and strategic interests across a wide range of non-automotive businesses in key Southeast Asian economies such as Indonesia, Vietnam and Thailand.

Several of the Company's directors are experienced in managing automotive and consumer-based businesses whilst others have expertise in the fields of investments and economics. Besides these core competencies, the board members also have a variety of skills and track record that are critical to overseeing the Company's businesses such as in the areas of accounting, finance, human resource, legal, strategic planning, customer-based experience, international relations and national policies. Collectively, they represent a Board that is

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experienced and adept in dealing with investments in public-listed and multi-regional operations. Please refer to pages 27 to 30 of this Annual Report for details of the directors' professional backgrounds.

BOARD DIVERSITY POLICY

The Company believes that diversity is an important attribute of a well-functioning and effective Board. It has accordingly embraced diversity on the Board and Board Committees for many years, as evidenced by the diversity of its members who hail from different professional and business backgrounds, as well as gender, ethnicity, geography and age, and length of service on the Board.

The Company remains committed to maintaining and enhancing this diversity, and has set this out in the Board's Diversity Policy.

The Company believes that a Board which has the appropriate balance and mix of diversity will enhance the Board's decision-making and the Company's performance.

Under the policy, the Nominating Committee ("NC") of the Company leads the process of Board succession planning, appointment and re-appointment of directors and makes its recommendations to the Board accordingly. It continually reviews and ensures that there is an adequate mix of competencies among the Board members in terms of skills, knowledge and experience to meet the Board's responsibilities and effectively lead the Company. Other important aspects of diversity such as gender, age, ethnicity, geographical background, nationality and tenure of service on the Board will also be considered in determining the optimum composition of the Board and to ensure a range of viewpoints. Where relevant, objectives may be set and tracked.

In line with this, the NC will strive to consider candidates from a diversity of groups and backgrounds. All director appointments will ultimately be made based on merit, having due regard to the overall balance and effectiveness of the Board and the benefits of Board diversity for the Company.

The NC will monitor the implementation of this policy and report annually on the Board's composition in terms of diversity. It will also review the effectiveness of this

policy as appropriate, and will discuss and recommend any changes to the Board, as appropriate.

ORIENTATION PROGRAMME FOR NEW DIRECTORS

Each new director who joins the Board undergoes a comprehensive orientation programme that includes introduction and briefing sessions by the Group Managing Director and the heads of the various key functions and business units, including finance and legal. Besides being briefed on the Company's businesses, the new director will also receive a formal appointment letter and information regarding his or her duties as a director of a listed company and how to discharge those duties. For first-time directors, the Company will tailor a programme that will include training under the Singapore Institute of Directors' Listed Company Director Programme, which is the training prescribed by the Singapore Exchange.

BOARD DUTIES AND RESPONSIBILITIES

The Board has adopted a comprehensive set of Terms of Reference defining its roles and responsibilities:

- (i) **Strategy, Planning and Sustainability**
The Board provides entrepreneurial leadership and sets strategic objectives which include appropriate focus on value creation, innovation and sustainability. It ensures that the necessary resources are available to meet these objectives.
- (ii) **Risk Management and Internal Control Systems**
The Board works with management to oversee the business and affairs of the Company and to safeguard the interests of the Company and its shareholders. It is responsible for the governance of risk and ensures that the Company has adequate and effective systems of internal controls (including financial, operation, compliance and information technology controls) and risk management, including regularly reviewing risk management and internal audit reports. Please refer to the Risk Management and Internal Control Systems section on page 42 for further details.

(iii) Measuring and Monitoring Performance

The Board ensures proper financial reporting, and reviews the Company's results announcements prior to their release to ensure that they present a balanced and understandable assessment of the Company's performance, position and prospects. The Board receives monthly management accounts and information which enables it to make a balanced and informed assessment throughout the year.

The Board also constructively challenges and reviews the performance of management, who is accountable to the Board.

(iv) Remuneration of Directors and Key Management Personnel

The Board is responsible for reviewing and approving the remuneration framework for the Board and key management personnel. Please refer to page 41 for further details.

(v) Transactions Requiring Approval from the Board

The Board reviews and approves important matters which have been specifically reserved for its approval. These include acquisitions, disposals, capital expenditure, lease commitments, financial assistance, capital investment, bank facilities and derivative transactions which are material in nature as per the specified limits. The Board also approves the operating plan and budget. To safeguard the Company's and the shareholders' interests, there are internal guidelines on financial authorisation and approval limits for various operational matters. Significant matters and material transactions exceeding the threshold limits are referred to the Board for review and approval, including major and discloseable transactions as referred to in the Listing Manual of the Singapore Exchange Securities Trading Limited (the "Listing Manual"). Matters below the threshold limits are approved by the various levels of management according to the applicable financial authority limits.

(vi) Succession Planning

The Board provides for succession planning of key management personnel, the appointment and

re-appointment of directors and the progressive renewal of the Board. Please refer to the Board Succession Planning, Appointments and Re-elections section on pages 37 to 38 and Key Management Succession Planning section on page 39 for further details.

(vii) Company's Ethical Values and Code of Conduct

The Board instils an ethical corporate culture and sets the Company's values and standards of doing business (including ethical standards and code of conduct) and ensures proper accountability within the Company.

(viii) Shareholders' Rights and Engagement

The Board ensures that the Company facilitates the exercise of ownership rights by all shareholders. Please refer to the Rights of Shareholders section (which includes the Dividend Policy) on pages 45 to 46 for further details.

The Board is responsible for establishing an investor relations policy for regular engagement and fair and effective communication with shareholders. Please refer to the Investor Relations, Medium of Communication and Results Briefings section on page 49 for further details.

(ix) Engagement of Stakeholders

In ensuring that the best interests of the Company are served, the Board also ensures that the needs and interests of the Company's material stakeholders are taken into consideration and that arrangements are in place to manage them. Please refer to the Engagement with Stakeholders section on page 48 for further details on the key areas of focus.

BOARD AND COMMITTEE MEETINGS AND ATTENDANCE

The Board met regularly every quarter to deliberate upon and approve the matters as set out under the Duties and Responsibilities section above.

Board and Committee	Number of meetings in 2019
Board (4 Board meetings inclusive of 1 Board strategy meeting)	4
Audit Committee	4
Nominating Committee	1
Remuneration Committee	2

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Please see below for the individual director's attendance at the Board and committee meetings and Annual General Meeting ("AGM"):

Director	No. of meetings in 2019 attended / held whilst in office				
	Board	AGM	Audit Committee	Nominating Committee	Remuneration Committee
Board and Committee					
Benjamin Keswick (<i>Chairman of the Board</i>)	4 / 4	1	–	1 / 1	2 / 2
Boon Yoon Chiang	4 / 4	1	4 / 4	–	–
Mark Greenberg	4 / 4	1	3 / 4	–	–
Alexander Newbigging (<i>Group Managing Director up to 30th September 2019</i>)	3 / 3	1	3 / 3 [#]	1 / 1 [#]	1 / 1 [#]
Benjamin Birks (<i>Group Managing Director from 1st October 2019</i>)	2 / 2	–	1 / 1 [#]	–	1 / 1 [#]
Adrian Teng (<i>Group Finance Director up to 31st March 2019</i>)	1 / 1	–	1 / 1 [#]	–	–
Stephen Gore (<i>Group Finance Director from 1st April 2019</i>)	3 / 3	1	3 / 3 [#]	–	–
Hassan Abas (<i>Remuneration Committee Chairman & Lead Independent Director</i>)	4 / 4	1	4 / 4	1 / 1	2 / 2
Michael Kok	3 / 4	1	–	–	1 / 2
Mrs Lim Hwee Hua ¹ (<i>Nominating Committee Chairperson</i>)	3 / 4	1	3 / 4	1/1	–
Vimala Menon (<i>Audit Committee Chairperson</i>)	4 / 4	1	4 / 4	–	–
Dr Marty Natalegawa	4 / 4	1	–	–	–
Anthony Nightingale	4 / 4	1	–	–	–
Steven Phan	3 / 3	1	3 / 3	–	–
Chang See Hiang ²	2 / 2	1	2 / 2	–	1 / 1

Attended not as a member but on ex officio basis.

1. Became Nominating Committee Chairperson from 26th April 2019.

2. Was Nominating Committee Chairman up to 26th April 2019. Retired from the Board on 26th April 2019.

For 2019, the dates of all Board and committee meetings and the AGM were scheduled a year in advance to allow the directors to plan ahead. The Company's Constitution allows directors to participate in meetings via teleconferencing or video conferencing.

BOARD'S ACCESS TO ADEQUATE AND TIMELY INFORMATION

In order to fulfil their duties, directors have access to adequate and timely information provided by management, including monthly management accounts.

For Board and committee meetings, all directors are provided with a detailed agenda and papers which contain related materials, background and explanatory information on each agenda item. Where budgets are concerned, the paper will also address any material variances between the projections and actual results. Minutes of previous Board and committee meetings are also sent to every member of the Board or committee, respectively.

The meeting agenda and papers are generally made available to the directors at least a week before the scheduled regular meetings to allow adequate preparation time. The materials are digitally available on a secure site which can be conveniently accessed at any time via

handheld devices. Printed copies are also provided for those who prefer them.

Outside of the regular meetings, the Board or committees would pass decisions via circular resolutions on *ad hoc* matters as warranted by circumstances. In such cases, Board and committee papers will be circulated to the directors, giving full information regarding the matter, and management will be available to answer any questions which a director may have.

Management acknowledges that should the information provided in the Board and committee papers be not sufficient for the Board to make a decision on a particular matter, it is the Board's duty to question and challenge management as part of its oversight function. The Group Managing Director, Group Finance Director and the Company Secretary who is also the Group General Counsel, are therefore present at Board and Audit Committee meetings to provide further information or address queries. The Group Managing Director also attends every Nominating and Remuneration committee meeting. Management makes available other senior executives at the meetings where the situation warrants. Management also ensures that it is separately and independently accessible to the Board at other times to address queries and provide timely additional information.

In addition, the Board has separate and independent access to the Company Secretary and other members of senior management. It is also empowered to seek independent professional advice as considered necessary, at the Company's expense.

BOARD TRAINING

During 2019, the directors received regular training and education on areas such as accounting standards and issues which had a direct impact on financial statements, directors' duties and responsibilities, corporate governance, reporting and disclosure requirements, Companies Act, continuing listing obligations, risk management and relevant business trends and geopolitical topics. The training was done via updates and presentations by management, the auditors, consultants or a Board member knowledgeable about a particular subject matter, as well as through specially-written Board papers on such topics.

BOARD COMMITTEES

To assist it in the discharge of its responsibilities, the Board has established the following committees and delegated specific authority to them whilst retaining overall oversight:

- Nominating Committee
- Remuneration Committee
- Audit Committee

From time to time, the Board also establishes *ad hoc* committees to look into specific matters for operational efficiency.

NOMINATING COMMITTEE

The members of the Nominating Committee in 2019 were as follows:

Director	Position	Status
Mrs Lim Hwee Hua ¹	Chairperson	Independent director
Chang See Hiang ²	Chairman	Independent director
Hassan Abas	Member	Lead independent director
Dr Marty Natalegawa ³	Member	Independent director
Benjamin Keswick	Member	Non-independent director

1. Became Chairperson on 26th April 2019

2. Retired from the Board on 26th April 2019

3. Joined the Committee on 26th April 2019

The majority of the Nominating Committee was independent and it was chaired by an independent director. It also met the minimum size requirement of three members.

BOARD SUCCESSION PLANNING, APPOINTMENTS AND RE-ELECTIONS

The Nominating Committee leads the process of Board succession planning, appointment and re-appointment of directors of the Company and makes its recommendations to the Board accordingly.

One of the cornerstones of the Board's effectiveness and the Company's success is the relative stability of the Board's composition over the years. Longer-serving Board members amass valuable knowledge of the Group's businesses and are able to provide strategic direction and oversee management's performance in the medium to long-term. Succession planning at the Board level takes this critical factor into account. Board renewal is carried out progressively with the addition of carefully selected new members every few years.

For new appointments, the candidate is identified via a recommendation by a Board member or management, or sourced through the Company's extensive network of contacts or through external support like search consultants. The candidate should have the requisite skills in one or more of the core competencies of accounting, finance, human resource, legal, strategic planning, customer-based experience, international relations or national policies, and with experience in Southeast Asia. Additional factors such as integrity and ability to make independent and sound decisions will be considered. Once identified, a shortlisted candidate will undergo interviews and his or her resume will be presented to the Nominating Committee for assessment of suitability and potential contribution to the Board. If found to be suitable, the Nominating Committee will nominate the candidate to the Board for approval.

The Nominating Committee also makes recommendations to the Board on the annual re-election of the directors, taking into account the Board's succession plan. Other factors such as attendance, preparedness, participation and candour during meetings are also considered in the process.

All newly appointed directors are subject to re-election by shareholders at the next AGM. For existing directors, at least one-third of them, including the Group Managing Director and the Group Finance Director, are required to retire by rotation and submit themselves for re-election at each AGM. This means that each director would be submitting himself or herself for re-election about once every three years.

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At the upcoming AGM, Mark Greenberg, Vimala Menon, Anthony Nightingale and Michael Kok will retire pursuant to the one-third rotation rule. All of the retiring directors, will be submitting themselves for re-election. Their names are reflected in the notice of annual general meeting and key information about them can be found on pages 27 to 30, 54 to 55 and 167 to 169 of the Annual Report.

INDEPENDENT DIRECTORS

The Nominating Committee is responsible for assessing the independence of the non-executive directors annually, and submits its assessment to the Board for the Board's consideration and declaration of the directors' independence.

In 2019, the Board considered a director to be independent if he or she was independent in conduct, character and judgement, and had no relationship with the Company, its related corporations, its substantial shareholders (i.e., having at least a 5% interest in the Company) or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the director's independent business judgement in the best interests of the Company. Where any of the following circumstances existed, the director would not be considered independent: (i) a director being employed by the Company or any of its related corporations for the current or any of the past three financial years, or (ii) a director who has an immediate family member who is, or has been in any of the past three financial years, employed by the Company or any of its related corporations and whose remuneration is determined by the Remuneration Committee.

The directors were asked to declare if there existed such a relationship or circumstances. Apart from these, they were also asked to assess if there existed any circumstances, relationships or other salient factors by reason of which they would consider themselves to be not independent vis-à-vis the Company.

A director who was employed by a related corporation of the Company was not considered to be independent under the Listing Manual. The Board concurred with the Nominating Committee and considered Benjamin Keswick, Boon Yoon Chiang and Mark Greenberg as non-independent directors as they were senior executives of the Jardine Matheson Group, the 75% shareholder of the Company.

The Board concurred with the Nominating Committee and considered the remaining eight directors, namely Hassan Abas, Chang See Hiang, Anthony Nightingale, Mrs Lim Hwee Hua, Dr Marty Natalegawa, Michael Kok, Vimala Menon and Steven Phan to be independent according to the requirements under the Code and the Listing Manual.

Four of the independent directors had served on the Board beyond an aggregate of nine years from their date of first appointment. They were Hassan Abas, Chang See Hiang, Anthony Nightingale and Vimala Menon. These directors were subjected to particularly rigorous review with extra considerations as set out below, and the Board concurred with the Nominating Committee's findings that all of them fulfilled these considerations:

- whether the director actively participated in deliberations and spoke out (when necessary) to question management's ideas and proposals to avoid a "group-think" situation;
- whether the director considered himself or herself to be an independent director of the Company and was free of material business or financial connection with the Company;
- whether the director had demonstrated independent character and judgement despite his or her long tenure on the Board;
- whether the director had demonstrated attributes which helped provide effective oversight of management, namely, a detailed knowledge of the Company's business and proven commitment, experience and competence; and
- whether the Company would continue to benefit from the experience and knowledge of the director, taking into account the personal attributes, skills and competency of these directors in relation to the current and future needs of the Board.

BOARD, INDIVIDUAL DIRECTOR AND BOARD COMMITTEE APPRAISALS

Board, Board committees and individual director's appraisals are carried out annually and the process is overseen by the Nominating Committee.

BOARD APPRAISAL

For Board appraisal, there is a set of quantitative and qualitative performance criteria which have remained relatively unchanged year to year.

The quantitative assessment process is carried out annually by an external consultancy firm, Deloitte & Touche Financial Advisory Services Pte Ltd, which does not have any connection with the Company or any of its directors. The criteria are share price performance, return on capital employed and earnings per share.

The Company's information on each of these criteria is compiled by the consultant over a five-year period and for share price performance, additional periods of one, three and 10 years. The information is then benchmarked against the Straits Times Index and the Jakarta Composite Index, and the results are set out in a performance benchmark report.

The qualitative assessment process is an annual self-review exercise completed by each Board member, and the criteria covers various aspects of the Board processes and functions. These include Board structure, conduct of meetings, corporate strategy and planning, risk management and internal control, measurement and monitoring of performance, recruitment and evaluation, compensation, succession planning, financial reporting and communication with shareholders.

INDIVIDUAL DIRECTOR APPRAISAL

Each director performs an annual self-appraisal covering the following assessment criteria: attendance and adequacy of preparation for Board and Board Committee meetings, maintenance of independence and disclosure of related party transactions, contributions in Board decision-making and in the individual's areas of expertise, and generation of constructive debate. The appraisal is designed to encourage the director to reflect on his/her performance and contribution during the course of the year.

BOARD COMMITTEE APPRAISAL

Each Board committee undertakes an annual self-review of its functions and processes, examining areas such as whether the committee has fulfilled its responsibilities as set out in its terms of reference, and whether it met compliance and disclosure requirements. Other assessment criteria includes whether the committee size and mix of skills are appropriate, attendance at meetings, generation of constructive debate, rigour of decision-making and availability of information.

DIRECTORS' TIME COMMITMENT

The Nominating Committee assesses annually whether the Company's directors who have other principal commitments and who serve on multiple boards are able to and have been diligently discharging his or her duties as a director of the Company. In making this determination, the Nominating Committee takes into consideration the results of the director's annual self-appraisal as well as his or her attendance, attentiveness, participation and contribution at Board and Board Committee meetings. The Nominating Committee is satisfied that for 2019, each of the directors gave sufficient time and attention to the affairs of the Company and was able to effectively discharge his or her duties as a director of the Company.

KEY MANAGEMENT SUCCESSION PLANNING

The Board provides for succession planning of key management personnel. This involves identifying talented candidates within the business, and providing training and career planning advice. It is a well thought-out and a deliberate process where talent across the group is developed to ensure proper growth, and exposure is given to the appropriate personnel to prepare them for future roles.

REMUNERATION COMMITTEE

The members of the Remuneration Committee in 2019 were as follows:

Director	Position	Status
Hassan Abas	Chairman	Lead independent director
Chang See Hiang ¹	Member	Independent director
Michael Kok	Member	Independent director
Benjamin Keswick	Member	Non-independent director

1. Retired from the Board on 26th April 2019

The Remuneration Committee consisted entirely of non-executive directors, all but one were independent, and was chaired by an independent director. It met the minimum size requirement of three members.

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EXECUTIVE DIRECTORS' AND SENIOR EXECUTIVES' REMUNERATION

The Remuneration Committee is responsible for reviewing the remuneration of key management personnel and advising the Board on the remuneration framework for executive directors and senior executives. These policies are designed to attract, retain and motivate them to align their interests with the growth of the Company, in order to increase shareholder value.

Several members of the Remuneration Committee are knowledgeable in the field of executive compensation. If necessary, the Remuneration Committee will seek expert advice from consultants on executive compensation matters.

The remuneration for executive directors and key management personnel is structured to link rewards to corporate and individual performance, and consists of both a fixed and variable component. The fixed component comprises salary, provident fund contributions and other allowances. The variable component comprises a performance-based bonus, which is payable on the achievement of individual and corporate performance conditions which are set or refreshed annually. The performance of the executive directors is based on the Board appraisal as described in the earlier section, while those of the key management personnel are based on appraisals done by the executive directors.

INCENTIVE PLANS

Short-term incentive plans have been designed to strengthen the pay for performance framework and to reward participants for the success of the business units and the Group. Performance targets to be met under the short-term incentive plans include annual earnings, which are benchmarked against the budget, and individual qualitative key performance indicators, other than earnings, that focus on short-term and long-term growth, success and profitability.

Individual payments are accorded based on performance targets and objectives set in appraisals. The performance conditions under the plans were reviewed annually to ensure that they were met in respect of any payout for 2019.

The Group does not use any contractual provisions to reclaim incentive components of remuneration from executive directors and key management personnel in exceptional circumstances of misstatement of financial results, or of misconduct resulting in financial loss of the Group.

The Company does not currently operate any share-based incentive plan.

NON-EXECUTIVE DIRECTORS' REMUNERATION

Directors' fees for non-executive directors are determined having regard to best market practice, the level of duties and responsibilities of the directors and the size and diversity of the Group's operations. The directors' fees include board committee membership fees, attendance fees and benefits-in-kind, all of which are approved by shareholders at the AGM.

The non-executive directors' fee structure for 2019 was as follows:

Fees payable per annum (S\$)	Chairman	Member
Board	140,000	70,000
Audit Committee	50,000	25,000
Remuneration Committee	19,000	12,000
Nominating Committee	19,000	12,000

An attendance fee of S\$2,000 per director per day of meeting is payable (capped at one attendance fee per day regardless of the number of meetings attended on that day).

No directors' fees were paid to executive directors.

DISCLOSURE OF REMUNERATION OF DIRECTORS AND KEY MANAGEMENT PERSONNEL

The remuneration of the directors and the top five key management personnel (who are not also directors) of the Company for 2019, including their names, is shown in the following tables, broken down into the various elements in dollar terms and percentages, respectively:

Directors	Directors' fees S\$'000	Base salary S\$'000	Variable bonus S\$'000	Defined benefits/ contribution plans S\$'000	Benefits-in-kind S\$'000	Total S\$'000
Benjamin Keswick	172	–	–	–	–	172
Boon Yoon Chiang	103	–	–	–	3	106
Alexander Newbigging# (ceased office on 30th September 2019)	–	588	2,291	147	671	3,697
Benjamin Birks# (appointed on 1st October 2019)	–	157	438	34	80	709
Adrian Teng# (ceased office on 31st March 2019)	–	329	212	60	311	912
Stephen Gore# (appointed on 1st April 2019)	–	441	629	89	422	1,581
Mark Greenberg	103	–	–	–	–	103
Hassan Abas	134	–	–	–	–	134
Michael Kok	88	–	–	–	–	88
Mrs Lim Hwee Hua	118	–	–	–	–	118
Vimala Menon	128	–	–	–	–	128
Dr Marty Natalegawa	86	–	–	–	–	86
Anthony Nightingale	78	–	–	–	–	78
Steven Phan^	66	–	–	–	–	66
Chang See Hiang*	45	–	–	–	–	45

Executive Director

^ Appointed on 25th April 2019

* Retired on 26th April 2019

Key Management Personnel	Base salary %	Variable bonus %	Defined benefits/ contribution plans %	Benefits-in-kind %	Total %
S\$500,000 to S\$749,999					
Jason Wen	44	52	2	2	100
S\$750,000 to S\$999,999					
Cheah Kim Teck	53	44	1	2	100
Collin Teo	31	65	2	2	100
Jeffery Tan	33	58	1	8	100
S\$1,000,000 to S\$1,499,999					
Eric Chan	35	61	2	2	100

Notes:

- Directors' fees for non-executive directors, including benefits-in-kind, were approved by the shareholders as a lump sum at the Annual General Meeting held in 2019.
- Benefits-in-kind refer to benefits such as car, driver, housing and club membership made available as appropriate.
- The total remuneration of the top five key management personnel for 2019 was S\$4,444,000.
- No stock options or share-based incentives or awards were paid to directors and key management personnel for 2019.

In 2019, there were no Company employees who were immediate family members of a director.

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AUDIT COMMITTEE

The members of the Audit Committee in 2019 were as follows:

Director	Position	Status
Vimala Menon**	Chairperson	Independent director
Hassan Abas**	Member	Lead independent director
Boon Yoon Chiang ¹	Member	Non-independent director
Mark Greenberg [^]	Member	Non-independent director
Mrs Lim Hwee Hua [^]	Member	Independent director
Steven Phan** ²	Member	Independent director
Chang See Hiang ³	Member	Independent director

* Chartered accountant

[^] Expertise in financial management

1. Retired from the Board on 31st December 2019

2. Joined the Committee on 1st July 2019

3. Retired from the Board on 26th April 2019

All the members of the Audit Committee were non-executive directors and the majority of them, including the Chairperson, were independent. The majority of them also have backgrounds in accounting or finance, and three of them, including the Chairperson, are chartered accountants. The Audit Committee exceeded the minimum size requirement of three members. None of the members were former members or directors of the Company's existing auditing firm.

The primary function of the Audit Committee is to help the Board fulfill its statutory and fiduciary responsibilities in relation to the Group's financial reporting, ensuring the integrity of financial statements, reviewing financial and control risks and monitoring of the internal control systems. The Audit Committee has access to management and has the discretion to invite any director or executive officer to attend its meetings, and has access to reasonable resources to enable it to discharge its functions properly.

RISK MANAGEMENT AND INTERNAL CONTROL SYSTEMS

The Board believes in the importance of sound systems of internal control and risk management to safeguard shareholders' interests and the Company's assets as well as to achieve corporate objectives. The Board has overall responsibility for the Group's internal controls and risk management and reviews the adequacy and effectiveness of these control and risk management systems, including financial, operational, compliance and information technology controls.

Management is required to ensure good corporate governance through the implementation and management of policies and procedures relevant to the Group's business scope and environment. Business units are required to conduct a self-assessment exercise and submit to the

Group twice a year, a questionnaire on issues relating to matters of serious concern and significant incidents, code of conduct compliance and adequacy of control framework, and compliance with licences, permits and regulatory requirements. Where required, action plans are developed to remedy identified control gaps. Business units also submit a summary comfort checklist with regards to the adequacy and effectiveness of their systems of internal control and risk management. Such assurances are also sought from the Group's internal and external auditors based on their independent assessments.

For 2019, the Board reviewed the assurances from the Group Managing Director and Group Finance Director on the financial records and financial statements of the Company, and in particular that the records had been properly maintained and that the financial statements gave a true and fair view of the Group's operations and finances. The Group Managing Director and Group Finance Director also gave assurances to the Board that the systems of risk management and internal control in place were adequate and effective in addressing the material risks in the Group in its business environment then.

The Board, with the concurrence of the Audit Committee, was satisfied that adequate and effective internal controls (including financial, operational, compliance and information technology controls) and risk management systems had been in place and met the needs of the Group in its business environment then. The conclusion was based on the internal controls established and maintained by the Group, work performed by the internal and external auditors and reviews performed by management throughout 2019, as well as the assurances from the Group Managing Director and Group Finance Director as mentioned above.

The Board notes that the Group's systems of internal control are designed to manage the Group's risks within an acceptable risk profile, rather than eliminate business risks completely. The Group's internal control and risk management systems provide reasonable but not absolute assurance that the Group will not be materially adversely affected by any event that can be reasonably foreseen and do not provide absolute assurance against material misstatements, the occurrence of material or human errors, poor judgment in decision-making, losses, fraud or other irregularities.

The Company does not have a separate Board risk committee but has in place a risk management programme, under the purview of the Audit Committee, to identify and report on areas of potential business risks, and to recommend counteracting measures to prevent and minimise any loss arising from the business risks identified. This programme is further elaborated upon under the Risk Management Review section on pages 44 to 45.

KEY AUDIT MATTERS

For 2019, the Key Audit Matters ("KAMs") of the Group and the Audit Committee's commentary on them are set out below:

KAM	Audit Committee's Comments
Impairment of investment in an associate - Siam City Cement Public Company Limited ("SCCC")	<p>The Audit Committee reviewed and was satisfied with the reasonableness of management's judgement, assumptions and the methodology used in the impairment review of the Group's investment in SCCC.</p> <p>Following the review and discussions with management and the external auditor, the Audit Committee concurred with management that no impairment charge was required.</p>
Valuation of consumer financing debtors	<p>The Audit Committee reviewed the ageing profiles of the consumer financing debtors and the reasonableness of management's assumptions made and data used in calculating allowance.</p> <p>Following the review and discussions with management and the external auditor, the Audit Committee concurred with the judgement made by management in making the allowance for impairment for the consumer finance debtors and was satisfied that the data used were supportable.</p>

INTERNAL AUDIT

The primary reporting line of the Internal Audit function (excluding Astra) is to the Audit Committee. It provides an independent and objective assurance on internal controls and assists the Audit Committee in reviewing how principal business risks in the Group are evaluated.

The Internal Audit function of the Company is performed by the internal audit team of its holding company, Jardine Matheson. The function is independent of the operating companies of the Group and employs qualified professionals to handle the work in accordance with the prevailing Standards for the Professional Practice of Internal Auditing set by the Institute of Internal Auditors ("IIA").

The Internal Audit function reviews the effectiveness of the internal control systems and management control systems. These reviews are conducted regularly throughout the year in accordance with an agreed plan to ensure material internal controls are in place. The Audit Committee approves the audit plans, and reviews the audit results and follows up on implementation plans. The Audit Committee also evaluates the adequacy, effectiveness, independence and scope of the Internal Audit function.

The Internal Audit function of the Astra group is similar to that mentioned in the preceding paragraph and is performed by the various internal audit units which report to the respective boards of commissioners within the Astra group. The internal audit department of Astra's parent company provides advice and support to these various internal audit units to ensure alignment, adequate coverage and consistent standards. The Audit Committee receives quarterly reports on internal audit plans, audit findings and implementation plans from the Astra group.

EXTERNAL AUDIT

The Audit Committee is primarily responsible for proposing the appointment and removal of the external auditor. It recommends to the Board on any re-appointment of the external auditor, approves its remuneration and terms of engagement, and ensures that Rules 712 and 715 of the Listing Manual are complied with.

The Audit Committee also approves audit plans for the external audit, and reviews the adequacy, effectiveness, independence, scope and results of the external audit. It meets with the external auditor to discuss significant accounting and auditing issues arising from its audit, other audit findings and recommendations.

The Audit Committee meets with both internal and external auditors annually without the presence of management to discuss matters that the Audit Committee or auditors believe should be discussed privately.

REVIEW OF RESULTS ANNOUNCEMENTS

Prior to the completion and announcement of the quarterly and full year results, the Audit Committee and the senior management review the Group's financial information to ensure that it is properly presented and that appropriate accounting policies have been applied in the preparation of financial information.

The Audit Committee serves as an independent party to review financial information prepared by the management for shareholders, as well as the channel of communication between the Board and external auditors.

CORPORATE GOVERNANCE

NON-AUDIT SERVICES BY EXTERNAL AUDITORS

The Audit Committee reviewed the range and value of non-audit services provided by the external auditors of the Group and was satisfied that the provision of such services had not affected the independence of the external auditors.

The breakdown of the 2019 fees is as follows:

	US\$m
Total fees for audit services	10.0
Total fees for non-audit services	1.8
Total fees	11.8

The Company has complied with Rules 712 and 715 of the Listing Manual with regards to the auditing firms.

RISK MANAGEMENT REVIEW

The Group has a formal risk management process to identify, evaluate and manage significant risks impacting the Group. The process is supported by detailed procedures, methodologies, evaluation criteria and documentation requirements with the aim of ensuring clarity and consistency of application across the Group. These procedures and methodologies are regularly reviewed to include new elements that aim at enhancing the reporting process in order to make it more comprehensive, of greater value to the Audit Committee and in line with current best practices.

Management is required to comprehensively identify and assess significant risks in terms of the likelihood of occurrence, financial impact and velocity. Management is also required to identify and evaluate the adequacy and implementation of mechanisms to manage, mitigate, avoid or eliminate these risks. The status of the residual risks are then rated accordingly. The process encompasses assessments and evaluations at business unit level before being examined at the Group level.

The risk registers are updated biannually and a Risk Management Report is presented to the Audit Committee on the significant risks, measures taken by management to address them and residual risk exposures impacting the Group. Included in the report are considerations such as likelihood of occurrence, financial impact, velocity and impact ratings. Risks are also classified into various categories, such as reputational or financial.

The following were classified as major residual risk exposures (including operational risks) for 2019:

1. DEPENDENCE ON INVESTMENT IN ASTRA

Astra is the major contributor to the Group's earnings and represents a significant proportion of the Group's total assets. Consequently, any adverse changes in Astra or in the political, social or economic situation in Indonesia will in turn have a significant impact on the Group's earnings and total assets. Such adverse changes include changes in laws, regulations and policies by the Indonesian or other foreign governments, any termination of or material changes to key licensing and distribution agreements between Astra and its strategic partners or any pricing actions Astra may have to take in response to competition which have a material adverse impact on Astra's financial performance.

The Group is exposed to foreign currency fluctuations, mainly through Astra. Any significant depreciation of the rupiah will have an adverse impact on the Group's earnings and total assets. Over the years, the Group has increased its exposure in Other Strategic Interests, which taken together with the Direct Motor Interests, now account for 21% of JC&C's underlying profits in 2019.

2. TERRORISTS' ATTACKS, OTHER ACTS OF VIOLENCE AND NATURAL DISASTERS

Terrorists' attacks, other acts of violence and natural disasters may directly impact the Group's physical facilities or those of its suppliers and customers and have an adverse impact on the Group's earnings and total assets. Such risks cannot be totally eliminated. However, the Group takes up appropriate mitigating measures such as procuring appropriate insurance as part of its risk management. Additionally, the Group maintains operational resilience through regular reviews of our Business Continuity Management ("BCM") plans.

3. OUTBREAK OF CONTAGIOUS OR VIRULENT DISEASES

A pandemic outbreak or spread of contagious or virulent diseases such as severe acute respiratory syndrome, avian influenza and the recent COVID-19 may result in quarantine restrictions on the Group's employees, suppliers and customers and limit access to facilities. These could have a significant negative impact on the Group's earnings and total assets. The Group manages the risk through regular review of our BCM plans and regular conduct of environment, health and safety programmes.

4. COMPETITION, ECONOMIC CYCLE, COMMODITY PRICES AND GOVERNMENT REGULATIONS

The Group faces competition in each of its businesses, and more so now with technological innovation. If the Group is unable to compete successfully against its existing competitors or new entrants to the industries in which it operates, its business, financial condition and results of its operations will be adversely affected.

The Group's financial performance fluctuates with the economic cycle. Market forces and their resultant movements can significantly impact the earnings and asset position of the Group.

The Group is also exposed to financial risks arising from changes in commodity prices, primarily crude palm oil and coal.

The Group's businesses are impacted by government regulations and policies relevant to the respective industries and territories. Free trade agreements may also result in increased competition which may have an adverse effect on the Group's earnings and total assets.

To manage the risk of competition, the Group regularly assesses that its products and services can meet customers' expectations. The Group also works closely with the respective local management to leverage local expertise and knowledge to manage the political and regulatory risks. The Group considers the outlook of commodity prices regularly in considering the need for active financial risk management. The Group's policy is generally not to hedge commodity price risk, although limited hedging may be undertaken for strategic reasons.

5. EXCLUSIVE BUSINESS ARRANGEMENTS

The Group currently has a number of subsidiaries, associates and joint ventures in Indonesia, Vietnam, Singapore, Malaysia and Myanmar engaged in the automotive business that enjoy exclusive rights in various forms either as a manufacturer, assembler, distributor or dealer.

Management works to meet targets and improve business performance. Notwithstanding this, any change in the strategies of the principals may be beyond management's control. In certain cases, any withdrawal or dilution of the exclusive rights can potentially have a significant impact on the Group's earnings and total assets.

The Group manages the risk through maintaining good relationships with the principals and close monitoring of changes in their policies and corporate plans. The Group also ensures strict compliance and governance to their standards and provides regular updates on the local market's regulatory and business environment to the principals.

6. FINANCIAL RISK

The Group's activities expose it to a variety of financial risks, including the effects of changes in debt and equity markets, foreign currency exchange rates and interest rates. It manages its exposure to financial risks by using a variety of techniques and instruments.

The Group has an internal policy which prohibits speculative transactions to be undertaken and only enters into derivative financial instruments in order to hedge underlying exposures.

The objective is to provide a degree of certainty on costs. The investment of the Group's surplus cash resources is managed so as to minimise credit risk while seeking to enhance yield. The steps taken by the Group to manage its exposure to financial risks are set out in further detail under Financial Risk Management on pages 88 to 97, Note 2.31 to the Financial Statements. The Group also has a system of internal controls as described in this report.

Notwithstanding the risk management policies of the Group, any unanticipated fluctuations in debt and equity market prices, foreign currency exchange rates and interest rates may have an adverse effect on the Group's earnings and total assets.

RIGHTS OF SHAREHOLDERS

FUNDAMENTAL SHAREHOLDER RIGHT – DIVIDEND POLICY AND PAYMENT

Under the Company's dividend policy, it aims to provide a return to shareholders through the payment of a cash dividend, usually on a semi-annual basis, taking into consideration the JC&C Group's financial performance, short and long term capital requirements, future investment plans and broader business and economic conditions.

In 2019, the Company made two dividend payments to all shareholders; the final dividend of US\$0.69 per share on 25th June 2019 and an interim dividend of US\$0.18 per share on 7th October 2019. For each of the dividend payments, a S\$ currency election was offered to all shareholders as an alternative and the dividends were paid within 25 market days after the record date to cater for the currency election.

CORPORATE GOVERNANCE

SHAREHOLDERS' RIGHT TO PARTICIPATE EFFECTIVELY AND VOTE IN SHAREHOLDERS' MEETINGS

Shareholders are informed of shareholders' meetings through notices, physical copies of which are sent to all shareholders in advance of the meetings. The notices contain the meeting agenda and are accompanied by explanatory notes, reports or circulars containing detailed information on each of the agenda item. All such information is also available on the Company's website at www.jcclgroup.com, and notices of meetings are also published in the newspapers.

At the shareholders' meetings, each specific matter is proposed as a separate resolution and shareholders are given the opportunity to raise questions on each of the motions. All relevant questions, answers and comments are recorded in substantial detail in the meeting minutes, which are posted on the Company's website at www.jcclgroup.com in its "Investor Relations" section under the "Annual Reports" page.

At every AGM, shareholders have the opportunity to approve the remuneration for non-executive directors, including any increases in such remuneration, as well as to vote for the re-election of directors who are required to retire by rotation every three years.

The Company carries out poll voting for all its resolutions at its AGM. The poll voting is conducted electronically by an external service provider, under the scrutiny of an independent scrutineer. The scrutineer explains the voting and vote tabulation procedure to the meeting prior to the start of the voting process. For greater transparency, votes cast for and against each resolution, and the respective percentages, are immediately tallied and displayed 'live-on-screen' to shareholders at the meeting. The scrutineer is present throughout the meeting to ensure that the voting exercise is conducted properly and signs off on the results of the voting.

After the meeting, the Company releases a detailed announcement via SGXNET showing the vote results in terms of number of votes cast for and against each resolution and the respective percentages. This is also available on the Company's website at www.jcclgroup.com.

If any shareholder is unable to attend the meeting, he/she is allowed under the Company's Constitution to appoint up to two proxies to vote on his/her behalf at the meeting. Proxy forms are sent in advance to all shareholders with clear instructions on how they should be completed and returned to the Company before the relevant deadline.

Nominee agencies such as banks, securities custodians and the Central Provident Fund ("CPF") are allowed to appoint more than two proxies. Therefore, shareholders who hold shares through these nominees, including CPF investors, can attend and participate at the meetings as proxies of these agencies. Voting in absentia by mail, facsimile or email is currently not allowed.

For the AGM held in 2019, the Chairman of the Board, the Group Managing Director and the respective chairmen of the Audit, Nominating and Remuneration Committees were all present in person to address shareholders' queries. All of the other Directors were also present as well as the external auditors.

INTERESTED PERSON TRANSACTIONS

The Company has guidelines in place to ensure that interested person transactions ("IPTs") are conducted fairly and on arm's length basis, and there are procedures for the review and approval of IPTs, as further elaborated below.

IPTs entered or proposed to be entered into during the course of 2019 as recorded in the Register of IPTs (excluding transactions less than S\$100,000) were approved in accordance with the Group's procedures for such transactions. These procedures are set out in the annual general mandate for IPTs as well as in the Company's internal limits of authority.

The Company has in place an annual general mandate for IPTs which was approved by shareholders at the annual general meeting. The general mandate enabled companies within the Group to enter into approved categories of transactions with interested persons, provided that such transactions were on normal commercial terms in the ordinary course of business and would not be prejudicial to the interests of the Company and its minority shareholders. The transactions would also have to first undergo the approved review procedures before being endorsed by the Group Managing Director or the Audit Committee, as applicable, depending on the value of the transaction.

All IPTs entered into pursuant to the general mandate were reviewed by the internal auditors of the Company as part of its annual audit plan.

Generally, the same principles, review and endorsement procedures that apply to IPTs under the general mandate also apply to IPTs that do not fall under the general mandate.

For 2019, the following interested person transactions were entered into:

Name of interested person, relationship to the Company and nature of transaction	Nature of relationship	Aggregate value of all interested person transactions (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920) US\$m	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000) US\$m
Hongkong Land Ltd – management support services	Associate of the Company's controlling shareholder	–	0.2
Jardine Engineering (S) Pte Ltd – MEP infrastructure upgrade works – replacement of variable refrigerant volume	Associate of the Company's controlling shareholder	– –	0.9 0.2
Jardine International Motors Limited – management consultancy services	Associate of the Company's controlling shareholder	1.6	–
Jardine International Motors (S) Pte. Limited – management consultancy services – rental of premises	Associate of the Company's controlling shareholder	0.3 –	– 0.2
Jardine Matheson Limited – management support services – cyber security services	Associate of the Company's controlling shareholder	– –	4.4 0.2
Jardine Matheson & Co., Ltd – human resource and administration services	Associate of the Company's controlling shareholder	–	0.2
Jardine Matheson (Singapore) Ltd – rental of premises	Associate of the Company's controlling shareholder	–	0.1
Zung Fu Company Ltd – human resource capital management services	Associate of the Company's controlling shareholder	–	0.1
Unicode Investments Limited – subscription of shares in a joint venture	Associate of the Company's controlling shareholder	2.7	–
PT Astra Land Indonesia – subscription of shares by a subsidiary	Associate of the Company's controlling shareholder	2.7	–
Benjamin Birks – purchase of a motor vehicle	Director of the Company	0.1	–
		7.4	6.5

Note: The terms "associate" and "controlling shareholder" are as defined in Chapter 9 of the Listing Manual.

Save for those transactions disclosed above, no material contract has been entered into by the Group involving the interests of the Group Managing Director, any director or controlling shareholder, either as at the end of the financial year or since the end of the financial year.

MANAGEMENT OF CONFLICTS OF INTEREST

At Board meetings, the Directors regularly disclose any updates to their directorships and major appointments in other companies and organisations as part of their disclosure of interests to address any potential conflict of interest situation. In addition,

the Directors are required to disclose any specific interest they may have in any particular transaction being contemplated by the Company. Depending on the nature of the interest, the Director would abstain from voting on the resolution and might also recuse himself or herself from Board discussions.

INSTITUTIONAL INVESTORS

An analysis of the Company's share register carried out on 8th October 2019 showed that more than 5% of its share ownership were held by institutional investors other than its controlling shareholder.

CORPORATE GOVERNANCE

ENGAGEMENT OF STAKEHOLDERS

SUSTAINABILITY REPORT

JC&C published its first sustainability report in 2018 and its second report in 2019. The reports reflect JC&C's approach to business sustainability and disclose what is important to the Company and its stakeholders. As part of the process, the Company formally undertakes stakeholder engagement. This involves speaking to both internal and external stakeholders from employees, shareholders, suppliers to regulatory bodies. The Company is committed to publishing an annual sustainability report and with this, continues to strengthen its engagement with stakeholders.

The Company's sustainability reports are available on its corporate website at www.jcclgroup.com.

COMMUNITY ENGAGEMENT

The Company strives to be an active partner of the community through corporate social responsibility initiatives, and in particular, it has a philanthropic focus on mental health. Please refer to the Sustainability section of this Annual Report at pages 50 to 52 for further details.

ANTI-CORRUPTION

The Company takes a firm stance on anti-corruption practices. It has a Corporate Code of Conduct that sets out policies on illicit payments and gifts, favours and entertainment. These policies apply to all employees and the employees undergo regular training on the Code of Conduct to ensure that they understand and are reminded of the principles under the code.

Internal audits are also conducted on areas that include illicit payments and favours as well as matters of serious concern. The results are signed off by the management team and reported to the Audit Committee for review.

Employees can also report on matters of serious concern on an anonymous basis under the Company's whistle-blowing policy which is further elaborated on below.

WHISTLE-BLOWING POLICY

The Company encourages the early reporting of matters of serious concern which may affect the professional and compliant operation of its businesses and reputation. Its whistle-blowing policy comes under the purview of the Audit Committee to ensure independent investigation and appropriate follow-up action on any concerns raised.

Reports can be made on an anonymous basis. Employees can report directly to the designated director, being the Group General Counsel, or the Group Managing Director if they feel unable to raise concerns within normal reporting lines. Employees can also report directly to the Jardine Matheson Group General Counsel. The Company's

policy on reporting matters of serious concern is available on the Company's website, www.jcclgroup.com.

HEALTH, SAFETY AND WELFARE OF EMPLOYEES

The Company's health and safety obligations are set out in the collective agreements with the respective trade unions, and include personal protective equipment, training or educating employees on code of conduct, health and safety topics such as observing workplace safety, reporting and accounting for work injury incidents, feedback mechanism for employees and compliance with national health and safety legislation. Health and safety matters are managed by the Workplace Health and Safety Committee, which is advised by an external Group Safety Advisor. The Company also has an Emergency Response Team housed in its office building. Each member of the Emergency Response Team is required to undergo training to attain certification. Incident report forms are reviewed by worker representatives and rectifications are recommended and implemented.

The Company has a human resources policy in place covering hiring and employment practices, including compensation and benefits, as well as learning and development aspects.

Apart from providing retirement provision as required under the law, the Company also provides benefits such as life insurance, accident insurance and medical insurance to all full-time employees, and all employees are eligible for parental leave.

SECURITIES DEALING POLICY

The Company has in place an internal compliance policy on dealings in securities by directors and employees who, by the nature of their position within the Company, are deemed to be in possession of unpublished material price sensitive information. The policy incorporates the best practices on the subject issued by the Singapore Exchange Securities Trading Limited.

Under the policy, directors cannot deal in the shares of the Company without prior approval of the Board.

In addition, directors and employees are to refrain from dealings in securities at any time while in possession of unpublished material price sensitive information, on short term considerations, and during closed periods which are from two weeks before, and up to, the date of announcement of the Company's financial results for each of the first three quarters of its financial year, and from one month before, and up to, the date of announcement of the Company's full year results, and such other closed periods as may be notified by the Company from time to time. Periodic reminders are sent out to affected parties to remind them of the policy and closed periods.

DISCLOSURE AND TRANSPARENCY

INFORMATION IN THE ANNUAL REPORT

Key information on the directors' direct and indirect (deemed) shareholding in the Company and its related corporations can be found on pages 54 to 55 of this Annual Report.

Financial performance indicators and highlights of the Company can be found on page 3 of this Annual Report.

Information on key risks (including operational risks), and the risk assessment and management process, can be found on pages 44 to 45 of this Annual Report.

Please refer to the Interested Person Transactions section at page 47 for further details on interested person transactions, including the identity of related parties, the Company's relationship with each party and the nature and value of the transactions.

For material transactions that require Board approval, please refer to section (v) Transactions Requiring Approval from the Board at page 35 for the details.

Key information regarding the directors relating to their academic and professional qualifications, date of first appointment as director, date of last re-appointment, directorships or chairmanships both present and those held over the preceding three years in other listed companies, and other principal commitments can be found on pages 27 to 30 of this Annual Report.

Please refer to the back cover page of this Annual Report for our results announcement dates in 2019 and proposed results announcement dates for financial year ending 31st December 2020.

INVESTOR RELATIONS, MEDIUM OF COMMUNICATION AND RESULTS BRIEFINGS

To strengthen shareholder communication, the Company developed a comprehensive investor relations ("IR") framework and engagement plan in 2019. The IR plan aims to improve investor understanding of the Company's business and strategy, build long-term investor relationships and maintain or improve accuracy of market expectations. In addition, the Company's IR Policy was also developed and made available on the corporate website at www.jcclgroup.com.

Shareholders receive regular and timely communication from the Company through announcements on SGXNET, which are contemporaneously posted on the Company's website, www.jcclgroup.com, as well as the reporting of its results. The results are also available on the website under the "Investor Relations" section and

provide shareholders and the public with regular updates on the financial performance, position and prospects of the Company.

Announcements released via SGXNET contain adequate information as per the Listing Manual's requirements and guidelines. The Company ensures that the announcements are prepared by persons who are familiar with these requirements, which includes the finance, legal and investor relations teams, as well as external lawyers and other advisors where applicable. The Board delegates authority to senior management to approve the final drafts for release.

The Company holds an analysts' briefing twice a year after the announcement of its full year and half year results. These briefings provide the opportunity to gather views and address issues or concerns from the investing community. In 2019, the Company made its results briefings available via on-demand webcasts on the corporate website, to reach out to a wider group of investors.

The Company also meets with institutional investors on an *ad hoc* basis as part of its efforts to directly engage with shareholders and to gather feedback or address specific concerns. It also participates in investor conferences and post-results investor meetings. Designated management spokespersons are present at such meetings. They include the Group Managing Director, Group Finance Director, Company Secretary and Head of Investor Relations. The Company's IR presentation was also revamped in 2019 to enhance understanding of the strategy, investment approach and portfolio businesses.

The Company has a dedicated "Investor Relations" section on its website which provides relevant information and resources to investors. The latest financial results of the Group as well as materials given out during analysts' briefings and investor meetings are also made available in that section. The section has an IR contact (corporate.affairs@jcclgroup.com), and the Company will respond to emails typically within the next working day.

In 2019, the Company's Annual Report was distributed electronically to all shareholders prior to the Annual General Meeting, and copies of the latest Annual Report and those of the last four years are available on the Company's website.

The Company's website also contains useful up-to-date information about the Company, including the group corporate structure and its various business interests.