

The JC&C Board collectively holds the view that sound corporate governance is integral to the Company's success. JC&C has in place corporate governance policies, practices and terms of reference for the Board, Audit Committee, Nominating Committee and Remuneration Committee. These are closely in line with the principles prescribed by the Code of Corporate Governance 2018 (the "Corporate Governance Code"). They are continually reviewed and refined in line with new and changing requirements.

This report describes the corporate governance practices of JC&C for the financial year ended 31st December 2021 ("2021"). JC&C has complied in all material aspects with the principles and guidelines of the Corporate Governance Code.

Board Responsibilities

Size, Composition and Independence

In 2021, the Board comprised 11 directors, eight of whom were independent directors and three were non-independent. The Board was led by a non-independent Chairman who represented the major shareholder of JC&C. Two other non-independent directors held executive positions, namely the Group Managing Director and the Group Finance Director. The remaining eight Board members were all independent directors and made up the majority of the Board.

Board Composition in 2021:

Director	Board Position	Status
Benjamin Keswick	Chairman	● ●
Benjamin Birks	Group Managing Director	● ●
Stephen Gore	Group Finance Director	● ●
Michael Kok	Member	● ●
Mrs Lim Hwee Hua ¹	Member	● ●
Vimala Menon ²	2021 Lead Independent Director	● ●
Dr Marty Natalegawa	Member	● ●
Anthony Nightingale	Member	● ●
Steven Phan	Member	● ●
Tan Yen Yen ³	Member	● ●
Samuel Tsien ⁴	Member	● ●

¹ Became Lead Independent Director on 1st January 2022 succeeding Vimala Menon

² Stepped down from the Board on 30th December 2021. Was Lead Independent Director up to 30th December 2021

³ Joined the Board on 1st January 2021

⁴ Joined the Board on 1st October 2021

Key for Status

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

No alternate director has been appointed to the Board.

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 2021, the Chairman of the Board was Benjamin Keswick and the Group Managing Director was Benjamin Birks.

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 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. The Group Managing Director is the chief executive officer of the organisation who manages JC&C's day-to-day business in accordance with the strategies, budgets and plans approved by the Board.

Lead Independent Director

Since the Chairman is not an independent director, a lead independent director has been appointed to provide shareholders with an independent channel for contact with JC&C, and to lead the non-executive Directors in situations where the Chairman may be conflicted. Vimala Menon was the Lead Independent Director for 2021 and she was succeeded by Mrs Lim Hwee Hua on 1st January 2022.

Board Diversity Policy

JC&C believes that a Board with the appropriate balance and mix of diversity will enhance the Board's decision-making and the Group's performance. It has embraced diversity on the Board for many years, as evidenced by the diversity of its members who are from different professional and business backgrounds, as well as gender, ethnicity, geography, nationality, age, and length of service on the Board.

JC&C remains committed to maintaining and continually strengthening this diversity, and has set this out in its Board's Diversity Policy.

Under the policy, the Nominating Committee leads the annual process of Board succession planning, appointment and re-appointment of directors and makes its recommendations to the Board accordingly. It continually reviews and ensures an adequate mix of competencies among the Board members in terms of skills, knowledge and experience to meet the Board's responsibilities and ensure it can effectively lead. Other important aspects of diversity such as gender, age, ethnicity, geography, nationality and tenure of service on the Board are also considered in determining the Board's optimum composition and to ensure the breadth of viewpoints. Where relevant, objectives may be set and monitored.

In line with this, the Nominating Committee will strive to consider candidates from different 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 JC&C.

The Nominating Committee will monitor the implementation of this policy and report on the Board's composition in terms of diversity annually. It will also review the effectiveness of this policy, and discuss and recommend any changes to the Board, as appropriate.

Board Competencies

The Board members collectively have many years of skills and experience in investments, strategic planning and management, finance, risk management and national policies, having previously served as heads of businesses and in government-appointed roles. These areas are essential to JC&C, an investment holding company with interests in diversified market-leading businesses across Southeast Asia. Several directors, including the independent directors, are also experienced in managing automotive and consumer-related businesses relevant to JC&C's interests. Besides these competencies, the Board members have a range of critical skills in the areas of accounting, human resource management, legal and regulatory, innovation, sustainability, customer-based experience and international relations.

Please refer to pages 27 to 30 of this Annual Report for details of the directors' professional backgrounds.

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 Group'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, JC&C will tailor a programme that will include training under the Singapore Institute of Directors' Listed Company Director Programme, 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, including an 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 JC&C's businesses and affairs to safeguard the interests of JC&C, its shareholders and stakeholders. It is responsible for the governance of risks and ensures that JC&C 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 JC&C's results announcements, including interim management statements, before their release to ensure that they present a balanced and understandable assessment of the Group's performance, position and prospects. The Board receives monthly management accounts and information, enabling it to make a balanced and informed assessment throughout the year. The Board also has oversight over the Group's non-financial performance indicators. As Environment, Social & Governance ("ESG") metrics and targets are defined and refined, the Board will continue to receive regular updates from management.

The Board constructively challenges and reviews the performance of management, who is accountable to the Board for both financial and non-financial performance indicators.

(iv) Remuneration of Directors and Key Management Personnel

The Board is responsible for reviewing and approving the remuneration framework for the directors and key management personnel, and ensures that remuneration levels and structures are appropriate and proportionate to sustain

JC&C's performance and value creation in view of its strategic objectives. Please refer to pages 39 to 41 for further details.

(v) Transactions Requiring Approval from the Board

The Board reviews and approves important matters 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 JC&C's and shareholders' interests, there are internal guidelines on financial authorisations 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 "**SGX-ST 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 the annual 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) Business Ethics, Code of Conduct and Conflicts of Interest

The Board instils an ethical corporate culture and sets JC&C's values and standards of doing business through its Code of Conduct and other compliance policies. It monitors and ensures proper accountability from management through various internal controls and reporting mechanisms to deter non-compliance and reduce exposure to unethical opportunities. Please refer to the *Risk Management and Internal Control Systems* section on page 42 and the *Code of Conduct, Transparency, Anti-Corruption and Bribery and Whistle-Blowing Policy* sections on page 49 for further details.

The Board also ensures that directors facing conflicts of interest recuse themselves from Board-level discussions and decisions. Please refer to the *Management of Conflicts of Interest* section on page 48 for further details.

(viii) Shareholders' Rights and Engagement

The Board ensures that JC&C regards all shareholders fairly and equitably as well as facilitates the exercise of the shareholders' ownership rights including having the opportunity to communicate their views and participate during general meetings and other dialogues. An investor relations policy has been established for regular engagement, and fair and effective communication with shareholders. Please refer to the *Rights of Shareholders* section (which includes the Dividend Policy) on pages 46 to 48 and the *Investor Relations, Medium of Communication and Results Briefings* section on pages 51 to 52 for further details.

In 2021, JC&C was named Runner-up for Shareholder Communication Excellence Award: Big Cap at the Securities Investors Association (Singapore)'s Investors' Choice Awards.

(ix) Engagement with Stakeholders

Focusing on the best interests of JC&C, the Board ensures that the needs and interests of JC&C'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 pages 48 to 51 for further details on the key areas of focus.

Board and Committee Meetings and Attendance

In 2021, the Board met regularly every quarter to deliberate upon and approve the matters as set out under the *Board Duties and Responsibilities* section above.

Board and Committee	Number of meetings in 2021
Board (4 Board meetings and 1 Board strategy meeting)	5
Audit Committee	4
Nominating Committee	2
Remuneration Committee	2

Corporate Governance

Please see below for each director's attendance at the Board and committee meetings and the Annual General Meeting ("AGM") of 2021:

Director	No. of meetings in 2021 attended / held whilst in office				
	Board	AGM	Audit Committee	Nominating Committee	Remuneration Committee
Benjamin Keswick (Chairman of the Board)	5 / 5	1	–	2 / 2	2 / 2
Benjamin Birks (Group Managing Director)	5 / 5	1	4 / 4 [#]	2 / 2 [#]	2 / 2 [#]
Stephen Gore (Group Finance Director)	5 / 5	1	4 / 4 [#]	–	–
Michael Kok (Remuneration Committee Chairman)	5 / 5	1	–	–	2 / 2
Mrs Lim Hwee Hua ¹ (Nominating Committee Chairperson & 2022 Lead Independent Director)	5 / 5	1	4 / 4	2 / 2	–
Vimala Menon ² (Former Audit Committee Chairperson & 2021 Lead Independent Director)	5 / 5	1	4 / 4	1 / 1	1 / 1
Dr Marty Natalegawa	4 / 5	1	–	2 / 2	–
Anthony Nightingale	4 / 5	1	–	–	–
Steven Phan ³ (Current Audit Committee Chairman)	5 / 5	1	4 / 4	–	–
Tan Yen Yen ⁴	5 / 5	1	–	–	2 / 2
Samuel Tsien ⁵	1 / 1	–	1 / 1	–	–

[#] Attended not as a member but on *ex officio* basis

¹ Became Lead independent Director and joined the Remuneration Committee on 1st January 2022

² Was Audit Committee Chairperson up to 30th September 2021, and thereafter, was Audit Committee member. Was Lead Independent Director up to 30th December 2021. Stepped down from the Board on 30th December 2021

³ Became Audit Committee Chairman on 1st October 2021

⁴ Joined the Board on 1st January 2021

⁵ Joined the Board on 1st October 2021

The dates of all Board and committee meetings and the AGM are scheduled a year in advance to allow the directors to plan ahead. JC&C's Constitution allows directors to participate in meetings via teleconferencing or video conferencing. Due to safe distancing measures and travel restrictions during the COVID-19 pandemic, which continued in 2021, some of the Board and committee meetings as well as the AGM were conducted by virtual means, with the AGM being held in compliance with prevailing COVID-19 regulations.

Board's Access to Complete, Adequate and Timely Information

To fulfil their duties, directors have access to complete, adequate and timely information provided by management, including monthly management accounts and regular sustainability updates.

For Board and committee meetings, all directors are provided with a detailed agenda and papers which contain relevant 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 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.

Apart from 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 that a director may have.

Management acknowledges that should the information provided in the Board and committee papers not be sufficient for the Board to decide 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 and Chief Sustainability Officer) are therefore present at all Board and Audit Committee meetings to provide further information or address queries. The Group Managing Director also attends every Nominating and Remuneration Committee meeting with the Company Secretary. JC&C's internal auditors attend every Audit Committee meeting to present their reports and address questions. 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 JC&C's expense.

Board Training

Besides timely access to internal information, directors also need to maintain their knowledge and skills and develop new competencies to fulfil their roles effectively. JC&C incorporates opportunities for Board members to update their knowledge in the course of Board and committee meetings and arranges separate training sessions where required. The briefings and training are carried out mainly through live presentations by management, the auditors, external consultants or a Board member who is knowledgeable about a particular subject matter, and are supplemented by specially-written Board papers as well as externally sourced articles and reports.

The range of topics covered in 2021 included market outlook and business trends, accounting standards, risk management, listing rules, sustainability and geopolitics. Some specific areas were:

- Briefings by the external auditor, PricewaterhouseCoopers LLP, on the areas of audit focus and accounting standards that affected JC&C (e.g. IAS 36 and IFRS 9 on impairment testing)
- Updates by the internal auditors on the development of internal control practices and heightened risk areas due to the COVID-19 pandemic
- Training by energy and environment consultants on industry trends and the relevance of the TCFD framework for corporates
- Sharing of materials on topics such as the World Economic Forum's Climate Governance Initiative for corporate boards, ESG leadership on boards and credible decarbonisation pathways for corporates
- Briefing paper on SGX's proposed enhanced disclosures on climate reporting and board diversity

There were no new directors appointed to the Board in 2021 who had no prior experience as a director of an issuer listed on the Singapore Exchange.

Board Committees

To assist the Board 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 and business efficiency.

Nominating Committee

Composition of the Nominating Committee in 2021:

Director	Position	Status
Mrs Lim Hwee Hua ¹	Chairperson	Independent director
Vimala Menon ²	Member	2021 Lead Independent Director
Dr Marty Natalegawa	Member	Independent director
Benjamin Keswick	Member	Non-independent director

¹ Became Lead Independent Director on 1st January 2022 succeeding Vimala Menon

² Was Lead Independent Director up to 30th December 2021. Stepped down from the Board on 30th December 2021

In 2021, the Nominating Committee consisted entirely of non-executive directors, the majority of whom were independent, and it was chaired by an independent director. It also met the minimum size requirement of three members under the Corporate Governance Code.

Board Succession Planning, Appointments and Re-elections

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

One of the cornerstones of the Board's effectiveness and JC&C'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 can 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 retirement of long-serving directors and the addition of carefully selected new members every few years to maintain an appropriate balance of skills and experience within JC&C and on the Board.

For new appointments, the candidate is identified via a recommendation by a Board member or management, or sourced through JC&C's extensive network of contacts or external support like search consultants. The candidate should have the requisite skillsets and experience in one or more of the competencies of investments, strategic planning and management, finance, risk management, national policies, accounting, human resource management, legal and regulatory, innovation, sustainability, customer-based experience or international relations, and with experience in Southeast Asia. Additional factors such as integrity and the 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. If found to be suitable, the Nominating Committee will nominate the candidate to the Board for approval.

Corporate Governance

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.

Under JC&C's Constitution, 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 two to three years.

At the upcoming AGM in 2022, Dr Marty Natalegawa, Steven Phan and Benjamin Birks will retire pursuant to the one-third rotation rule, and Samuel Tsien will retire pursuant to the rule for newly appointed directors. All the retiring directors will be submitting themselves for re-election. Their names are reflected in the Notice of Annual General Meeting which is published on JC&C's website at www.jcclgroup.com and the Singapore Exchange's website at www.sgx.com, and key information about them can be found on pages 27 to 30, 58 to 59 and 171 to 173 of the Annual Report.

Independent Directors' Assessment

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 2021, the Board considered a director to be independent if he or she was independent in conduct, character and judgement, and had no relationship with JC&C, its related corporations, its substantial shareholders (i.e. having at least a 5% interest in JC&C) 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 JC&C. Where any of the following circumstances existed, the director would not be considered independent: (i) a director being employed by JC&C 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 JC&C or any of its related corporations and whose remuneration is determined by the Remuneration Committee. The term 'related corporations' is defined to include major shareholders.

The directors were asked to declare if such relationships or circumstances existed. 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 JC&C.

A director who was employed by a related corporation (including a major shareholder) of JC&C was not considered to be independent under the SGX-ST Listing Manual. The Board concurred with the Nominating Committee and considered Benjamin Keswick as a non-independent director as he was the Executive Chairman of the Jardine Matheson Group, the 75% major shareholder of JC&C.

The Board concurred with the Nominating Committee and considered the remaining seven directors, namely Anthony Nightingale, Mrs Lim Hwee Hua, Dr Marty Natalegawa, Michael Kok, Vimala Menon, Steven Phan and Samuel Tsien to be independent according to the requirements under the Corporate Governance Code and the SGX-ST Listing Manual.

At the time of the annual review in 2021, the independent directors who had served on the Board beyond nine years were Mrs Lim Hwee Hua, Anthony Nightingale and Vimala Menon. They 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 and were considered independent:

- 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 JC&C and was free of material business or financial connection with JC&C;
- 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, detailed knowledge of JC&C's business and proven commitment, experience and competence; and
- whether JC&C 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.

With effect from 1st January 2022, all independent directors of JC&C have a term limit of nine years, after which they automatically cease to be independent directors and continue as non-independent directors if they remain on the Board. A director who has served beyond nine years may continue as an independent director if shareholders approve of it via a two-tier vote specifically sought at a general meeting, as allowed under the SGX-ST listing rules.

In accordance with the Board succession plan, shareholders' two-tier vote was obtained in 2021 for Mrs Lim Hwee Hua to continue as an independent director, Anthony Nightingale was re-designated and is currently a non-independent director (effective 1st January 2022), and Vimala Menon has stepped off the Board at the end of 2021. In 2022, Michael Kok is reaching his nine years' tenure and will be stepping off the Board, and no independent director who has served beyond nine years is being put up for the two-tier vote at the upcoming AGM. The majority of the Board continues to be composed of independent directors and the Board in 2022 is compliant with Rule 210(5)(c) of the SGX-ST Listing Manual, which requires the Board to be at least one-third independent and have at least two independent directors.

Assessment of Board Performance

The assessment of the effectiveness of the Board as a whole, and that of each Board committee and individual director, is carried out on an annual basis. This formal assessment process is overseen by the Nominating Committee.

The assessment is carried out through questionnaires that employ objective performance criteria as recommended by the Nominating Committee and approved by the Board. The performance criteria remain unchanged from year to year unless a review is necessitated in line with any changes to corporate governance requirements and practices, in which case, the Nominating Committee may recommend updates to the questionnaires or assessment process.

Each director is required to complete the questionnaires. The responses are collated and presented to the Nominating Committee for review and discussion, and also shared with the Board. The Nominating Committee, together with the Chairman of the Board, will decide on any follow-up or action plans that may be required.

For the evaluation of the Board's performance as a whole, the questionnaire focuses on the effectiveness of Board practices in relation to its oversight role. The performance criteria cover Board structure, strategy and planning, performance monitoring and enhancement, Board risk management and internal controls, Board procedures and conduct of meetings, information provided to the Board and the Board's interaction as a group, and with management.

The individual director's evaluation covers 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 the individual's areas of expertise, and generation of constructive debate. The assessment is designed to encourage the director to reflect on his or her performance and contribution during the year.

Each Board committee's assessment reviews 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 has met compliance and disclosure requirements. Other assessment criteria include 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.

Director's Time Commitment

The Nominating Committee annually assesses whether JC&C'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 JC&C director. In making this determination, the Nominating Committee considers the results of the director's annual self-evaluation as well as his or her attendance, attentiveness, participation and contribution at Board and Board Committee meetings. The Nominating Committee is satisfied that for 2021, each of the directors gave sufficient time and attention to the affairs of JC&C and was able to effectively discharge his or her duties as a director of JC&C.

The Executive Directors, Benjamin Birks and Stephen Gore, do not hold any external directorships outside the Group.

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 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

Composition of the Remuneration Committee in 2021:

Director	Position	Status
Michael Kok	Chairman	Independent director
Vimala Menon ¹	Member	2021 Lead Independent Director
Tan Yen Yen ²	Member	Independent director
Benjamin Keswick	Member	Non-independent director

¹ Was Lead Independent Director up to 30th December 2021. Stepped down from the Board on 30th December 2021. Mrs Lim Hwee Hua succeeded Vimala Menon as Lead Independent Director and joined the Remuneration Committee on 1st January 2022

² Joined the Committee on 1st January 2021

In 2021, the Remuneration Committee consisted entirely of non-executive directors, the majority of whom were independent, and it was chaired by an independent director. It met the minimum size requirement of three members under the Corporate Governance Code.

Executive Directors' and Senior Executives' Remuneration

The Remuneration Committee is responsible for advising the Board on the remuneration framework for executive directors and senior executives. It considers all aspects of remuneration, including termination terms where applicable, to ensure that they are appropriate, proportionate and fair. The remuneration policies are designed to attract, retain and motivate the executives to align their interests with JC&C's long-term growth and success, in order to increase shareholder value.

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

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 payable on the achievement of individual and corporate performance conditions which are set or refreshed annually. These performance conditions are based on JC&C's strategy and business plans (including ESG considerations) for the year and are aligned with the interests of shareholders and other stakeholders.

The Remuneration Committee also reviews the individual remuneration packages of executive directors and key management personnel annually. The Board approves such remuneration packages via the Remuneration Committee to whom the Board has delegated authority for such approval. For 2021, the Remuneration Committee confirmed that the level and structure of remuneration was aligned with the long-term interests and risk management policies of JC&C. No executive director was involved in deciding his own remuneration.

Incentive Plans

Short-term incentive plans have been designed to strengthen the pay for performance framework and 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 2021.

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 misconduct resulting in financial loss of the Group.

JC&C does not currently operate any share-based incentive plan.

Non-executive Directors' Remuneration

The Remuneration Committee is also responsible for advising the Board on the remuneration framework for non-executive directors. The directors' fees 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 fees are reviewed every few years to ensure that they remain appropriate.

The fee structure reflects the level of responsibility, effort and time commitment of a director. The Chairperson of the Board or a Board committee receives higher fees, and separate fees are paid for committee membership as well as attendance at Board meetings. The total amount of non-executive directors' fees is tabled for shareholders' approval every year at the AGM. No director is involved in deciding his or her own remuneration.

No directors' fees are paid to executive directors.

In November 2021, the Remuneration Committee conducted a review of the directors' fees for non-executive directors and recommended some revisions to enable JC&C to continue to attract and retain qualified and effective non-executive directors. The current and proposed revised directors' fees are as follows:

Chairman	Current S\$	Revised S\$
Board	140,000	no change
Audit Committee	50,000	no change
Remuneration Committee	19,000	22,000
Nominating Committee	19,000	22,000
Member	Current S\$	Revised S\$
Board	70,000	80,000
Audit Committee	25,000	28,000
Remuneration Committee	12,000	no change
Nominating Committee	12,000	no change
All fees shown above are on per director per annum basis		
An attendance fee per director per day of meeting (capped at one attendance fee per day regardless of the number of meetings attended on that day)	2,000	Discontinued

The Board, after due deliberation, accepted the recommendation to revise the Directors' fees subject to shareholders' approval at the Annual General Meeting.

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 2021, including their names, is shown in the following tables, broken down into the various elements in dollar terms:

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
Benjamin Birks [#]	—	624	1,997	124	622	3,367
Stephen Gore [#]	—	602	1,283	109	544	2,538
Michael Kok	97	—	—	—	—	97
Mrs Lim Hwee Hua	122	—	—	—	—	122
Vimala Menon	146	—	—	—	—	146
Dr Marty Natalegawa	88	—	—	—	—	88
Anthony Nightingale	76	—	—	—	—	76
Steven Phan	109	—	—	—	—	109
Tan Yen Yen	90	—	—	—	—	90
Samuel Tsien [*]	26	—	—	—	—	26

[#] Executive Director

^{*} Joined the Board and Audit Committee on 1st October 2021

Key Management Personnel	Base salary S\$'000	Variable bonus S\$'000	Defined benefits/ contribution plans S\$'000	Benefits-in-kind S\$'000	Total S\$'000
Eric Chan	439	1,481	18	24	1,962
Jason Wen	336	795	13	16	1,160
Kent Teo	326	524	17	171	1,038
Jeffery Tan	514	439	10	15	978
Collin Teo	268	672	17	16	973

Notes:

- Directors' fees for non-executive directors were approved by the shareholders as a lump sum at the AGM held in 2021.
- 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 2021 was S\$6,111,000.
- No stock options or share-based incentives or awards were paid to directors and key management personnel in 2021.

In 2021, there were no employees who were substantial shareholders of JC&C or who were the immediate family members of a director, the Group Managing Director or a substantial shareholder of JC&C.

AUDIT COMMITTEE

Composition of the Audit Committee in 2021:

Director	Position	Status
Vimala Menon ^{*^1}	Chairperson/Member	2021 Lead Independent Director
Steven Phan ^{*^2}	Member/Chairperson	Independent director
Mrs Lim Hwee Hua [^]	Member	Independent director
Samuel Tsien ^{^3}	Member	Independent director

^{*} Chartered accountant

[^] Expertise in financial management and risk management

¹ Was Chairperson until 30th September 2021, and remained a member after that. Was Lead Independent Director up to 30th December 2021. Stepped down from the Board on 30th December 2021. Mrs Lim Hwee Hua succeeded Vimala Menon as Lead Independent Director on 1st January 2022

² Became Chairperson on 1st October 2021

³ Joined the Board and Committee on 1st October 2021

Corporate Governance

All the members of the Audit Committee, including the Chairperson, were non-executive independent directors. All of them have backgrounds in accounting or finance with experience in risk management, and two of them, including the Chairperson, are chartered accountants. No one was a former member or director of JC&C's existing auditing firm.

The primary function of the Audit Committee is to help the Board fulfil 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 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 sustainably safeguard shareholders' interests and JC&C'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, ethical standards and environment. Business units are required to conduct a self-assessment exercise and submit twice-yearly control and compliance declarations 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 regarding 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 2021, the Board reviewed the assurances from the Group Managing Director and Group Finance Director on the financial records and financial statements of JC&C. To elaborate, the Board assessed that the financial records have 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 at that point in time.

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 at that point in time. 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 2021, as well as assurances received from the Group Managing Director and other key management personnel responsible for these areas.

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 adversely affected materially 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.

JC&C does not have a separate Board-level 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 46. All members of the Audit Committee have expertise in risk management.

Key Audit Matters

For 2021, 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>An impairment charge of US\$182 million was recognised in 2020 in view of the challenging market conditions. Following the review and discussions with management and the external auditor, the Audit Committee concurred with management that no further impairment was required in 2021.</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, including how management has considered the impact of the COVID-19 pandemic over the recoverability of the consumer financing debtors, especially those that are subject to loan restructuring arrangements.</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 financing debtors and was satisfied that the data used were supportable.</p>

Internal Audit

The primary reporting line of JC&C’s internal audit function is to the Audit Committee. The internal audit function provides 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 Group (excluding Astra) 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 of the Astra group is overseen by Astra’s Group Audit and Risk Advisory (“GANRA”), the internal audit department of Astra’s parent company. GANRA performs the audits for all of the automotive sales operations that come under Astra’s parent company. It also supports and participates in some joint audits and regular reviews with the various internal audit units of the subsidiaries within the Astra group. GANRA complies with the prevailing Standards for the Professional Practice of Internal Auditing set by the IIA. The various internal audit units of Astra’s subsidiaries report to the respective boards of commissioners within the Astra group, and GANRA reports to the audit committee of Astra’s parent company. The Audit Committee receives quarterly reports on internal audit plans, audit findings and implementation plans from GANRA.

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 that material internal controls are in place. The Audit Committee approves the audit plans, 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. For 2021, the Audit Committee was satisfied that the internal audit function was independent of the business, effective and adequately resourced.

External Audit

The Audit Committee is primarily responsible for proposing the appointment and removal of the external auditor. It recommends to the Board any re-appointment of the external auditor, approves its remuneration and terms of engagement, and ensures that Rules 712 and 715 of the SGX-ST 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 and Interim Management Statements

Prior to announcing the half year 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 the financial information. Interim management statements for the first and third quarters are also reviewed before they are announced to ensure that sufficient information is presented.

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.

Non-audit Services by External Auditor

In 2021, 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 2021 fees is as follows:

	US\$m
Total fees for audit services	10.0
Total fees for non-audit services	1.1
Total fees	11.1

The Company has complied with Rules 712 and 715 of the SGX-ST 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 to ensure clarity and consistency of application across the Group. These procedures and methodologies are regularly reviewed to include new elements aimed at enhancing the reporting process 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 current and emerging 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 each residual risk is then rated accordingly. The process encompasses assessments and evaluations at the 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 residual risk exposures impacting the Group. The report includes considerations such as the likelihood of occurrence, financial impact, velocity and impact ratings.

The following were classified as major residual risk exposures (including operational risks) for 2021:

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 the political, social or economic situation in Indonesia will significantly impact 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, supply chain disruptions or any pricing actions Astra may have to take in response to competition that 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, account for 23% of JC&C's underlying profits in 2021.

2. Climate Change

Climate change has been recognised as a key long-term risk faced globally.

Physical risks such as forest fires, floods and other natural disasters may directly impact the Group's physical facilities or those of its suppliers and customers and adversely impact the Group's earnings and total assets. Such risks cannot be totally eliminated. However, the Group takes appropriate mitigating measures such as procuring appropriate insurance as part of its risk management. Additionally, the Group maintains operational resilience through regular reviews of its Business Continuity Management ("BCM") plans.

Aside from physical risks arising from climate change, the Group is exposed to transition risks such as the technological shift towards electric vehicles, increase in carbon pricing and investments in low-carbon technologies. The Group manages this by conducting climate

risk assessments following the TCFD framework to identify key focus areas for our portfolio businesses and build overall climate resilience.

3. Outbreak of Contagious or Virulent Diseases

A pandemic outbreak or spread of contagious or virulent diseases such as COVID-19, severe acute respiratory syndrome and avian influenza may result in lockdowns or quarantine restrictions on the Group's employees, suppliers and customers, and limit access to the Group's facilities, products and services. During the COVID-19 pandemic, the Group activated its BCM plans and carried out enhanced health and safety programmes to mitigate the risk impact. The COVID-19 pandemic has also triggered an exponential growth of demand for semiconductor chips, outpacing supply capacity, resulting in a global chip shortage which affects the production of certain products offered by the Group. The Group works closely with its suppliers to manage its logistics capacity, production planning and inventory control to mitigate such impact.

4. Competition, Economic Cycle, Commodity Prices and Government Regulations

The Group faces competition in each of its businesses, and more so now with advancements in energy-efficient and low-carbon products and technology. 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. In addition, if the Group does not transit timely to low-carbon products and technology, it will not benefit from subsidy schemes and policy support provided by the governments of the countries where the Group operates.

To manage the risk of competition, the Group regularly assesses that its products and services

can meet customers' expectations. For instance, the Group actively reviews its product strategy with its principals in the automotive sector and actively introduces electric vehicles to its product line-up. 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 regularly considers the outlook of commodity prices 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 enjoys 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 principals' strategies 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 by maintaining good partnerships with the principals and closely monitoring 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 as set out in further detail under 'Financial Risk Management' of Note 2.32 to the Financial Statements, on pages 91 to 100 of this Annual Report.

The Group has an internal policy that prohibits speculative transactions, and it enters into derivative financial instruments solely for hedging underlying exposures. The objective is to provide a degree of certainty on costs. The Group's surplus cash is managed in a way that minimises credit risk while enhancing yield. The Group also has a system of internal controls, as described in this report.

Corporate Governance

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 JC&C'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 Group's financial performance, short- and long-term capital requirements, future investment plans and broader business and economic conditions.

In 2021, JC&C made two dividend payments to all shareholders; a final dividend of US\$0.34 per share on 25th June 2021 and an interim dividend of US\$0.18 per share on 30th September 2021.

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 detailed meeting agenda and are accompanied by explanatory notes, reports or circulars containing detailed information on each agenda item and the proxy form. The notices of general meetings and the accompanying documents are also published and publicly available on SGX's website at www.sgx.com and JC&C's website at www.jcclgroup.com.

Specifically for AGMs, the notices are accompanied by the annual report, a letter to shareholders (containing further information about specific agenda items) and the proxy form, all of which are available via the avenues mentioned above. Annual reports, which contain the audited financial statements, are issued simultaneously with the AGM notice, i.e. by the end of March. This is within 90 days of the end of JC&C's financial year of 31st December, and is at least 28 days before the date of the AGM.

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 JC&C's website.

At every AGM, shareholders have the opportunity to approve the remuneration for non-executive directors, including any increases in such remuneration, and vote for the re-election of individual directors who are either retiring by rotation or retiring because they are newly appointed.

JC&C only has one class of shares, i.e. ordinary shares, and each ordinary share carries one vote. All resolutions at the AGM are voted by poll. 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 attendees before starting 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 voting results.

Within the same day after the AGM, JC&C releases a detailed announcement publicly available on the Singapore Exchange's website (www.sgx.com/securities/company-announcements), showing the voting results in terms of number of votes cast for and against each agenda item and the respective percentages. This announcement is also available on JC&C's website.

If any shareholder is unable to attend a shareholders' meeting, he/she is allowed under JC&C's Constitution to appoint up to two proxies to vote on his/her behalf at the meeting. Printed copies of proxy forms are sent in advance to all shareholders with clear instructions on how they should be completed and returned to JC&C before the relevant deadline. The proxy forms are also available on JC&C's and the Singapore Exchange's websites.

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.

Conduct of AGM during COVID-19 Pandemic

The AGM in 2021 was conducted by way of electronic means on 27th April 2021 pursuant to temporary laws on alternative arrangements for holding general meetings in Singapore during the COVID-19 pandemic. JC&C complied with all regulatory requirements for the holding of such meetings.

Notice of the virtual AGM containing the detailed agenda and explanatory notes, as well as the Annual Report 2020 (containing the audited financial statements), letter to shareholders and proxy form, were all sent to shareholders solely by electronic means through publication on the websites of JC&C and the Singapore Exchange. These documents were published on 29th March 2021, at least 28 days before the AGM date and within 90 days of JC&C's financial year-end of 31st December 2020.

Shareholders were invited to submit their questions for the AGM in advance, and JC&C provided its full responses to substantial and relevant questions via an announcement on the websites of JC&C and the Singapore Exchange. The responses were published several days before the proxy form submission deadline to allow shareholders time to consider the answers before submitting their votes via the proxy forms.

Pursuant to the temporary laws, voting at the AGM was carried out via the appointment of the Chairman of the meeting as the proxy for the shareholders. The voting results were verified by an independent scrutineer appointed for the AGM and were published on the same day as the AGM on JC&C's and the Singapore Exchange's websites.

As in-person attendance at the AGM was not allowed, pre-registered shareholders attended the AGM virtually via live webcast and audio stream. The entire Board was present virtually at the meeting, including the Chairman of the Board, the Group Managing Director and the respective Chairpersons of the Audit, Nominating and Remuneration Committees, as well as JC&C's external auditors.

As the COVID-19 pandemic is still ongoing, the upcoming AGM in 2022 will be similarly conducted using electronic means under the temporary laws.

Interested Person Transactions

JC&C 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 into during the course of 2021 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 as set out in JC&C's annual general mandate for IPTs and its internal limits of authority.

JC&C's general mandate for IPTs is approved annually by shareholders at its AGM. Detailed information on the general mandate, including categories of transaction and review and approval procedures, are set out in a letter to shareholders that accompanies the AGM notice. This is sent to shareholders together with the AGM notice, and is also available on JC&C's and the Singapore Exchange's websites.

The general mandate enables companies within the Group to enter into approved categories of transactions with interested persons, provided that such transactions are on normal commercial terms in the ordinary course of business and will not be prejudicial to the interests of JC&C and its minority shareholders. The transactions will undergo the review process before being approved by the Group Managing Director or the Audit Committee, as applicable, depending on the value of the transaction.

For 2021, as in previous years, all IPTs entered into pursuant to the general mandate were reviewed by JC&C's internal auditor as part of its annual audit plan.

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

JC&C further operates under the IPT rules of the SGX-ST Listing Manual, which guard against the risk that interested persons could influence JC&C or companies within the Group to enter into IPT transactions that may adversely affect the interests of JC&C or its shareholders. For example, where an IPT requires shareholders' approval, a shareholder who is interested in the transaction and its associates will not be allowed to vote on the resolution.

Corporate Governance

The list of JC&C's IPTs for 2021 are set out below:

Name of interested person 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)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)
		US\$m	US\$m
Hongkong Land Ltd	Associate of the Company's controlling shareholder	–	0.1
– management support services			
Jardine Engineering (S) Pte Ltd	Associate of the Company's controlling shareholder	–	0.3
– air conditioner maintenance services			
Jardine Matheson Limited	Associate of the Company's controlling shareholder	–	3.2
– management support services		–	0.3
– cyber security services		–	–
– digital and innovation services		0.8	–
Jardine Matheson & Co., Ltd	Associate of the Company's controlling shareholder	–	0.4
– human resource and administration services			
Jardine Matheson (Singapore) Ltd	Associate of the Company's controlling shareholder	1.0	–
– digital and innovation services			
The Dairy Farm Company Ltd	Associate of the Company's controlling shareholder	–	0.4
– data analytics services			
Schindler Lift (S) Pte Ltd	Associate of the Company's controlling shareholder	–	0.2
– lift maintenance and services			
Jardine International Motors Limited	Associate of the Company's controlling shareholder	2.4	–
– management consultancy services			
Jardine International Motors (S) Pte. Limited	Associate of the Company's controlling shareholder	0.4	–
– management consultancy services		–	0.1
– human resource capital services		–	0.2
– purchase of a motor vehicle		–	0.1
– sale of a motor vehicle		–	
Spouse of Michael Kok	Director of the Company	0.2	–
– purchase of a motor vehicle		0.1	–
– sale of a motor vehicle			
Hongkong Land (Unicode) Investments Limited	Associate of the Company's controlling shareholder	9.2	–
– subscription of shares in an associate			
PT Astra Land Indonesia	Associate of the Company's controlling shareholder	9.2	–
– subscription of shares by a subsidiary			
		23.3	5.3

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

Save for the transactions disclosed above, no material contract has been entered into by the Group involving the interests of the Group Managing Director, a director or a 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 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 a particular transaction being contemplated or agenda item being discussed. In the case of a conflict of interest, the Director

would be required to abstain from voting on the resolution and refrain from participating in the Board discussions.

Institutional Investors

An analysis of JC&C's share register carried out on 31st December 2021 showed that more than 5% of its share ownership were held by institutional investors other than its controlling shareholder.

Engagement with Stakeholders

Sustainability Report

JC&C has published a sustainability report every year since 2017 under the GRI reporting framework. The reports reflect JC&C's approach to business sustainability

and disclose what is important to JC&C and its stakeholders. As part of the process, JC&C undertakes stakeholder engagement and engages both internal and external stakeholders such as its subsidiaries, employees, shareholders, suppliers, business partners and regulatory bodies. JC&C is committed to publishing an annual sustainability report and, with this, continues to strengthen its engagement with stakeholders. Please refer to pages 53 to 56 of this Annual Report for a summary of JC&C's 2021 Sustainability Report. The full sustainability report will be issued in May 2022.

JC&C's sustainability reports are available on its corporate website at www.jcclgroup.com/sustainability.

Community Engagement

JC&C strives to be an active partner of the community through corporate social responsibility initiatives and, in particular, focuses its efforts around three United Nations Sustainable Development Goals: SDG 3 (Good Health and Well-being), SDG 4 (Quality Education) and SDG 8 (Decent Work and Economic Growth). Please refer to the JC&C 2021 Sustainability Report summary on pages 53 to 56 for JC&C's community engagement and interactions.

Code of Conduct

The Board has put in place a corporate Code of Conduct ("CoC") that requires compliance with all relevant laws, rules and regulations applicable to each business and with proper standards of business conduct. This is based on the Code of Conduct of the Jardine Matheson Group, which JC&C is a part of.

A copy of the CoC is published on JC&C's website at www.jcclgroup.com/sustainability/governance.

The CoC sets out the standards and values that JC&C upholds in operating its businesses. It covers topics that include anti-competitive practices, tax compliance, business licences, exchange controls, information security, illicit payments and gifts, favours and entertainment.

The CoC applies to all employees. Upon joining, all new employees are given a digital copy of the CoC and must complete the mandatory CoC training as part of their onboarding. Existing employees are enrolled for regular e-training to be kept updated on the principles of the CoC.

Besides the CoC, ethical standards of doing business are also upheld through additional compliance policies and guidelines, such as the Anti-Corruption and Bribery Policy and Whistle-Blowing Policy, as further elaborated below.

The Board has oversight over the matters under the CoC through the Audit Committee. To monitor and ensure proper accountability, JC&C conducts twice-yearly control and compliance declarations on areas that include illicit payments and favours, criminal offence, and internal and external fraud, besides providing a whistle-blowing

platform for reporting matters of serious concern on an anonymous basis. The control and compliance declarations are signed off by the management team and reported to the Audit Committee. Internal audits are also conducted on these areas and regularly reported to the Audit Committee.

Transparency, Anti-Corruption and Bribery

The Board has oversight over anti-corruption and bribery matters through the Audit Committee. Management is responsible for ensuring adherence to JC&C's Anti-Corruption and Bribery Policy through regular corruption and bribery risk assessments. This is carried out by JC&C's risk compliance team twice a year. For further details, please refer to the Anti-Corruption and Bribery Policy as published on JC&C's website, www.jcclgroup.com/sustainability/governance.

Training on anti-corruption and bribery is carried out as part of the Code of Conduct training, which is mandatory for all new employees, and a refresher course is mandatory for regular employees. Besides this, some business units also conduct additional anti-corruption and bribery training.

If there are any ethical issues, employees can raise them via the whistle-blowing programme further elaborated below. More information can be found on JC&C's website: www.jcclgroup.com/sustainability/governance.

Whistle-Blowing Policy

JC&C encourages the early reporting of matters of serious concern that may affect the professional and compliant operation of its businesses and reputation. It has a Whistle-Blowing Policy with procedures on how employees and third parties can report any workplace malpractice and is committed to protecting and supporting anyone who reports non-malicious or non-vexatious matters of concern. The policy comes under the purview of the Audit Committee to ensure independent investigation and appropriate follow-up action on any concerns raised.

The policy is published on JC&C's website at www.jcclgroup.com/sustainability/governance. Employees who feel that they are unable to raise concerns within normal reporting lines can do so using the JMSpeakOut platform on an anonymous basis. JMSpeakOut is an anonymous, independent whistle-blowing service managed by Deloitte and is available 24/7 in various languages, such as Chinese, English and Thai. Third parties can also make use of the same platform. The policy lists out several ways to do the reporting: online, by email or via hotlines with local numbers in Singapore, Indonesia, Malaysia and Myanmar. Reports can be made in the reporter's local language and are entirely confidential, i.e. the person making the report is not required to reveal his or her identity until he or she chooses to do so. Reports will be channelled to the designated person at JC&C which is the Group General Counsel.

Health, Safety and Welfare of Employees

JC&C's health and safety obligations are set out in the collective agreements with the respective trade unions. They 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. The Workplace Health and Safety Committee manages health and safety matters. It is advised by an Environment, Health & Safety ("EH&S") Manager who is a full-time employee and a certified Workplace Safety & Health Officer.

JC&C also has an Emergency Response Team housed in its office buildings. 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.

JC&C has a Human Resources Policy in place covering hiring and employment practices, including compensation and benefits, as well as learning and development aspects. Its recruitment practices are in accordance with the Singapore Tripartite Guidelines for fair and progressive practices. Recruitment is based on an individual's merit regardless of age, race, gender, religion, marital status or family responsibilities, and is conducted in a fair, just, open and transparent manner. Career opportunities are available for internal mobility and progression as part of enabling career enrichment, and applicants are given fair opportunities.

Apart from providing retirement provisions as required under the law, JC&C also provides benefits such as life, accident and medical insurance for all full-time employees, and all employees are eligible for parental leave based on provisions in the local employment Act.

Further details are provided in JC&C's Sustainability Report 2021.

Employee Training and Career Development Programmes

A Human Resources Policy is in place covering employee training and development aspects. This is reviewed regularly by the Human Resources division, in consultation with the business leaders, taking into consideration the external changing business landscapes, feedback from new hire/exit interviews, performance reviews and employee engagement results.

To encourage further learning, JC&C has an Education Assistance Programme that sponsors employees' education, providing them further professional and personal development opportunities. An annual analysis on training needs is conducted to identify employees for individualised programmes as part of their career development.

Recognising that learning and development can be extended to a wider group of employees by leveraging digital technology, JC&C is part of the Jardines Learning Academy and has introduced virtual programmes since 2019. Conducted over an interactive e-learning platform, employees are able to engage effectively with the trainer and other employees across the wider Jardine Group on topics that are helpful to their work and relevant to their career pathways. In 2021, JC&C's employees attended functional and professional training programmes such as the Finance & Procurement Academy, Personal Excellence series and Digital & Innovation Academy conducted virtually and/or via e-learning.

In 2021, JC&C recorded an annual average of 16.4 hours of training per employee. This was an increase from 2020, with virtual learning becoming more prevalent.

Annually, all eligible employees will undergo an individualised and transparent performance review as part of JC&C's career management framework. This ensures that employees are on track in their career development and aligns the training needs of employees with business objectives. JC&C achieved its target of 100% of eligible employees receiving a performance review in 2021.

A breakdown of training, performance and career development reviews is given in the Appendix of JC&C's Sustainability Report available on its website at www.jcclgroup.com/sustainability.

Health and Safety of Customers

During the COVID-19 pandemic in 2021, JC&C's various businesses, operated by its subsidiaries and associates throughout Southeast Asia, had observed the health and safety measures that were in place in their respective countries.

In Singapore, a series of safe management measures were implemented at the facilities of Cycle & Carriage Singapore for the health and safety of its customers who visited its vehicle showrooms and workshops. These included SafeEntry and TraceTogether check-in and check-out, usage of face shields, gloves and table shields, capacity controls, contactless greeting of customers, availing hand sanitisers throughout the premises, safe distancing floor markers and furniture arrangements, isolation room in the event of a suspected case, increased frequency in disinfecting its premises, shuttle services and test-drive vehicles, sanitisation of tools and encouraging contactless payment. At the larger facilities, vaccination-differentiated safety measures were also adhered to per the government's guidelines. Only fully vaccinated persons were allowed entry to better protect unvaccinated individuals who were at a higher risk of infection and severe illness. Special arrangements were made for unvaccinated customers to receive after-sales and repair services without entering the premises.

In addition, measures which were above and beyond the regulatory guidelines were also introduced, including placing disinfectant doormats at all entry points; sanitisation of pens used by customers; sanitisation of vehicle interiors before and after service or repair job, and using protective coverings on all high touch areas within the vehicle. All customers' vehicle keys were also sanitised and kept in individual zipper bags.

Securities Dealing Policy

JC&C has in place an internal compliance policy on dealings in its securities by directors and employees who, by the nature of their position within JC&C, 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.

Under the policy, directors cannot deal in JC&C's shares without prior approval of the Board, which approval is delegated to the Chairman of the Board.

Further, directors and employees are to refrain from dealings in JC&C's securities at any time while in possession of unpublished material price sensitive information, on short-term considerations, and during closed periods which are from one month before, and up to, the date of announcement of JC&C's half year and full year results, and such other closed periods as may be notified by JC&C from time to time. Periodic reminders are sent out to affected parties to remind them of the policy and closed periods.

Directors are required to notify JC&C within two business days of their dealings in JC&C's securities, and such dealings will be made known to investors by the next day through a public announcement on JC&C's and SGX's websites.

Disclosure and Transparency

Information in the Annual Report

JC&C's corporate objectives can be found on pages 2 to 7 of this Annual Report.

JC&C's financial performance indicators and highlights can be found on page 3 of this Annual Report.

Non-financial performance indicators are set out in JC&C's Sustainability Report 2021, a summary of which can be found at pages 53 to 56 of this Annual Report. JC&C's annual sustainability reports are accessible at its corporate website www.jcclgroup.com/sustainability.

Information on key risks (including operational risks), and the risk assessment and management process, can be found on pages 44 to 46 of this Annual Report.

Please refer to the *Interested Person Transactions* section on pages 47 to 48 for further details on interested

person transactions, including the identity of related parties, JC&C'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* on page 35 for the details.

Key information on the directors' direct and indirect (deemed) shareholding in JC&C and its related corporations can be found on pages 58 to 59 of this Annual Report. As at 31st December 2021, the Group Managing Director, Benjamin Birks, and the Group Finance Director, Stephen Gore, each own 25,000 shares in JC&C.

Key information regarding the directors relating to their age, academic and professional qualifications, date of the first appointment as director, date of the 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 page 27 to 30 of this Annual Report.

Timeliness of Release of Results

JC&C's full year results for 2021 were released on 28th February 2022 which was within 60 days after the end of its financial year of 31st December 2021.

Investor Relations, Medium of Communication and Results Briefings

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

The implementation of the new IR plan began to show results when JC&C's Annual Report 2019, a key investor communications document with a clearer articulation of the business strategy, won "Best Annual Report" at the IR Magazine South East Asia Awards 2020.

In 2021, JC&C's Annual Report was distributed electronically to all shareholders before the AGM, and copies of the latest Annual Report and those of the last four years are available on JC&C's website in downloadable format. Additionally, to improve the readability of the annual report online, a microsite was developed to provide contents in easily digestible formats and distil key topics of interest for our shareholders through the innovative design of the microsite.

Corporate Governance

Shareholders receive regular and timely communication from JC&C through announcements on SGX's website at www.sgx.com, which are simultaneously posted on JC&C's website, www.jcclgroup.com, as well as the reporting of its results. The results are also available on JC&C's website under the "Investors" section and provide shareholders and the public with regular updates on the financial performance, position and prospects of JC&C.

Announcements released via SGX's website contain adequate information as per the SGX-ST Listing Manual's requirements and guidelines. JC&C ensures that the announcements are prepared by persons 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.

JC&C holds an analysts briefing twice a year after announcing 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 2021, JC&C made its results briefings available via on-demand webcasts on the corporate website, to reach out to a wider group of investors. The briefing material was also published on SGX's and JC&C's websites before the meeting.

JC&C also meets with institutional investors regularly 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.

JC&C has a dedicated and enhanced "Investors" section on its website, providing relevant information and resources to investors. It offers easily accessible features and resources such as financial results snapshots, announcements and results briefing webcasts, a highly navigable annual report microsite, and interactive share price charts. The section has an IR contact (corporate.affairs@jcclgroup.com), and JC&C will respond to emails typically within the next working day.

JC&C's website also contains useful up-to-date information, including its group corporate structure, various business interests and Constitution.

Summary of Disclosures – Corporate Governance

Rule 710 of the SGX-ST Listing Manual requires Singapore-listed companies to describe their corporate governance practices in their annual report with specific reference to the Corporate Governance Code. This summary of disclosures describes our corporate governance practices with specific reference to the express disclosure requirements in the principles and provisions of the Corporate Governance Code.

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