

# > CORPORATE GOVERNANCE

The JC&C Board of Directors (the “**Board**”) holds the view that sound corporate governance is integral to JC&C’s success in achieving its mission and vision to deliver sustainable growth to create evermore opportunities for its stakeholders in Southeast Asia.

JC&C has in place corporate governance policies, practices and terms of reference for the Board, audit & risk committee, nominating committee and remuneration committee. These are in line with the requirements of the Singapore Exchange (“**SGX**”) and the Code of Corporate Governance 2018 (the “**Corporate**

**Governance Code**”). They are continually reviewed and refined in accordance with new and changing requirements.

This report describes the corporate governance practices of JC&C for the financial year ended 31st December 2023 (“**2023**”).

## Board Responsibilities

### Board Size and Composition

The following are the features of the Board in 2023:

- at the start of 2023, the Board comprised nine directors: six non-executive directors and three executive directors;

- five of the nine directors were independent, making it an independent-majority board;
- the Board was led by a non-executive non-independent chairman who represented the major shareholder of JC&C;
- the three executive directors held the positions of Group Managing Director, Group Finance Director and Group Director, Business Development;
- the Board size and composition remained unchanged at the end of 2023; and
- no alternate director has been appointed to the Board.

### JC&C Board Composition as at 31st December 2023:

| Name of Director                                | Date of appointment to the Board   | Tenure as a JC&C Director* | No. of meetings in 2023 attended/held whilst in office |                  |          |          |          |
|---|--|----------------------------|--|------------------|----------|----------|----------|
|   |  |                            | Board  | AGM in person    | ARC      | NC       | RC       |
| <b>Chairman (Non-Executive Non-Independent)</b> |  |                            |  |                  |          |          |          |
| Benjamin Keswick                                | 1st April 2007<br>(formerly Group Managing Director, Chairman since 2012)                            | 16 years                   | 5/5<br>■   | 0/1              | –        | 2/2<br>■ | 2/2<br>■ |
| <b>Executive Directors</b>                      |  |                            |  |                  |          |          |          |
| Benjamin Birks                                  | 1st October 2019<br>(Group Managing Director)  | 4 years                    | 5/5  | 1/1              | 4/4<br># | 2/2<br># | –        |
| Amy Hsu   | 1st August 2022<br>(Group Finance Director)  | 1 year                     | 2/2  | 1/1              | 4/4<br># | –        | –        |
| Stephen Gore                                    | 1st April 2019<br>(formerly Group Finance Director, Group Director, Business Development since 2022) | 4 years                    | 2/5<br>**  | 1/1              | –        | –        | –        |
| <b>Independent Directors (Non-Executive)</b>    |  |                            |  |                  |          |          |          |
| Mrs Lim Hwee Hua                                | 29th July 2011<br>(Lead Independent Director since 2022)   | 12 years                   | 5/5  | 1/1              | 4/4<br>■ | 2/2<br>■ | 2/2<br>■ |
| Dr Marty Natalegawa                             | 24th February 2015   | 8 years                    | 5/5  | 1/1              | –        | 2/2<br>■ | –        |
| Steven Phan                                     | 25th April 2019  | 4 years                    | 5/5  | 1/1              | 4/4<br>■ | –        | –        |
| Tan Yen Yen                                     | 1st January 2021   | 3 years                    | 5/5  | 0/1 <sup>^</sup> | –        | –        | 2/2<br>■ |
| Samuel Tsien                                    | 1st October 2021   | 2 years                    | 5/5  | 1/1              | 4/4<br>■ | –        | –        |

\* The tenure is reflected as at 31st December 2023. The average Board tenure is 6 years.

\*\* Mr Stephen Gore was on medical leave from July to December 2023.

# Attended not as a member but on ex officio basis

<sup>^</sup> Present virtually

**AGM:** Annual General Meeting

**ARC:** Audit & Risk Committee

■ Chairperson

**NC:** Nominating Committee

**RC:** Remuneration Committee

■ Member

### 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 2023, 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. The Group Managing Director is the organisation's Chief Executive Officer 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, Mrs Lim Hwee Hua, 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.

The independent directors regularly connect without the presence of the Executive Directors and management to discuss various matters concerning JC&C. Such engagements are led by the Lead Independent Director or another independent director, and feedback about the discussions is given to the Board or the Chairman as appropriate.

### Board Diversity Policy

JC&C believes that having the appropriate balance and mix of diversity will enhance the Board's decision-making and the Group's performance. It remains committed to maintaining and continually strengthening this diversity through its Board Diversity Policy.

Under the policy, the Nominating Committee leads the annual process of board succession planning and the appointment and re-appointment of directors, making 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 effectively lead the Group. 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 ensuring 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 the Board Diversity Policy and report yearly on the Board's composition in terms of diversity. It will also review the effectiveness of the policy and discuss and recommend any changes to the Board, as appropriate.



Mr Benjamin Birks was named Best CEO in the large-cap category, for companies with market capitalisations of above S\$1 billion.

# > CORPORATE GOVERNANCE

## Progress in Implementing Board Diversity

The 2023 and current compositions of the Board reflect the Board Diversity Policy in action. There is a diversity of skills and experience with Board members from the industrial conglomerate, finance, banking, automotive, consumer-related and technology sectors,

all of which are industries that are relevant to JC&C's portfolio of investments. Details of each director's professional background can be found on pages 24 to 27 of this Annual Report.

The directors also possess a range of critical competencies as set out in the table of competencies matrix below.

JC&C appoints well-qualified directors who are best suited for its needs based on merit, regardless of gender. It has had female representation on the Board for many years dating back to 1994. In 2023 and until today, three out of nine of its directors are women, achieving 33% female representation in line with the practice of many leading markets and the Council for Board Diversity's 2030 target. Its female directors hold leadership roles as Lead Independent Director, Chairperson of the Nominating Committee, Chairperson of the Remuneration Committee and Group Finance Director.

To have continued female representation, the Board will ensure that there continues to be high-calibre female candidates included in the search process for new Board members.

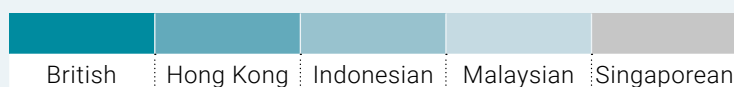
There is a good mix of age representation on the Board ranging from late thirties to late sixties. Five nationalities are represented on the Board

## Directors' Skills and Experience

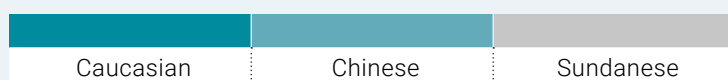
| Categories:   | No. of directors with these skills and experience: |
|---|--|
| • Executive leadership and management                                 | 9/9  |
| • Experience as director of a public-listed company                   | 9/9  |
| • Strategic/business planning and decision                            | 8/9  |
| • Finance/accounting  | 6/9  |
| • Risk management (including climate-related risks and opportunities) | 6/9  |
| • Public policy/regulatory/legal                                      | 4/9  |
| • People and organisational change management                         | 6/9  |
| • Innovation  | 2/9  |
| • ESG/Sustainability  | 5/9  |
| • Information Technology/Digital                                      | 3/9  |

## Board Composition (as at 31st December 2023)

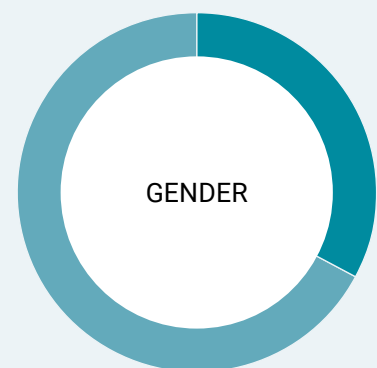
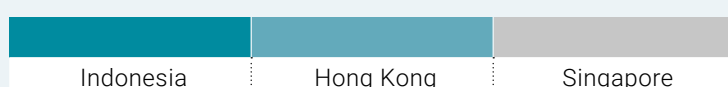
### Nationality



### Ethnicity



### Geography



|        |     |
|--------|-----|
| Female | 33% |
| Male   | 67% |

including three Southeast-Asian countries. The directors are from three different ethnic groups and geographical backgrounds. Their tenures on the Board range from 1.4 years to 16.8 years.

Further progress on implementing the Board Diversity Policy will be shared in future corporate governance reports, as appropriate.

JC&C directors are of the view that the Board and Board committees are of an appropriate size, and that the directors, individually and collectively, have the right combination and balance of skills, knowledge, experience and diversity that facilitates constructive debate and avoids groupthink. The Board is able to effectively set strategic objectives and review, approve and monitor the execution of plans developed by management to deliver performance and value creation.

#### 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 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 listed company director 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 SGX.

#### Board's Duties and Responsibilities

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

##### 1. Strategy, Planning and Sustainability

The Board provides entrepreneurial leadership and sets strategic objectives including an appropriate focus on value creation, innovation and

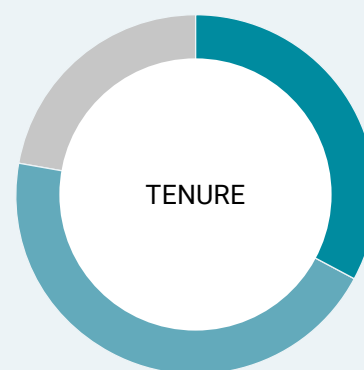
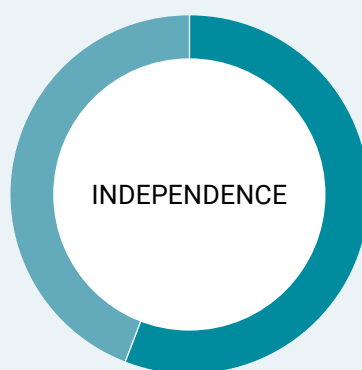
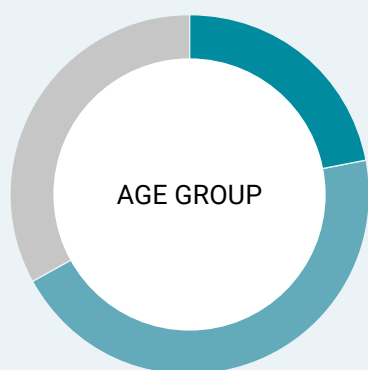
sustainability. It ensures that the necessary resources are available to meet these objectives.

##### 2. Risk Management and Internal Control Systems

The Board works with management to oversee JC&C's business 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 and risk management, including regularly reviewing risk management and internal audit reports. Note that internal controls include but are not limited to financial, operational, compliance and information technology controls while risk management includes but is not limited to climate and tax risks.

Please refer to the Risk Management and Internal Control Systems section on pages 44 to 45 for further details.



|                 |     |
|-----------------|-----|
| 38-50 years old | 22% |
| 51-60 years old | 45% |
| 61-68 years old | 33% |

|                 |     |
|-----------------|-----|
| Independent     | 56% |
| Non-Independent | 44% |

|               |     |
|---------------|-----|
| 0-3 years     | 33% |
| 3-9 years     | 45% |
| Above 9 years | 22% |

### 3. Measuring and Monitoring Performance

The Board ensures proper financial reporting by reviewing JC&C's results announcements, including interim management statements, before their release to verify that they present a balanced and clear 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 of the Group's non-financial performance indicators. As Environmental, 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.

### 4. 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. It 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 41 to 43 for further details.

### 5. 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. An analysis of the relevant ESG risks and opportunities, including climate risks, is a part of the approval process.

To safeguard JC&C'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 disclosable 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.

### 6. Succession Planning

The Board reviews the annual succession planning of directors and key management personnel, the appointment and re-appointment of directors and the progressive renewal of the Board. Please refer to the *Board Succession Planning* section on pages 38 to 39 and *Key Management Succession Planning* section on pages 40 to 41 for further details.

### 7. Business Ethics, Code of Conduct and Conflict of Interests

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/ethics 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 pages 44 to

45 and the *Code of Conduct, Anti-Corruption and Bribery, Group Tax Governance Policy (Singapore) and Whistle-Blowing Policy* sections on pages 53 to 54 for further details.

The Board also ensures that directors facing conflict of interests recuse themselves from board-level discussions and decisions. Please refer to the *Management of Conflicts of Interests* section on page 52 for further details.

### 8. Shareholders' Rights and Engagement

The Board ensures that JC&C regards all shareholders fairly and equitably. It facilitates the exercise of the shareholders' ownership rights, including 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 50 to 52 and the *Investor Relations, Medium of Communication and Results Briefings* section on pages 56 to 57 for further details.

### 9. 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 53 to 56 for further details on the key focus areas.

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.

### Board and Committee Meetings and Attendance

In 2023, the Board and Board committees met regularly to deliberate upon and approve the matters as set out earlier under the *Board's Duties and Responsibilities* section.

| Board and Committees   | Number of meetings in 2023 |
|------------------------|----------------------------|
| Board                  | 5                          |
| Audit & Risk Committee | 4                          |
| Nominating Committee   | 2                          |
| Remuneration Committee | 2                          |

Please refer to the table on page 32 for each director's attendance at the Board and committee meetings and the Annual General Meeting ("AGM") of 2023.

### Board's Access to Complete, Adequate and Timely Information

To fulfil their duties, the 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 that 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 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 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 present at all Board and Audit & Risk Committee meetings to provide further information and address queries. JC&C's internal auditors attend every Audit & Risk Committee meeting to present their reports and address questions. Management makes available other senior executives at the meetings where the situation warrants.

### Board's Access to Management, Company Secretary and Independent Advisers

Management ensures that it is separately and independently accessible to the Board to address queries and provide additional information on a timely basis.

The Board has separate and independent access to the Company Secretary, whose

appointment and removal is a decision of the Board as a whole.

The Board is also empowered to seek independent professional advice as considered necessary, at JC&C's expense.

### Board Training

Besides timely access to internal information, the directors also need to maintain their knowledge and skills and develop new competencies to fulfil their roles effectively. All directors are encouraged to attend courses and seminars that suit their needs, at JC&C's expense.

JC&C incorporates opportunities for Board members to update their knowledge in the course of Board and committee meetings. 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. These are supplemented with specially written Board papers as well as externally sourced articles and reports. Separate training sessions are arranged where required.

The topics covered in 2023 included market outlook and business trends, accounting standards, risk management, listing rules, regulations, ESG and geopolitics. Some specific areas were:

- New accounting standard IFRS 17 (insurance contracts)
- SGX Listing Rules on the tenure of long-serving independent directors
- Climate-related disclosures following the ISSB Standards IFRS S2
- ESG policies, practices and trends in Singapore

Mikkel Larsen was newly appointed to the Board in early 2024 and will be completing the mandatory training on the roles and responsibilities of a director of a listed issuer as prescribed by SGX.

## 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 & Risk Committee

From time to time, the Board also establishes *ad hoc* committees on specific matters for operational and business efficiency.

## Nominating Committee

The Nominating Committee consists entirely of non-executive directors. The majority of the Committee is independent and it is chaired by an independent director. It meets the minimum size requirement of three members under the Corporate Governance Code.

The Nominating Committee met twice in 2023.

The terms of reference of the Nominating Committee include the following:

- Review and make recommendations to the Board on matters relating to the succession plans for directors and key management personnel, taking into account the Board Diversity Policy
- Develop and maintain a formal and transparent process for the selection, nomination, appointment and re-appointment of directors
- Identify the mix of skills, qualities and experience and the appropriate diversity factors that the Board requires to function competently and efficiently, and apply them to the process of appointment and re-appointment of directors
- Recommend an appropriate size of the Board and Board committees

## Composition of the Nominating Committee in 2023:

| Director            | Position    | Status                    |
|---------------------|-------------|---------------------------|
| Mrs Lim Hwee Hua    | Chairperson | Lead Independent Director |
| Dr Marty Natalegawa | Member      | Independent Director      |
| Benjamin Keswick    | Member      | Non-independent Director  |

- Determine the independence of directors on an annual basis and when required by circumstances
- Develop, maintain and oversee a formal annual assessment of the Board's effectiveness as a whole, and that of each of its Board committees and individual directors, including recommending the objective performance criteria
- Decide if a director is able to and has been adequately carrying out his or her duties as a director, taking into account the director's number of directorships and principal commitments
- Review and recommend training and professional development programmes for the directors and ensure that new directors are aware of their duties and obligations

## Board Succession Planning

The Nominating Committee leads the annual Board succession planning process, including the appointment of new directors and the re-election of existing directors. It makes recommendations to the Board on these matters.

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, experience, independence and diversity within JC&C and on the Board.

## Appointment of New Directors

For new director appointments, candidates are externally sourced by executive search consultants. Suitable candidates recommended by a Board member or management,

or from JC&C's network of contacts, would also be considered.

The candidates should have skills and experience in one or more of the following areas: executive leadership and management, experience as director of a public-listed company, strategic/business planning and decision, finance/accounting, risk management (including climate-related risks and opportunities), public policy/regulatory/legal, people and organisational change management, innovation, ESG/sustainability and information technology/digital, and with experience in Southeast Asia. Additional factors such as integrity and the ability to make independent and sound decisions will be taken into account. Other diversity factors such as gender, age, nationality, ethnicity and geographical background will be considered where appropriate.

The Corporate Governance Code requires that independent directors make up a majority of the Board where the chairman is not independent. To ensure that the majority-independent Board composition is maintained, the candidates should also meet the independence criteria set by the Board if they are being considered for the role of an independent director.

Once identified, shortlisted candidates will be interviewed by the Nominating Committee. If found to be suitable, the Nominating Committee will nominate the candidate to the Board for approval.

Under JC&C's Constitution, a new director is required to stand for re-election at the first AGM that takes place after his or her appointment.

At the upcoming AGM in 2024, Mikkel Larsen will stand for re-election pursuant to this rule.

### Re-election of Directors

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

JC&C's Constitution requires one-third of the Board, including the Group Managing Director and other executive directors, to retire by rotation and submit themselves for re-election by shareholders at each AGM. Retiring directors are those who have been the longest in office since their last re-election. This rotational retirement results in a director standing for re-election every two to three years. This complies with Rule 720(5) of the SGX-ST Listing Manual which requires that all directors submit themselves for re-nomination and re-appointment at least once every three years. The annual re-election of the entire Board is not a regulatory requirement in Singapore.

At the upcoming AGM in 2024, Mrs Lim Hwee Hua, Dr Marty Natalegawa and Steven Phan will retire by rotation and Mikkel Larsen will retire pursuant to the rule for new directors.

The Nominating Committee has recommended that Steven Phan and Mikkel Larsen be put up for re-election at the AGM. They will each stand for re-election on an individual basis. Their names are reflected in the Notice of Annual General Meeting which is published on JC&C's website at [www.jcclgroup.com](http://www.jcclgroup.com) and SGX's website at [www.sgx.com](http://www.sgx.com). Key information about them can be found on pages 24 to 27, 66 to 67 and 182 to 184 of the Annual Report. Mrs Lim Hwee Hua and

Dr Marty Natalegawa will not be standing for re-election as they will retire from the Board under the Board succession plan.

### Assessment of Directors' Independence

The Nominating Committee is responsible for the assessment of the independence of the non-executive directors.

The assessment is carried out for new independent director appointments and an annual review is carried out for existing directors. The Nominating Committee submits its assessment to the Board for the Board's consideration and declaration of a director's independence.

The Board considers a director to be independent if he or she is independent in conduct, character and judgement and has 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.

Under the SGX-ST Listing Manual rules applicable from 2023 onwards, a director would not be considered independent where any of the following circumstances existed:

- (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, or
- (iii) a director who has been a director of JC&C for an aggregate period of more than

nine years; such director may continue to be considered independent until the conclusion of JC&C's next AGM (subject to SGX's transitional arrangements in place).

The term 'related corporations' includes major shareholders.

The directors were asked to declare if such a relationship or circumstances existed. They were also asked to assess if there were other circumstances, relationships or salient factors by reason of which they would consider themselves to be not independent vis-à-vis JC&C.

For 2023, the Board concurred with the Nominating Committee and considered Benjamin Keswick as a non-independent director as he is the Executive Chairman of Jardine Matheson Holdings Limited, the 78% major shareholder of JC&C and a related corporation of JC&C. The remaining non-executive directors, namely Mrs Lim Hwee Hua, Dr Marty Natalegawa, Steven Phan, Samuel Tsien and Tan Yen Yen were declared independent according to the requirements of the Corporate Governance Code and the SGX-ST Listing Manual.

Mrs Lim Hwee Hua and Dr Marty Natalegawa are both long-serving independent directors whose independent status will expire at the close of the AGM in 2024. Under the Board succession plan, both of them will be retiring from the Board at the AGM in 2024. No other independent director has served beyond nine years on the Board.

The majority of the Board is independent and the Board complies 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 annually. This formal assessment process is overseen by the Nominating Committee.

The assessment is carried out through questionnaires that employ an objective set of 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 required in line with changes to corporate governance requirements and practices. In such a case, the Nominating Committee may recommend updates to the questionnaires or assessment process.

Each director is required to complete the assessment questionnaires. The responses are collated and presented to the Nominating Committee for review and discussion as well as 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, the 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, the rigour of decision-making and availability of information.

### Director's Time Commitment

The Board is made up of high-calibre individuals who are leaders in their respective fields and are naturally sought after to serve on multiple boards and take on other principal commitments. Rather than being a limiting factor, the Board views it as an advantage that its members continue to gain regional and international exposure and experience in a range of industries and countries. Accordingly, the Board has decided not to set a maximum number of listed company board representations which any director may concurrently hold. The individual directors are responsible for monitoring their time commitments and ensuring that they can effectively discharge their duties as a director of JC&C.

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 their 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 their attendance, attentiveness, participation and contribution at Board and Board committee meetings.

The Nominating Committee is satisfied that for 2023, each of the directors gave sufficient time and attention to the affairs of JC&C and was able to effectively discharge their duties as a director of JC&C, notwithstanding their other principal commitments.

The Executive Directors, Benjamin Birks, Amy Hsu and Stephen Gore, do not hold any external directorships. They sit on the boards of companies that are the subsidiaries and associated companies of JC&C and its parent, Jardine Matheson Holdings Limited.

### Key Management Succession Planning

The Board works closely with the Nominating Committee, Remuneration Committee and the human resources department for the succession planning of each key management role. This also involves the identification of competencies necessary to perform the role. These plans are reviewed and updated according to business needs.

Talent development, recruitment and compensation programmes are important parts of the succession planning process.

As part of the larger Jardine Matheson Group of companies, JC&C has access to and benefits from Jardines' talent pool. Under its executive management development programmes, talent is recruited from diverse disciplines and geographical backgrounds. They are given opportunities to

work in a variety of businesses across Jardines and are involved in strategic and operational planning and finance roles. Talented individuals are identified and provided with exposure and training to prepare them for future senior roles, including at JC&C.

Depending on the competencies and business needs identified, external candidates for key management roles are sometimes also considered in order to find the best person for the role. Expertise in such recruitment comes from JC&C's human resources department and is supplemented by external search consultants.

The Nominating Committee will make the final recommendation to the Board regarding the candidate for a key management role and the Remuneration Committee will review the compensation package.

## Remuneration Committee

The Remuneration Committee consists entirely of non-executive directors. The majority of the Committee is independent and it is chaired by an independent director. It meets the minimum size requirement of three members under the Corporate Governance Code.

The Remuneration Committee met twice in 2023.

The terms of reference of the Remuneration Committee include the following:

- Review and recommend to the Board a framework of remuneration for non-executive directors and the specific remuneration packages for each non-executive director
- Recommend to the Board the aggregate remuneration of the non-executive directors for approval at the AGM

## Composition of the Remuneration Committee in 2023:

| Director         | Position    | Status                    |
|------------------|-------------|---------------------------|
| Tan Yen Yen      | Chairperson | Independent Director      |
| Mrs Lim Hwee Hua | Member      | Lead Independent Director |
| Benjamin Keswick | Member      | Non-independent Director  |

- Review and recommend to the Board a framework of remuneration for executive directors (including the Group Managing Director) and key management personnel and the specific remuneration packages for each of these persons to attract, retain and motivate them to provide good stewardship and management
- Ensure that the recommended remuneration framework is appropriate and proportionate to the sustained performance and value creation of JC&C, including having a significant and appropriate proportion linked to corporate and individual performance with appropriate and meaningful measures for assessing the individual's performance
- Review and recommend the eligibility of executive directors and key management personnel for benefits under any long-term incentives
- Cover all aspects of remuneration, including but not limited to director's fees, salaries, allowances, bonuses, options, share-based incentives and awards and benefits-in-kind and termination terms and payments and to ensure fairness and avoid rewarding poor performance
- Consider implementing schemes to encourage non-executive directors to hold shares in JC&C

## Executive Directors & Key Management's 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, to increase shareholder value.

Several members of the Remuneration Committee are knowledgeable in executive compensation. Expert advice and views on remuneration matters and benchmarking exercises are obtained from external consultants and internally from within Jardines.

The remuneration of executive directors and key management personnel are structured to link rewards to corporate and individual performance.

Consisting of both a fixed and variable component, the performance conditions are based on JC&C's strategy and business plans for the year and are aligned with the interests of shareholders and other stakeholders. 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 via a balanced scorecard and covers a performance period of one year.

Since 2021, JC&C has embedded ESG into all strategic decision making and a component of the remuneration of executive directors and key management is linked to ESG considerations, including managing climate risk. Risk management is closely related to strategy and business plans as it plays a crucial role in ensuring the success and sustainability of an organisation through identifying, assessing and mitigating potential risks that could impact the achievement of strategy objectives and the execution of business plans. This is why managing risks, such as climate risks, is a component of the executive directors and key management's remuneration.

The Remuneration Committee reviews the remuneration of executive directors and key management personnel annually. The Board approves such remuneration via the Remuneration Committee to whom the Board has delegated authority for such approval.

For 2023, the Remuneration Committee confirmed that the level and structure of remuneration were aligned with the long-term interests and risk management policies of JC&C. No executive director was involved in deciding his or her own remuneration.

### 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 2023.

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 advises 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 a non-executive director's level of responsibility, effort and time commitment. The Chairperson of the Board or a Board committee receives higher fees, and separate fees are paid for committee membership.

The total amount of non-executive directors' fees is tabled for shareholders' approval annually at the AGM. At the last AGM in 2023, the shareholders approved the non-executive directors' fees of up to S\$1,139,000 for 2023. No director is involved in deciding his or her own remuneration.

No directors' fees are paid to executive directors.

The non-executive directors' fee structure was last revised in 2022 and remains unchanged as follows:

| Fees payable per director per annum (S\$) | Chairman<br>S\$ | Member<br>S\$ |
|---|-----------------|---------------|
| Board                                     | 140,000         | 80,000        |
| Audit & Risk Committee                    | 50,000          | 28,000        |
| Remuneration Committee                    | 22,000          | 12,000        |
| Nominating Committee                      | 22,000          | 12,000        |

## 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 JC&C for 2023, including their names, is shown in the tables below, broken down into various elements in dollar terms.

In 2023, no employees were substantial shareholders of JC&C or the immediate family members of a director, the Group Managing Director or a substantial shareholder of JC&C.

| Directors                   | Directors' fees<br>S\$'000 | Base salary<br>S\$'000 | Variable bonus<br>S\$'000 | Defined benefits/<br>contribution plans<br>S\$'000 | Benefits-in-kind<br>S\$'000 | Total<br>S\$'000 |
|-----------------------------|----------------------------|------------------------|---------------------------|--|-----------------------------|------------------|
| Benjamin Keswick            | 164                        | –                      | –                         | –  | –                           | 164              |
| Benjamin Birks <sup>#</sup> | –                          | 767                    | 2,559                     | 118  | 804                         | 4,248            |
| Stephen Gore <sup>#</sup>   | –                          | 832                    | –                         | 130  | 644                         | 1,606            |
| Amy Hsu <sup>#</sup>        | –                          | 431                    | 755                       | 67   | 305                         | 1,558            |
| Mrs Lim Hwee Hua            | 142                        | –                      | –                         | –  | –                           | 142              |
| Dr Marty Natalegawa         | 92                         | –                      | –                         | –  | –                           | 92               |
| Steven Phan                 | 130                        | –                      | –                         | –  | –                           | 130              |
| Tan Yen Yen                 | 102                        | –                      | –                         | –  | –                           | 102              |
| Samuel Tsien                | 108                        | –                      | –                         | –  | –                           | 108              |

<sup>#</sup> Executive Director

| Key Management Personnel   | Base salary<br>S\$'000 | Variable bonus<br>S\$'000 | Defined benefits/<br>contribution plans<br>S\$'000 | Benefits-in-kind<br>S\$'000 | Total<br>S\$'000 |
|--|------------------------|---------------------------|--|-----------------------------|------------------|
| Jeffery Tan<br>Group General Counsel; Chief Sustainability Officer; Director of Legal & Corporate Affairs; and Company Secretary | 551                    | 501                       | 11   | 16                          | 1,079            |
| Cheah Kim Teck<br>Director, Business Development   | 300                    | 250                       | 8  | 16                          | 574              |
| Wilfrid Foo<br>Managing Director, Direct Motor Interests   | 426                    | 767                       | 18   | 17                          | 1,228            |
| Alfredo Chandra <sup>1</sup><br>Finance Director, Direct Motor Interests   | 129                    | 142                       | 6  | 15                          | 292              |
| Kent Teo <sup>2</sup><br>Finance Director, Direct Motor Interests  | 69                     | 96                        | 6  | 65                          | 236              |

<sup>1</sup> Appointed on 1st July 2023

<sup>2</sup> Stepped down on 18th April 2023

Notes:

- (i) Directors' fees for non-executive directors were approved by the shareholders as a lump sum at the AGM held in 2023.
- (ii) Benefits-in-kind refer to benefits such as car, housing, club membership made available as appropriate.
- (iii) The total remuneration of the top five key management personnel for 2023 was S\$3,410,000.
- (iv) No stock options or share-based incentives or awards were paid to directors and key management personnel in 2023.

## Audit & Risk Committee

Composition of the Audit & Risk Committee in 2023:

| Director         | Position | Status                    | Chartered Accountant | Expertise in financial management | Expertise in risk management |
|------------------|----------|---------------------------|----------------------|-----------------------------------|------------------------------|
| Steven Phan      | Chairman | Independent Director      | ✓                    | ✓                                 | ✓                            |
| Mrs Lim Hwee Hua | Member   | Lead Independent Director |                      | ✓                                 | ✓                            |
| Samuel Tsien     | Member   | Independent Director      |                      | ✓                                 | ✓                            |

The Audit & Risk Committee consists entirely of non-executive directors, all of whom are independent directors. It is chaired by an independent director who is a chartered accountant. It meets the minimum size requirement of three members under the Companies Act 1967 and the Corporate Governance Code.

All the members have recent and relevant accounting or related financial management expertise or experience. They also have expertise in risk management. No one was a former member or director of JC&C's existing auditing firm.

The primary function of the Audit & Risk Committee is to help the Board fulfil its statutory and fiduciary responsibilities in relation to the Group's financial reporting and risk governance. It ensures the integrity of financial statements, reviews financial and control risks and monitors the internal control systems.

In 2023, the Audit Committee was renamed the Audit & Risk Committee to more accurately reflect its existing role in risk management. The committee has been performing the risk management role since its inception, through regular reviews of the internal controls and risk management systems, the risk register and management's evaluation of principal business risks. Its terms of reference also clearly reflect these responsibilities.

The Audit & Risk Committee has access to management and has the discretion to invite any director or executive officer to attend its meetings. It has access to reasonable resources to enable it to discharge its duties properly.

The Audit & Risk Committee met four times in 2023.

The terms of reference of the Audit & Risk Committee include the following:

- Review at least annually the adequacy and effectiveness of JC&C's systems of internal controls (including financial, operational, compliance and information technology controls) and risk management systems, and commission an independent audit on internal controls and risk management systems, if necessary
- Review the significant financial reporting issues and judgements to ensure the integrity of JC&C's financial statements and any

announcements relating to its financial performance and review with the external auditors, their evaluation of the system of internal accounting controls

- Review the assurance from the Group Managing Director and the Group Finance Director on the financial records and financial statements
- Review with the external auditors their audit report and conduct a post-audit review of the statutory financial statements and audit findings, including any significant suggestions for improvements provided to management by external auditors
- Recommend to the Board on the adoption of the annual consolidated financial statements and annual report
- Recommend to the Board on the adoption of the interim and full year announcements of financial results and interim management statements
- Review the adequacy, effectiveness, independence, scope and results of JC&C's internal audit function
- Review with the external auditors their audit plan
- Review the adequacy, effectiveness, independence, scope and results of the external audit and assistance given by management to the external auditors
- Assess the independence and objectivity of the external auditors, including the aggregate and respective fees paid for audit and non-audit services
- Make recommendations to the Board on proposals to shareholders on (i) the appointment, re-appointment and removal of the external auditors, and (ii) the remuneration and terms of engagement of the external auditors
- Consider the terms of interested person transactions of JC&C, whether they are on normal

commercial terms and are not prejudicial to the interests of JC&C and its minority shareholders

- Carry out its duties as set out in the annual general mandate for interested person transactions approved by JC&C's shareholders
- Review the whistle-blowing policy and arrangements for concerns about possible improprieties in financial reporting or other matters to be safely raised, independently investigated and appropriately followed up on

### 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. It reviews the adequacy and effectiveness of these control and risk management systems, including financial, operational, compliance and information technology controls (which includes cybersecurity).

The Board receives periodic updates and risk management education during the regular Board meetings as well as separately arranged training sessions on specific matters as and when necessary.

Management is required to ensure good corporate governance through implementing and managing 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 licenses, permits and regulatory requirements. Where required, action plans are developed to remedy identified control gaps.

In addition, business units submit a summary comfort checklist regarding the adequacy and effectiveness of their internal control and risk management systems. Such assurances are also sought from the Group's internal and external auditors based on their independent assessments.

For 2023, the Board reviewed 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 of the Group in its business environment at that point in time.

The Board, with the concurrence of the Audit & Risk 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 2023, 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 internal control systems 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 judgement 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 & Risk 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 47 to 50.

#### Key Audit Matters

For 2023, the Key Audit Matters ("KAMs") of the Group and the Audit & Risk Committee's commentary on them are set out below:

| KAMs  | Audit & Risk Committee's Comments  |
|---|--|
| Impairment of investment in an associate – Siam City Cement Public Company Limited ("SCCC") | <p>The Audit &amp; Risk 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\$114 million was recognised in 2022 in view of the challenging operating environment and outlook. Following the review and discussions with management and the external auditor, the Audit &amp; Risk Committee concurred with management that no further impairment was required in 2023.</p>  |
| Valuation of consumer financing debtors   | <p>The Audit &amp; Risk Committee reviewed and was satisfied with the methodology used by management in calculating the allowances for impairment, 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 &amp; Risk 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> |
| Valuation of mining properties and related assets   | <p>The Audit &amp; Risk Committee reviewed and was satisfied with the reasonableness of management's judgement, assumptions and methodology used in the impairment review of the mining properties and related assets.</p> <p>Following the review and discussions with management and the external auditor, the Audit &amp; Risk Committee concurred with management that an impairment charge of US\$22.1 million in 2023 in respect of goodwill related to an acquisition of a gold mining business was prudent in view of operating challenges.</p>  |

## Internal Audit

The primary reporting line of JC&C's internal audit function is to the Audit & Risk Committee.

The internal audit function reviews the effectiveness of JC&C's 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 internal audit function provides independent and objective assurance on internal controls and assists the Audit & Risk Committee in reviewing how principal business risks in the Group are evaluated.

The Audit & Risk Committee approves the annual internal audit plans, regularly reviews the internal audit findings and follows up on implementation plans.

For 2023, the Audit & Risk Committee was satisfied that JC&C's internal audit function was independent of the business, effective and adequately resourced.

The internal audit function of the Group (excluding Astra) is performed by the internal audit team of its holding company, Jardine Matheson. Known as Group Audit and Risk Management ("**GARM**"), 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 Audit & Risk Committee receives quarterly reports from GARM, which cover matters like the overall control environment, audit findings, implementation statuses and significant non-compliance and matters of serious concern.

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 audits all the automotive sales operations under Astra's parent company. It supports and participates in 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 & Risk Committee receives quarterly reports on internal audit plans, audit findings, implementation plans and Astra group's top risks from GANRA.

## External Audit

For 2023, the Audit & Risk Committee made recommendations to the Board on the re-appointment of JC&C's external auditor, PricewaterhouseCoopers, and the remuneration to be paid to them.

JC&C has complied with Rule 713 of the SGX-ST Listing Manual, which requires the rotation of the external audit partner-in-charge.

The Audit & Risk Committee also approved audit plans for the external audit and reviewed the adequacy, effectiveness, independence, scope and results of the external audit. It met with the external auditor to discuss significant accounting and auditing issues arising from

its audit, other audit findings and recommendations.

As per its yearly practice, the Audit & Risk Committee met with both internal and external auditors without the presence of management to discuss matters that the Audit & Risk Committee or auditors believe should be discussed privately.

## Review of Results Announcements and Interim Management Statements

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

In 2023, before announcing the half year and full year results, the Audit & Risk Committee and JC&C's senior management reviewed the Group's financial information to ensure that it was properly presented and that appropriate accounting policies had been applied in preparing the financial information. Interim management statements for the first and third quarters were also reviewed before they were announced to ensure sufficient information was presented.

## Non-audit Services by External Auditor

In 2023, the Audit & Risk Committee reviewed the range and value of the non-audit services provided by the external auditors of the Group. The Audit & Risk Committee was satisfied that the provision of such services had not affected the independence of the external auditors. The breakdown of the 2023 fees is as follows:

|                                   | <b>US\$m</b> |
|-----------------------------------|--------------|
| Total fees for audit services     | 11.9         |
| Total fees for non-audit services | 3.2          |
| Total fees                        | 15.1         |

JC&C has complied with Rules 712 and 715 of the SGX-ST Listing Manual with regards to the auditing firms.

### Risk Management Review

Executive management oversees the implementation of the systems of internal control within the Group's operating companies, the responsibility for which rests with each company's board and its executive management.

The Group has an established risk management process that is reviewed regularly and covers all business units. This includes the maintenance of risk registers that detail the emerging and existing risks to the future success of the business and the relevant key controls and mitigating factors that address those risks. These are reviewed on a regular basis.

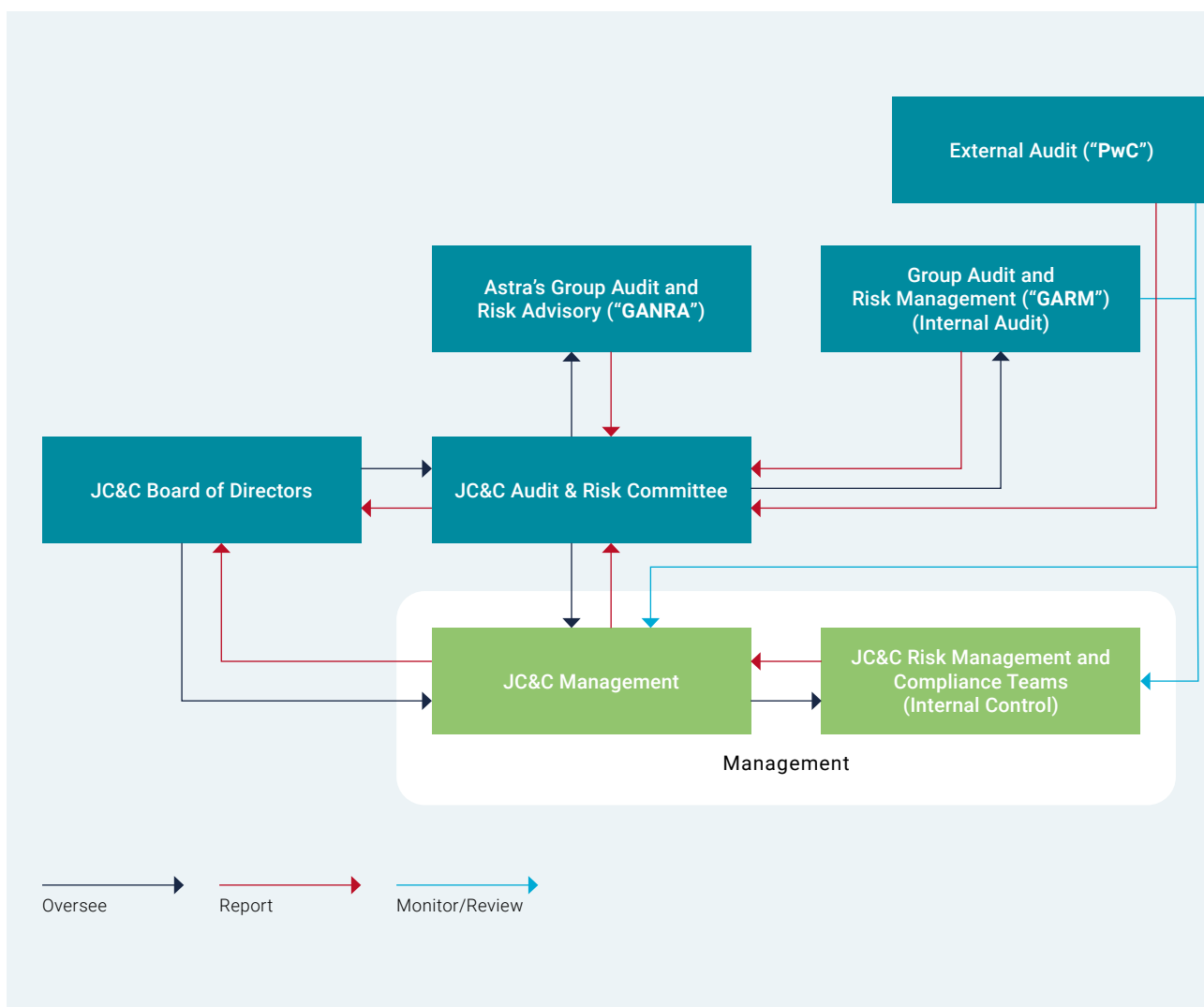
### Risk Governance Structure

Each business unit is responsible for:

- Identifying and assessing principal risks and uncertainties to which it is exposed;
- Implementing the most appropriate actions to mitigate and control those risks to an acceptable level;
- Providing adequate resources to minimise, offset or transfer the effects of any loss that may occur while managing acceptable risk/benefit relationships;
- Monitoring the effectiveness of the systems of risk management and internal control; and

- Reporting periodically to its board of directors, audit committees and GARM/ GANRA on the principal risks and uncertainties.

Information and guidelines for reporting principal risks and uncertainties are regularly communicated to the business units. Risk management initiatives, such as training and sharing sessions are undertaken by the Group to raise employees' risk awareness and embrace the Group's risk culture. Furthermore, Jardines has an interactive platform where employees across the Jardine Matheson Group are able to share the latest trends in risk management to support an effective risk culture.





Risk identification, evaluation, review and reporting form part of executive management's responsibility. Based on the Group's risk evaluation, management is expected to implement risk management measures (as described in its risk management framework) to address the identified risks. Executives' remunerations are tied to measures that reflect the successful execution of business strategies including risk management. Line managers are expected to execute controls that reflect risk management while executing their day-to-day tasks. Their remuneration is tied to measures that reflect the successful execution of operations while keeping risk in mind through the execution of controls.

## Risk Management Framework

Risk management is integrated into each business unit's strategic planning, budgeting, decision-making and operations. Central to this is the continuous and systematic application of:

- Risk Identification
- Risk Assessment
- Risk Treatment
- Risk Reporting & Monitoring

A Risk Management Framework based on ISO 31000 and COSO principles is embedded within the Group's processes, to identify, assess and define the strategies to be adopted to monitor risks. The risk registers prepared by each business unit provide the basis for an aggregation process, summarising the principal risks and uncertainties facing the Group as a whole.

The key elements of the Risk Management Framework are as follows:

### Risk Identification

- Identify and document the Group's exposure to uncertainty with existing strategic objectives
- Adopt structured and methodical techniques such as materiality assessment to identify critical risks

### Risk Assessment

- Evaluate risks by estimating likelihood, financial and reputational damage, and the speed at which the risk materialises, based on its inherent and residual level
- Determine risk rating using the risk heatmap, with four levels of residual risk status

### Risk Treatment

- **Tolerate** – accept if within the Group's risk appetite
- **Terminate** – dispose or avoid risks where no appetite
- **Transfer** – take out insurance or share risk through contractual arrangements with business partners
- **Treat** – redesign or monitor existing controls or introduce new controls

### Risk Reporting & Monitoring

- Periodic review of principal risks and uncertainties
- Setting key risk indicators to enhance monitoring and mitigation of risks
- Regular reporting of principal risks and uncertainties from business units to the Group's Board of Directors via the Audit & Risk Committee

The risk registers are updated bi-annually and a Risk Management Report is presented to the Audit & Risk 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.

### Principal risks and uncertainties

The following were classified as major residual risk exposures (including operational risks) for 2023:

#### Climate Change

Climate change has gained widespread recognition as a significant long-term risk faced by businesses on a global scale.

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. While these risks cannot be eliminated completely, the Group takes proactive measures such as procuring appropriate insurance as part of its risk management strategy. Additionally, the Group maintains operational resilience by regularly reviewing its Business Continuity Management ("BCM") plans.

Aside from physical risks arising from climate change, the Group is exposed to transition risks. These include the ongoing technological shift towards electric vehicles, the imposition of increased carbon taxes and investments in low-carbon technologies

To effectively manage these climate change risks, the Group conducts climate risk assessments and scenario analyses following the TCFD framework, as described in our sustainability reporting. This approach allows the Group to identify key focus areas for its portfolio businesses and build overall climate resilience.

Additionally, the Group has decarbonisation plans in place that have been identified based on JC&C's materiality as described in our sustainability reporting. These plans underscore the Group's commitment to addressing climate change and its associated risks in a holistic and sustainable manner.

#### Competition, Economic Cycle, Commodity Prices and Government Regulations

The Group faces competition in each of its businesses, and more so with advancements in energy-efficient and low-carbon products and technology. Failure to effectively compete with existing competitors or new entrants in its industries could have adverse consequences on the Group's business, financial health and operational results.

Moreover, the Group's financial performance is susceptible to economic fluctuations, with market dynamics significantly influencing its earning and asset positions.

Furthermore, the Group faces financial risks arising from fluctuations in commodity prices, primarily coal and crude palm oil.

Government regulations and policies relevant to the Group's industries and territories exert a substantial impact on its businesses. The emergence of free trade agreements may intensify competition, potentially affecting the Group's earnings and overall assets negatively. Additionally, timely adoption of low-carbon products and technology is crucial for the Group to benefit from subsidy schemes and policy support in the countries where it operates.

To mitigate competition risks, the Group regularly assesses whether its products and services meet customers' expectations. For instance, the Group actively reviews its product strategy with its principals in the automotive sector to incorporate electric vehicles into its product line-up.

Additionally, the Group collaborates with the local management to leverage their local expertise and knowledge to manage political and regulatory risks effectively.

Finally, 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.

### **Cybersecurity**

In today's dynamic digital landscape, the accelerated adoption of technology across industries has led the Group's businesses to expand their online operations significantly. Consequently, they have become increasingly reliant on network infrastructure and critical supporting systems. This transformation has coincided with a surge in cyber threats

worldwide, characterised by increased frequency, severity and sophistication.

Given the leading positions of the Group's businesses in their industries, any security breaches resulting in the leakage of sensitive data may result in regulatory fines and/or litigation. This external risk could potentially have a long-term impact if the Group's reputation is affected.

To safeguard against these threats, the Group has implemented robust cybersecurity measures, including educating and preparing our employees. Continuous training and awareness programmes are in place to educate our employees in data protection, secure online behaviour and recognition of phishing attempts.

In addition, the Group continually reviews its network infrastructure and critical supporting systems to ensure resilience. A cyber incident response plan is defined for the Group to respond to emergencies and catastrophic events. In addition, business continuity plans are in place to ensure minimal disruption to our operations and services in the face of unforeseen challenges. The Group has also secured cyber insurance policies to provide an added layer of financial protection in the event of a cybersecurity incident.

### **Dependence on 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 Indonesia's political, social or economic situation 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, together with the Direct Motor Interests, account for 16% of JC&C's underlying profits in 2023.

### **Exclusive Business Arrangements**

The Group currently has subsidiaries, associates and joint ventures in Indonesia, Vietnam, Singapore, Malaysia and Myanmar engaged in the automotive business that enjoy exclusive rights in various forms 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 regularly updates the principals on the local market's regulatory and business environment.

### **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 2.31 to the Financial Statements, on pages 101 to 112 of this Annual Report.

The Group has an internal policy that prohibits speculative transactions. It enters into derivative financial instruments solely for hedging underlying exposures that mainly affect cash flow. 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.

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.

### **Geopolitical Situation**

In the past year, the impacts of the global geopolitical situation have significantly increased. External risks created from political tensions, such as the Israel-Hamas and Russia-Ukraine conflicts, could affect global markets, dampen economic activity, disrupt supply chains, and place more pressure on rising inflation and interest rates. While the Group does not have direct business relationships in these countries, the consequences of these conflicts are unpredictable and, therefore, may pose significant uncertainty to the portfolio.

The Group monitors the situation closely to manage any operational changes collectively; for example, sourcing alternative suppliers to prepare for potential supply chain disruption.

### **Workplace Health and Safety**

The ongoing commitment to the health and safety of our employees and stakeholders stands as a paramount concern. Although the challenges of COVID-19 have subsided to some extent, our commitment to workplace health and safety remains unwavering.

Failure to address workplace health and safety concerns could result in injuries, accidents and fatalities; operational disruptions, downtime and decreased productivity; significant regulatory fines and legal liabilities.

The Group is committed to maintaining a safe working environment at its business operations for all employees, customers and contractors. Our stance on occupational health and safety is articulated in our Health and Safety policy. More details are available under 'Workplace Health and Safety' in our sustainability reporting.

In addition, Workplace Health and Safety has been identified as a materiality topic based on JC&C's materiality assessment as described in our sustainability reporting.

## **Rights of Shareholders**

### **Dividend Policy and Payment**

JC&C's dividend policy 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 2023, JC&C made two dividend payments to all shareholders; a final dividend of US\$0.83 per share on 30th June 2023 and an interim dividend of US\$0.28 per share on 6th October 2023.

### **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](http://www.sgx.com) and JC&C's website at [www.jcclgroup.com](http://www.jcclgroup.com).

Specifically for AGMs, the notices are published together with 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 containing the audited financial statements are issued simultaneously with the AGM notice 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 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 and posted on JC&C's website.

At every AGM, shareholders have the opportunity to approve the remuneration of non-executive directors, including any increases in such remuneration, and to 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, namely 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 SGX's website ([www.sgx.com/securities/company-announcements](http://www.sgx.com/securities/company-announcements)), showing the voting results in terms of the 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 SGX'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 in 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 2023 was conducted in a physical meeting format in Singapore on 28th April 2023 pursuant to temporary laws on alternative arrangements for holding general meetings during the COVID-19 pandemic. JC&C complied with all regulatory requirements for the holding of such meetings.

Notice of the AGM containing the detailed agenda and explanatory notes, as well as the Annual Report

2022 (containing the audited financial statements), letter to shareholders and proxy form, were sent to shareholders solely by electronic means through publication on the websites of JC&C and SGX. These documents were published on 30th March 2023, at least 28 days before the AGM date and within 90 days of JC&C's financial year end of 31st December 2022. Shareholders were also invited to submit their questions for the AGM in advance.

Voting at the AGM was carried out in person by poll. The voting results were verified by an independent scrutineer appointed for the AGM and were published on the same day as the AGM on the websites of JC&C and SGX.

Members of the Board were present in person at the meeting, including the Group Managing Director and the respective Chairpersons of the Audit & Risk Committee and the Nominating Committee, as well as JC&C's external auditors.

### Interested Person Transactions

Interested person transactions ("**IPT**") are transactions between the Group and interested parties such as major shareholders and board members. JC&C operates under the IPT rules of the SGX-ST Listing Manual and has guidelines in place to ensure that 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.

These rules guard against the risk that interested persons could influence JC&C or companies within the Group to enter into IPTs 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.

JC&C's interested persons are its Board directors and its controlling shareholder, Jardine

Matheson Holdings Limited, and the associates of such persons as defined under the SGX-ST Listing Manual.

IPTs entered into during 2023 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 guidelines and limits of authority.

IPTs are reported to the Audit & Risk Committee every quarter with details on the nature of the transaction, value and the interested person involved.

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

The general mandate enables companies within the Group to enter into approved categories of transactions with specified 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 Audit & Risk Committee provides a confirmation each year to shareholders that the methods or procedures for determining the transaction prices under the general mandate remain unchanged and are sufficient to ensure that the transactions will be carried out on normal commercial terms 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 & Risk Committee, as applicable, depending on the value of the transaction.

## > CORPORATE GOVERNANCE

For 2023, 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.

Save for the transactions disclosed below, 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 Interests

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.

Directors are also 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 29th December 2023 showed that more than 5% of its share ownership were held by institutional investors other than its controlling shareholder.

The list of JC&C's IPTs for 2023 are set out below:

| Name of interested person and nature of transaction   | Aggregate value of all interested person transactions (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)<br>US\$m | Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)<br>US\$m |
|---|--|---|
| <b>Associate of JC&amp;C's controlling shareholder</b>  |  |   |
| Jardine Matheson Limited  |  |   |
| – management support services   | –  | 6.2   |
| – cyber security services   | –  | 0.3   |
| – business support services (including human resource support and management, and internal audit and risk management) | –  | 0.2   |
| – digital, digital support and innovation services  | 0.6  | –   |
| Jardine Matheson & Co., Ltd   |  |   |
| – human resource and administration services  | –  | 0.6   |
| Jardine Engineering (S) Pte Ltd   |  |   |
| – air conditioner maintenance services  | –  | 0.3   |
| The Dairy Farm Company Ltd  |  |   |
| – data analytics services   | –  | 0.2   |
| Hongkong Land (Unicode) Investments Limited   |  |   |
| – subscription of shares in a joint venture   | 28.5   | –   |
| PT Astra Land Indonesia   |  |   |
| – subscription of shares by a subsidiary  | 28.5   | –   |
| Mandarin Oriental Holdings B.V.   |  |   |
| – sale of shares in a subsidiary  | 12.5   | –   |
| Mandarin Oriental Hotel Group Ltd   |  |   |
| – sale of receivables under a shareholder loan agreement  | 8.8  | –   |
|   | 78.9   | 7.8   |

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

## Engagement with Stakeholders

### Sustainability Report

JC&C has published an annual sustainability report since 2017, referencing the Global Reporting Initiative (“GRI”) 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, business partners and regulatory bodies. JC&C is committed to publishing and improving disclosures in its reporting and continues to strengthen its engagement with stakeholders.

In 2022, JC&C published its first climate change report, following the TCFD framework. Since 2022, JC&C has integrated its climate change report into its annual sustainability report.

A summary of JC&C’s 2023 Sustainability Report can be found on pages 58 to 64 of this Annual Report. The full sustainability report will be issued in Q2 2024.

JC&C’s sustainability reports are available on its corporate website at [www.jcclgroup.com/sustainability](http://www.jcclgroup.com/sustainability).

### Community Engagement

JC&C strives to be an active community partner through corporate social responsibility initiatives. It focuses its efforts on three United Nations Sustainable Development Goals (“SDG”): 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 2023 Sustainability Report summary on pages 58 to 64 for JC&C’s community engagement and interaction details.

## Code of Conduct

The Board has put in place a corporate Code of Conduct (“CoC”) containing the core ethical principles upon which the Group operates and conducts itself. This is based on the Code of Conduct of the Jardine Matheson Group, which JC&C is a part of.

The CoC is published on JC&C’s website at [www.jcclgroup.com/sustainability/governance](http://www.jcclgroup.com/sustainability/governance). The principles under the CoC are:

- **Treating each other with respect:** Non-discrimination and anti-harassment are strictly upheld. In addition, diversity and inclusion are encouraged and supported.
- **Acting with integrity:** Anti-corruption, anti-bribery and conflicts of interest policies are clearly set out and strictly enforced. There is freedom to support political parties and campaigns responsibly as private individuals but not as representatives of JC&C or the Group. The Group’s resources should not be used for charitable purposes unless properly authorised by the Group.
- **Protecting the Group and its assets:** Personal views, actions and social media conduct should be made responsibly and not bring disrepute to the Group. Assets and resources of the Group, as well as intellectual property rights, personal data and confidential information, should be safeguarded at all times. Honest and accurate business records should be kept and information about the Group shared publicly should be accurate and complete. The health and safety of employees, customers, contractors and communities are promoted and protected.
- **Complying with laws and regulations:** Legal compliance is essential, particularly in the areas of anti-competition, share dealings (including insider trading), business licences and corporate and personal taxes.

- **Embedding sustainability:**

Sustainability needs to be a core part of how business is conducted, being closely aligned with strategy and business planning and integrated into all levels of decision-making.

The CoC applies to everyone working for the Group, including all employees and directors. JC&C expects all contractors, consultants, suppliers and other business partners to follow its CoC in their dealings with the Group. For its employees, all new employees are given a digital copy of the CoC and must complete the mandatory CoC training as part of their onboarding process. 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, Group Tax Governance Policy (Singapore), Whistle-Blowing Policy and Securities Dealing Policy.

The Board oversees the matters under the CoC through the Audit & Risk 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 & Risk Committee. Internal audits are also conducted on these areas and regularly reported to the Audit & Risk Committee.

For 2023, no cases of breaches against its CoC or any other ethics policies have been reported for the JC&C head office.

As per the CoC, there were zero direct or indirect political contributions made at the JC&C head office level in 2023.

## Anti-Corruption and Bribery

JC&C adopts a zero-tolerance policy to any form of bribery and corrupt action as set out in its Anti-Corruption and Bribery Policy published on its website, [www.jcclgroup.com/sustainability/governance](http://www.jcclgroup.com/sustainability/governance). It is also one of the core principles under its CoC.

The Board has oversight over anti-corruption and bribery matters through the Audit & Risk Committee. Management is responsible for ensuring adherence to JC&C's Anti-Corruption and Bribery Policy through the following programmes and procedures:

- Procedures and guidelines for employees have been set out in the Anti-Corruption and Bribery Policy, which cover dealings with agents and third parties, keeping proper financial records and reporting of concerns and suspicions.
- Employees can raise ethical issues and concerns via the whistle-blowing programme, further elaborated in the next section.
- To evaluate JC&C's anti-corruption effectiveness, business units are required to submit twice-yearly control and compliance declarations on areas that include illicit payments and favours.
- Procedures are in place for business units to report matters of serious concern, including corruption and bribery cases.
- Training on anti-corruption and bribery is carried out as part of the CoC training, which is mandatory for all new employees. A refresher course is mandatory for existing employees. Some business units also conduct additional anti-corruption and bribery training tailored to their business operations.

## Group Tax Governance Policy (Singapore)

JC&C has put in place the Group Tax Governance Policy (Singapore), which sets out its approach towards conducting its Singapore

tax affairs. The policy covers all taxes, including corporate income tax, goods and services tax and transfer pricing matters. A statement of the policy is published on its website, [www.jcclgroup.com/sustainability/governance](http://www.jcclgroup.com/sustainability/governance).

The policy outlines the Group's commitment to comply with tax laws and regulations, its view on tax, including tax risk culture and appetite, its governance structure for managing tax risks and its approach to tax risk management. The policy is endorsed by the Board and reviewed periodically.

## 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. It 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 & Risk 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](http://www.jcclgroup.com/sustainability/governance).

Under the Whistle-Blowing Policy, 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 independent, confidential 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 several ways to do the reporting: online, by email or via hotlines with local numbers in Singapore, Indonesia, Malaysia, Myanmar, Thailand and Vietnam. Reports

can be made in the reporter's local language and are completely confidential, that is, 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.

## Protecting Creditors' Rights

The Group is committed to safeguarding creditors' rights and acknowledges the importance of prompt payments. It is the Group's practice to agree terms with suppliers when entering into contracts and to meet its obligations accordingly. Where necessary, the Group protects creditors' rights through the establishment of debt covenants in some of its loans. The Group also monitors and maintains a level of cash and cash equivalents and adequate standby credit lines to ensure liquidity and minimise credit risk.

## Health and Safety of Employees and Customers

JC&C is committed to maintaining a safe and secure working environment at its business locations for all employees, customers, contractors, visitors and other stakeholders.

It has a Health and Safety Policy for its head office and Singapore operations, published on the JC&C website at <https://www.jcclgroup.com/sustainability>.

To deliver on its health and safety commitment, JC&C will:

- Comply with or exceed all applicable health and safety laws and regulations in the relevant jurisdictions, and meet or exceed relevant industry best practices where reasonably practicable;
- Incorporate health and safety considerations into all business activities;
- Maintain a robust health and safety risk management process to identify and eliminate potential hazards and risks in its activities and workplaces;

- Adopt measures to remove and/or mitigate health and safety hazards and risks, including, but not limited to, introducing and implementing guidelines, control procedures and suitable equipment;
- Allocate adequate budget and resources to meet health and safety commitments and targets;
- Ensure that the necessary training, skills and resources are available to all employees and contractors to carry out their job duties safely;
- Provide an accessible and trusted incident reporting mechanism, investigate any reported incidents promptly and analyse incidents to gain and share insights for continual improvement;
- Conduct regular safety audits and inspections to identify and mitigate unsafe work practices or environments proactively;
- Regularly assess the health and safety standards and performance of contractors and suppliers;
- Build and promote a strong health and safety culture by effectively communicating relevant policies, guidelines, practices and initiatives to employees, contractors and suppliers; and
- Measure its health and safety performance, set improvement targets for regular monitoring and review, and provide updates on the progress towards targets with annual disclosure.

### Welfare of Employees

JC&C has policies, practices and initiatives to look after the welfare of its employees.

In Singapore, for mental health, JC&C has an Employee Assistance Programme where all employees can access a 24-hours anonymous hotline to receive free counselling and mental health support as and when needed. Other employee welfare policies and programmes

include flexible work arrangements, part-time working options, sports and health facilities, nursing room facilities, parental and child-care leave as well as up to six days of unpaid infant care leave. Moreover, 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.

### Employee Training and Career Development Programmes

JC&C's human resource policies cover the full employee life cycle, including but not limited to hiring and employment practices, compensation and benefits, performance management and learning and development. The policy is reviewed regularly by JC&C's human resources department in consultation with the business leaders and takes into consideration the regulatory and compliance frameworks, external changing business landscapes, feedback from new hire/exit interviews, performance reviews and employee engagement results.

JC&C's 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 to enable career enrichment, and applicants are given fair opportunities.

To encourage further learning, JC&C has an Education Assistance Programme that sponsors employees' education, providing them with further professional and personal development opportunities. Career conversations are held in conjunction with performance management to identify learning needs and capabilities to support growth and progression.

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 can 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 2023, JC&C's employees attended functional and professional training programmes such as the Finance & Procurement Academy, Personal Excellence series and Women in Leadership series conducted virtually and/or via e-learning.

In 2023, JC&C recorded an annual average of 25 hours of training per head office employee.

Annually, all eligible employees will undergo an individualised and transparent performance review as part of JC&C's performance management framework. This ensures that employees are on track in their performance management framework that aims to support and achieve business objectives. JC&C head office achieved its target of 100% of eligible employees receiving a performance review in 2023.

A full breakdown of training, performance and career development reviews is given in the ESG data section of JC&C's Sustainability Report, available on its website at [www.jcclgroup.com/sustainability](http://www.jcclgroup.com/sustainability).

### Securities Dealing Policy

JC&C has 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 issued by SGX.

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 public announcements on JC&C's and SGX's websites.

JC&C does not impose stock ownership requirements on the Group Managing Director or other senior executives.

### **Disclosure And Transparency Information in the Annual Report**

JC&C's corporate objective, as set out on pages 2 to 7 of this Annual Report, is to grow faster than Southeast Asia and elevate the communities within which it operates.

JC&C's financial performance indicators and highlights can be found on pages 2 to 3 of this Annual Report.

JC&C's non-financial performance indicators are set out in the summary of JC&C's Sustainability Report 2023 on pages 58 to 64 of this Annual Report. JC&C's annual sustainability reports are accessible at its corporate website [www.jcclgroup.com/sustainability](http://www.jcclgroup.com/sustainability).

Information on key risks (including operational risks) and the risk assessment and management process can be found on pages 47 to 50 of this Annual Report.

Please refer to the *Interested Person Transactions* section on pages 51 to 52 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 5. *Transactions Requiring Approval from the Board* on page 36 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 66 to 67 of this Annual Report. As at 31st December 2023, the Group Managing Director, Benjamin Birks, held 44,000 shares in JC&C and the Group Director, Business Development, Stephen Gore, held 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 pages 24 to 27 of this Annual Report.

JC&C does not have a cross-holding ownership structure. 78% of its shares are owned by its major shareholder, Jardine Matheson Holdings Limited. Please refer to the substantial shareholders' information on pages 179 to 180 of this Annual Report for details of the ownership structure.

### **Timeliness of Release of Results**

JC&C's full year results for 2023 were released on 27th February 2024, within 60 days after the end of its financial year of 31st December 2023.

### **Investor Relations, Medium of Communication and Results Briefings**

JC&C has 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](http://www.jcclgroup.com).

In 2023, JC&C's Annual Report was distributed electronically to all shareholders before the AGM. 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 its shareholders through the innovative design of the microsite.

Shareholders receive regular and timely communication from JC&C through announcements on SGX's website at [www.sgx.com](http://www.sgx.com), which are simultaneously posted on JC&C's website, [www.jcclgroup.com](http://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 per the SGX-ST Listing Manual's requirements and guidelines. JC&C ensures that the announcements are prepared by persons familiar with these requirements, including the finance, legal and investor relations teams, 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. JC&C's results briefings are available via on-demand webcasts on the corporate website,

to reach out to a wider group of investors. The briefing material is also published on SGX's and JC&C's websites before the meeting.

JC&C also regularly meets with institutional investors as part of its efforts to directly engage with shareholders, 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 "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 JC&C's corporate governance practices with specific reference to the express disclosure requirements in the principles and provisions of the Corporate Governance Code.

### Board Matters

| Provision   | Page              |
|---|-------------------|
| <b>The Board's Conduct of Affairs (Principle 1)</b>       |                   |
| 1.1   | 33, 51-54         |
| 1.2   | 37                |
| 1.3   | 36                |
| 1.4   | 38-46             |
| 1.5   | 32, 37, 40        |
| 1.6   | 37                |
| 1.7   | 37                |
| <b>Board Composition and Guidance (Principle 2)</b>       |                   |
| 2.1   | 39                |
| 2.2 to 2.5  | 32-35             |
| <b>Chairman and Chief Executive Officer (Principle 3)</b> |                   |
| 3.1 to 3.3  | 33                |
| <b>Board Membership (Principle 4)</b>                     |                   |
| 4.1 to 4.4  | 38-40             |
| 4.5   | 24-27, 35, 37, 40 |
| <b>Board Performance (Principle 5)</b>                    |                   |
| 5.1, 5.2  | 40                |

### Remuneration Matters

| Provision  | Page  |
|--|-------|
| <b>Procedures for Developing Remuneration Policies (Principle 6)</b> |       |
| 6.1 to 6.4   | 41-42 |
| <b>Level and Mix of Remuneration (Principle 7)</b>                   |       |
| 7.1 to 7.3   | 41-42 |
| <b>Disclosure on Remuneration (Principle 8)</b>                      |       |
| 8.1 to 8.3   | 41-43 |
| <b>Accountability and Audit</b>                                      |       |
| <b>Risk Management and Internal Controls (Principle 9)</b>           |       |
| 9.1, 9.2   | 44-50 |
| <b>Audit Committee (Principle 10)</b>                                |       |
| 10.1 to 10.5   | 43-46 |

### Shareholder Rights and Engagement

| Provision  | Page         |
|--|--------------|
| <b>Shareholder Rights and Conduct of General Meetings (Principle 11)</b> |              |
| 11.1 to 11.6   | 32, 50-51    |
| <b>Engagement with Shareholders (Principle 12)</b>                       |              |
| 12.1 to 12.3   | 50-51, 56-57 |
| <b>Managing Stakeholders Relationships</b>                               |              |
| <b>Engagement with Stakeholders (Principle 13)</b>                       |              |
| 13.1 to 13.3   | 53-57        |