

# Corporate Governance

## OUR GOVERNANCE FRAMEWORK

|   |                                |  |   |                                    |  |
|---|--------------------------------|--|---|------------------------------------|--|
| <b>Chairman</b>   |                                |  |   |                                    |  |
| <b>MIGUEL KO</b>  |                                |  |   |                                    |  |
| <b>KEY RESPONSIBILITIES</b>   |                                |  |   |                                    |  |
| Leads the Board and facilitates the conditions for the overall effectiveness of the Board, Board Committees and individual Directors; provides oversight, direction, advice and guidance to the Group CEO |                                |  |   |                                    |  |
| <b>Board of Directors</b>   |                                |  |   |                                    |  |
| <b>10 DIRECTORS (8 INDEPENDENT DIRECTORS AND 2 NON-INDEPENDENT DIRECTORS)</b>   |                                |  |   |                                    |  |
| <b>KEY RESPONSIBILITIES</b>   |                                |  |   |                                    |  |
| Fosters the success of the Company so as to deliver sustainable value over the long term; engages with stakeholders based on the principles of sustainability and sound governance                        |                                |  |   |                                    |  |
| <b>Audit Committee</b>  | <b>Executive Committee</b>     | <b>Executive Resource and Compensation Committee</b> | <b>Nominating Committee</b>                 | <b>Risk Committee</b>              | <b>Strategy and Sustainability Committee</b> |
| <b>CHALY MAH CHEE KHEONG</b><br>(Chairman)  | <b>MIGUEL KO</b><br>(Chairman) | <b>JUDY HSU CHUNG WEI</b><br>(Chairman)              | <b>GABRIEL LIM MENG LIANG</b><br>(Chairman) | <b>KEE TECK KOON</b><br>(Chairman) | <b>ANTHONY LIM WENG KIN</b><br>(Chairman)    |
| 4 IDs   | 2 IDs and 2 Non-IDs            | 2 IDs and 1 Non-ID                                   | 2 IDs and 1 Non-ID                          | 5 IDs                              | 3 IDs and 2 Non-IDs                          |

## INTRODUCTION

CapitaLand Investment Limited (the Company and, together with its subsidiaries, the Group) embraces the tenets of sound corporate governance including accountability, transparency and sustainability. It is committed to enhancing value over the long term to its stakeholders with the appropriate people, processes and structure to direct and manage the business and affairs of the Company, achieve operational excellence and deliver the Group's long-term strategic objectives.

The values, ethics and practices of the Group provide the foundation for a trusted and respected business enterprise.

The Board of Directors (Board) is responsible for and plays a key role in setting the Company's corporate governance standards and policies. This sets the tone at the top and underscores its importance to the Group.

This corporate governance report (Report) sets out the corporate governance practices and structures in place for the financial year ended 31 December 2022 (FY 2022), and which are benchmarked against the Code of Corporate Governance 2018 (Code).

The Company's governance framework and processes are in compliance with the Code's principles of corporate governance, and also substantially with the provisions underlying the principles of the Code. Where there are deviations from the provisions of the Code, appropriate explanations are provided in this Report.

## BOARD MATTERS

### PRINCIPLE 1: THE BOARD'S CONDUCT OF AFFAIRS

#### Board's Duties and Responsibilities

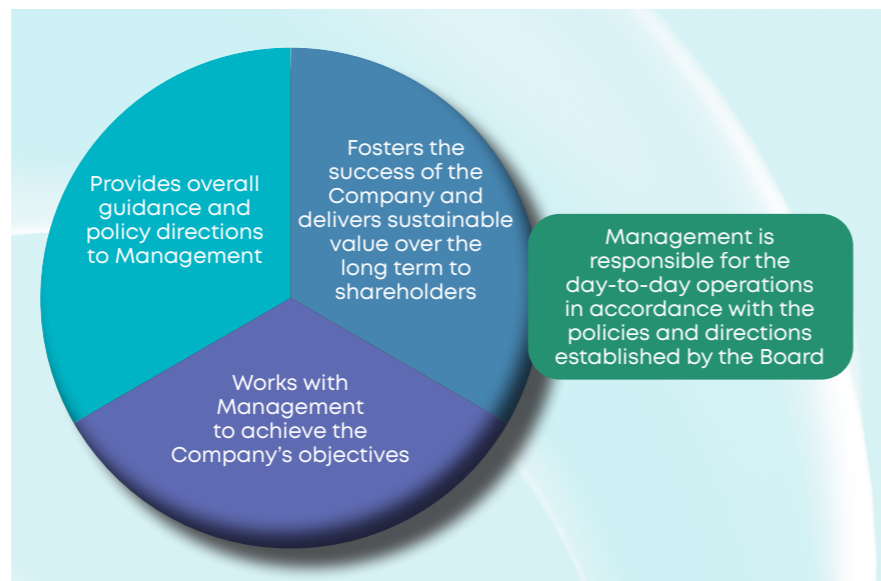
The Board has the primary responsibility to foster the success of the Company so as to deliver sustainable value over the long term, and to engage stakeholders based on the principles of sustainability and sound governance. It oversees the strategic direction, performance and affairs of the Group and provides overall guidance to Management, led by the Group Chief Executive Officer (Group CEO). In this regard, the Board works with Management to achieve the Company's objectives and Management is accountable to the Board for its performance.

The Company has adopted a Board Charter which sets out the Board's role, responsibilities, duties and powers, which include:

- (a) approving the strategies and objectives for the Company, and monitoring the progress in achieving them;
- (b) approving the financial plan (including annual budgets and capital management plans) and monitoring the financial performance of the Company;
- (c) approving share issuances, dividends and other returns to shareholders;
- (d) approving corporate and financial restructuring, mergers, and major acquisitions and divestments;
- (e) approving the risk appetite of the Company, and reviewing the adequacy and effectiveness of the risk management and internal control systems;
- (f) approving the succession plans, the remuneration policy and guidelines, and the general framework of remuneration for Directors, as well as approving the appointment of new Directors;
- (g) approving the succession plans, the overall remuneration policy and compensation framework, and the individual compensation package for Group CEO and other key management personnel positions, as well as approving the corporate organisational structure and the appointment of the Group CEO and other key management positions; and
- (h) reviewing any matter which involves a conflict of interest for a substantial shareholder or a Director.

The Board has established financial approval limits for capital expenditure, investments, divestments, bank borrowings and issuance of shares as well as debt and equity-linked instruments, and this is communicated to Management in writing. The financial approval limits set out the specific matters which the Board has reserved for its approval, and these include capital expenditure, investments and borrowings exceeding certain threshold limits. Apart from matters that require the Board's approval, the Board delegates authority for transactions below those limits to Board Committees and Management to optimise operational efficiency.

Directors are fiduciaries of the Company, and are collectively and individually obliged at all times to act objectively in the best interests of the Company. Consistent with this principle, the Board is committed to ethics and integrity of action and has adopted a Board Code of Business Conduct & Ethics which provides for every Director to, among other things, adhere to the highest standards of ethical conduct. All Directors are required to comply with the Board Code of Business Conduct & Ethics. This sets the appropriate tone at the top in respect of the desired organisational



culture, and ensures proper accountability within the Company. In line with this, the Board has incorporated in the Board Code of Business Conduct & Ethics a standing policy that each Director must not allow himself/herself to get into a situation where his/her duty to the Company conflicts with his/her own interests and, in this regard, a Director is required to disclose to the Board his/her interests in any transaction to which the Company is a party, and any other conflicts (including potential conflicts) of interest. Where a Director has an interest in a transaction or a conflict of interest in a particular matter, he/she is required to declare his/her interest to the Board, recuse himself/herself from the deliberations and abstain from voting on the transaction or matter. During FY 2022, every Director has complied with this policy and, where relevant, such compliance has been duly recorded in the minutes of meeting or, as the case may be, circular resolution. Consistent with the principle that Directors are fiduciaries of the Company, the Company also has a policy of not providing loans to Directors. Further, Directors are required to act with due diligence in the discharge of their duties and they are responsible for ensuring that they have the relevant knowledge (including understanding the business of the Company and the environment in which it operates) to carry out and discharge their duties as Directors. They are also required to dedicate the necessary effort, commitment and time to their work, and are expected to attend all meetings of the Board, except if unusual circumstances make attendance impractical or if a Director has to recuse himself/herself from the meeting in relation to the sole matter under consideration at such meeting. All Directors currently on the Board as at 15 March 2023 (and who also served as Directors during FY 2022) have attained a 100% attendance record for all Board and Board Committee meetings held in FY 2022.

#### Sustainability

The Company places sustainability at the core of everything it does. It is committed to growing its business in a responsible manner, delivering long-term economic value, and contributing to the environmental and social well-being of the communities in which it has a presence. In keeping with this commitment, sustainability-related considerations are key aspects of the Board's strategic formulation.

The Board recognises the importance of sustainability as a business imperative. At the Board level, there is a Board Committee, the Strategy and Sustainability Committee (previously known as the Strategy Committee), which is responsible for overseeing the development of sustainability strategies and plans, including providing guidance to Management and monitoring progress towards achieving the goals of any sustainability initiatives. This is consistent with the principle that the Board plays an important role in considering and incorporating sustainability considerations as part of its strategy development. This also ensures that Environmental, Social and Governance (ESG) risks and opportunities are holistically integrated into and inform the Company's long-term strategy and, in this regard, sustainability is integrated into each phase of the real estate life cycle, with the Group's operations, financing activities, support for the environment, business ethics, corporate governance and care for the people and communities anchored in the Company's ESG approach. The Strategy and Sustainability Committee's oversight of the Company's sustainability strategies and plans also sets the tone at the top to ensure the alignment of the Company's activities with its purpose and stakeholder interests. The Strategy and Sustainability Committee also provides inputs to the Board and other Board Committees on sustainability matters as required.

In 2020, prior to the strategic restructuring of CapitaLand and its businesses, CapitaLand Limited (CL), which is now known as CapitaLand Group Pte. Ltd. (CLG), adopted the CapitaLand 2030 Sustainability Master Plan (SMP) to elevate the CapitaLand Group's commitment to global sustainability in built environments given its presence in more than 220 cities and over 40 countries. As part of its listing on the Mainboard of the Singapore Exchange Securities Trading Limited (SGX-ST) by introduction on 20 September 2021 (Introductory Listing), the Company adopted the same master plan. The SMP is a strategic blueprint which outlines the Company's goals and directs sustainability efforts towards a common purpose. The master plan sets out the Group's sustainability targets over the next decade and the pathways to achieve such targets. It focuses on the three key pillars of ESG to drive the Company's sustainability efforts. As part of its sustainability commitment, the Company embeds ESG considerations into its investment analysis, financing consideration and day-to-day business operations. The SMP is regularly reviewed where necessary to ensure that it remains relevant in terms of complementing the Group's business strategy and alignment with climate science. During the first scheduled review in FY 2022, the Company revised its sustainability targets to elevate its Science Based Targets initiative-approved targets in line with a 1.5°C scenario, incorporate its Net Zero commitment for scope 1 and 2 emissions, and enhance focus on social indicators.

For more information, please refer to the Sustainability section on pages 82 to 91 of this Annual Report.

## Directors' Development

In view of the increasingly demanding, complex and multi-dimensional role of a Director, the Board recognises the importance of continual training and development for its Directors so as to equip them with the necessary knowledge and skills to discharge the duties and responsibilities of their office as Directors of the Company to the best of their abilities. This is even if the Directors are generally experienced professionals in their own right, and takes into account each Director's specific role(s) on the Board and the specific skills he or she should possess in relation to that role(s). The Company has in place a training framework to guide and support the Company towards meeting the objective of having a Board which comprises individuals who are competent and possess up-to-date knowledge and skills necessary to discharge their duties and responsibilities. The costs of training are borne by the Company.

Each newly-appointed Director is provided with a formal letter of appointment setting out the key terms of appointment, the time commitment expected, the Company's guidelines on the tenure of Directors and other relevant matters pertaining to the appointment. He or she also has access to the Director's Manual which includes information on a broad range of matters relating to the role, duties and responsibilities of a Director and the Company's policies relating to disclosure of interests in securities, conflicts of interests and securities trading restrictions. All Directors upon appointment also undergo an induction programme which focuses on orientating the Director to the Company's business, operations, strategies, organisation structure, responsibilities of key management personnel, and financial and governance practices. Conducted by the Group CEO and Senior Management executives, the induction programme also provides opportunities for the new Director to get acquainted with members of Senior Management which facilitates their interaction at Board meetings. Where a newly appointed Director has no prior experience as a director of an issuer listed on the SGX-ST, such Director will undergo training on the roles and responsibilities of a director of a listed issuer, as prescribed by the SGX-ST, unless the Nominating Committee determines that such training is not required because the Director has other relevant experience. As a first-time Director of a SGX-ST listed company, Tan Sri Abdul Farid bin Alias who was appointed on 1 January 2023 will undergo training on the roles and responsibilities of a director of a listed issuer as prescribed by the SGX-ST in the financial year ending 31 December 2023 (FY 2023).

Following their appointment to the Board, Directors are provided with opportunities for continuing education in areas such as directors' duties and responsibilities and changes to regulations, risk management and accounting standards. Directors can also request for further information from Management on any aspect of the Company's business. The objective is to enable Directors to be updated on matters that affect or go towards enhancing their performance as a Director or Board Committee member. Directors may also contribute by recommending to the Board specific training and development programmes which he or she believes would benefit Directors or the Board as a whole.

The Company also believes in keeping Board members updated and externally focused. Directors are encouraged to attend training and professional development programmes which include forums and dialogues with experts and senior business leaders on issues facing boards and board practices. Sharing and information sessions by guest speakers and Management team members are organised as part of Board events and meetings. Such sessions typically include updates on business strategies and key industry developments and trends. Directors may also receive on a regular basis reading materials on topical matters or subjects and their implications for the Group's business. In addition to regular Board briefings and highlights on areas such as real estate investment management (REIM) business and ESG, individual sessions will also be arranged if required to address the needs of particular Board members. These Board and individual sessions facilitate Board-Management interaction and feedback, which in turn enables the Company to better organise programmes and information sessions to suit the needs of the Board and individual Directors.

During the year under review, the members of the Board spent close to 140 hours in aggregate attending various training programmes, forums and workshops. The training programmes attended by the Directors include the SID Directors Conference 2022, the SID Environmental, Social and Governance Essentials (Core) programme, as well as various other webinars and seminars organised by the Singapore Institute of Directors and business partners in relation to board matters, audit committee matters, ESG matters and cybersecurity matters. Being first time Directors of a SGX-ST listed company when they joined the Board on 1 January 2022, Mr David Su Tuong Sing and Ms Helen Wong Siu Ming also underwent training on the roles and responsibilities of a director of a listed issuer as prescribed by the SGX-ST during FY 2022.

During FY 2022, all the Board members at the time also attended the sustainability training as prescribed under the Listing Manual of the SGX-ST (Listing Manual). Arrangements will be made for Tan Sri Abdul Farid bin Alias, who was appointed as a Director after FY 2022, to attend such mandatory sustainability training in FY 2023.

The in-house forums attended by the Directors during the year under review were conducted by guest speakers and covered the following topics:

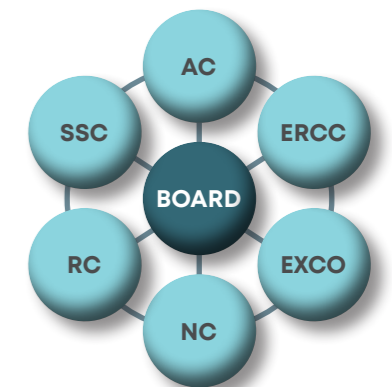
- (a) Real Estate Landscape and Asset Management Space;
- (b) New Balance of Power: 5 Lessons from the Ukrainian War;
- (c) European Investors' Sentiment and Thematic Focus; and
- (d) Current Macro Environment and Capital Allocation Outlook and Strategies.

In addition to the various training programmes, forums and workshops, the following research series by the Company's Group Research team were also shared with the Directors during the year under review:

- (a) China's Deleveraging Reform – Opportunities Ripe for Select Picking (June 2022);
- (b) An Opportune Time to Gain Exposure to Asia Pacific Real Estate (July 2022);
- (c) Serviced Residences (& Co-Living) Becoming a Mainstream Investment Asset Class (September 2022); and
- (d) The Journey to Net-Zero – Towards a Greener Investment Mandate (October 2022).

## Board Committees

The Board has established various Board Committees to assist it in the discharge of its functions. The Board Committees are the Audit Committee (AC), the Executive Committee (EXCO), the Executive Resource and Compensation Committee (ERCC), the Nominating Committee (NC), the Risk Committee (RC) and the Strategy and Sustainability Committee (previously known as the Strategy Committee) (SSC). In addition to the Board Committees mandated by the Listing Manual and/or recommended by the Code (namely, the AC, the ERCC, the NC and where appropriate, the RC), the Board has set up two other Board Committees, namely the EXCO and the SSC.



The EXCO assists the Board primarily in its review of investment, credit and funding proposals. The EXCO carries out its responsibility within the authorities and limits approved by the Board.

The SSC assists the Board in reviewing, including recommending to the Board for approval, the Group's strategic plan and initiatives on matters such as digitalisation and in overseeing the Company's sustainability strategies and plans. The SSC was introduced to the overall Board Committee structure as part of the Company's Introductory Listing in 2021, in recognition of the leading role the Board plays in the process of developing and reviewing the Company's strategy. As the Company establishes itself as a global business focused on fee-related earnings and growth in funds under management, the SSC also oversees and provides guidance to Management in the Company's continuing growth towards becoming a global REIM.

The Board adopts a cross-Committee membership approach between the AC and the RC to facilitate more effective communication and sharing of information and ensure better coordination of risk oversight which is essential given the interconnectivity of the key risks that a company could be faced with. In this regard, as of 15 March 2023, there are two AC members, namely Ms Helen Wong Siu Ming and Tan Sri Abdul Farid bin Alias, who are also members of the RC.

Each Board Committee is formed with clear written terms of reference (setting out its composition, authorities and duties, including reporting back to the Board) and operates under delegated authority from the Board with the Board retaining overall oversight. The chairpersons of these Board Committees report on the decisions and significant matters discussed at the respective Board Committee meetings, to the Board on a quarterly basis. The minutes of the Board Committee meetings which record the deliberations and decisions taken during these meetings are also circulated to all Board members for their information. The duties and responsibilities of the various Board Committees are set out in this Report. The Board may form other Board Committees from time to time.

# Corporate Governance

The composition of the various Board Committees as of 15 March 2023 is set out in the table below as well as in the Corporate Information section on page 289 of this Annual Report.

## COMPOSITION OF BOARD COMMITTEES AS AT 15 MARCH 2023

| Committees   | AC       | EXCO                                       | ERCC     | NC       | RC       | SSC      |
|--|----------|--|----------|----------|----------|----------|
| <b>Board Members</b>   |          |  |          |          |          |          |
| <b>Miguel Ko</b><br>Non-independent Chairman                   | -        | C  | M        | M        | -        | M        |
| <b>Lee Chee Koon</b><br>Group CEO and Non-independent Director | -        | M  | -        | -        | -        | M        |
| <b>Anthony Lim Weng Kin</b><br>Lead Independent Director       | -        | -  | M        | M        | -        | C        |
| <b>Chaly Mah Chee Kheong</b><br>Independent Director           | C        | M  | -        | -        | -        | -        |
| <b>Kee Teck Koon</b><br>Independent Director                   | -        | M  | -        | -        | C        | -        |
| <b>Gabriel Lim Meng Liang</b><br>Independent Director          | -        | -  | -        | C        | M        | -        |
| <b>Judy Hsu Chung Wei</b><br>Independent Director              | -        | -  | C        | -        | M        | -        |
| <b>David Su Tuong Sing</b><br>Independent Director             | M        | -  | -        | -        | -        | M        |
| <b>Helen Wong Siu Ming</b><br>Independent Director             | M        | -  | -        | -        | M        | M        |
| <b>Tan Sri Abdul Farid bin Alias</b><br>Independent Director   | M        | -  | -        | -        | M        | -        |
| <b>Total</b>   | <b>4</b> | <b>4</b>                                   | <b>3</b> | <b>3</b> | <b>5</b> | <b>5</b> |
| Legend:  |          |  |          |          |          |          |
| AC: Audit Committee  |          | EXCO: Executive Committee                  |          |          |          |          |
| ERCC: Executive Resource and Compensation Committee            |          | NC: Nominating Committee                   |          |          |          |          |
| RC: Risk Committee   |          | SSC: Strategy and Sustainability Committee |          |          |          |          |
| C: Chairman  |          | M: Member                                  |          |          |          |          |

The Board regularly reviews the structure and terms of reference of the Board Committees, to ensure that they remain relevant and effective in fulfilling the objectives and responsibilities of the respective Board Committees. Similarly, the respective Board Committees also regularly review their terms of reference and effectiveness and recommend necessary changes to the Board.

In FY 2022, the Board, on the recommendation of the NC, approved the renaming of the Strategy Committee to the Strategy and Sustainability Committee (with effect from 1 January 2023) as well as amendments to the terms of reference of the SSC, to better reflect the remit of this Board Committee. In addition, in recognition of the RC's existing oversight of workplace safety and health (WSH) matters, the NC recommended and the Board approved amendments to the terms of reference of the RC to clarify as well as to accord greater attention to WSH matters in the RC's scope of responsibilities.

Board Committee memberships are also reviewed regularly, and as and when there are changes to the Board composition, and changes are made where appropriate. Considerations include the respective Directors' leadership experience and domain or functional expertise, among others, to optimise the overall effectiveness of the Board Committees, continuity of experience in the respective Board Committees and an equitable and balanced distribution of duties among Board members, whilst providing Board members with the opportunity to focus on specific areas and develop expertise over time to benefit the Company. In general, each independent Director serves on at least one Board Committee. This is to foster active participation by every Director and ensure that every Director contributes to Board deliberations, in each case, and collectively to overall Board effectiveness.

In FY 2022, in view of the then impending retirement of Mr Stephen Lee Ching Yen and Ms Goh Swee Chen upon the conclusion of the annual general meeting (AGM) of the Company held on 29 April 2022 (2022 AGM), the Board undertook a review of the Board Committee memberships in February 2022, following from which the Board approved the following changes, which took effect after the conclusion of the 2022 AGM:

- Mr Stephen Lee Ching Yen stepped down as chairman of both the ERCC and the NC;
- Ms Judy Hsu Chung Wei was appointed as chairperson of the ERCC;
- Mr Gabriel Lim Meng Liang was appointed as chairman of the NC and stepped down as a member of the AC;
- Ms Goh Swee Chen stepped down as a member of both the ERCC and the RC; and
- Mr Anthony Lim Weng Kin was appointed as a member of the ERCC.

As part of the review of the proposed appointment of Tan Sri Abdul Farid bin Alias as a Director with effect from 1 January 2023, the Board again undertook a review of the Board Committee memberships in November 2022, following from which the Board approved the following changes, which took effect on 1 January 2023:

- Mr David Su Tuong Sing was appointed as a member of the AC;
- Ms Helen Wong Siu Ming was appointed as a member of the RC;
- Tan Sri Abdul Farid bin Alias was appointed as a member of both the AC and the RC; and
- Mr Anthony Lim Weng Kin stepped down as a member of the AC.

The Board Committees mandated by the Listing Manual and/or recommended by the Code (namely, the AC, the ERCC and the NC) are each chaired by a different independent Director.

### Meetings of Board and Board Committees

The Board and the respective Board Committees meet regularly to discuss strategy, financial results as well as operational and governance matters. Board and Board Committee meetings are scheduled prior to the start of each financial year in consultation with the Directors with a view to ensuring that all the Directors would be able to participate in the meetings. The Constitution of the Company (Constitution) also permits Directors to participate via audio or video conference. In view of the safe management measures and/or travel restrictions imposed by various countries due to the COVID-19 pandemic, virtual participation was necessary for certain Board and Board Committee meetings held during FY 2022. With the recent lifting of such COVID-19 restrictions, Directors have begun to attend in person for Board and Board Committee meetings held since January 2023.

The Constitution provides for the quorum necessary for the transaction of the business of the Directors at each Board meeting (unless fixed by the Directors at any number) to be two. The quorum for the transaction of the business of each Board Committee, however, is a majority of its members (excluding any member who has a conflict of interest in the subject matter under consideration). Notwithstanding this, there is an expectation for Directors to attend scheduled Board and Board Committee meetings, except if unusual circumstances make attendance impractical or if a Director has to recuse himself or herself from the meeting in relation to the sole matter under consideration at such meeting. All Board and Board Committee meetings held during FY 2022 attained attendance by Directors in excess of the aforementioned quorum requirements.

The independent Directors, led by the Lead Independent Director (LID), also set aside time at every Board meeting to meet without the presence of Management and at other times when necessary. Where appropriate, the LID provides feedback to the Board and/or the Chairman after such meetings. The non-executive Chairman also meets with the other non-executive Directors at every Board meeting without the presence of Management.

The Board holds at least five scheduled meetings each year, with *ad hoc* Board meetings convened as required. During FY 2022, the Board held seven meetings, including one held offsite to discuss strategy.

Board meetings typically take up a full day. At each Board meeting:

- the chairperson of each Board Committee provides an update on the significant matters discussed at the Board Committee meetings which were held before the quarterly Board meetings;
- the Group CEO provides updates on the Group's business and operations, including the latest market developments and trends, and business initiatives and opportunities; and
- the Group Chief Financial Officer (Group CFO) presents the Group's financial performance and budgetary and capital management related matters.

# Corporate Governance

Presentations and updates given by key executives at the Board meetings allow the Board to develop a good understanding of the progress of the Group's business and the issues and challenges the Group is faced with, as well as promote active engagement between Board members and the key executives. Any risk management or other major issues, including taxation, that are relevant to the Company's performance or position are also highlighted to the Board. Further, any material variance between any projections in budget or business plans and the actual results from business activities and operations are disclosed and explained to the Board. To keep the Board abreast of investors' concerns, feedback and perceptions, the Board receives regular updates on analyst estimates and views. This includes updates and analyses of the shareholder register, highlights of key shareholder engagements as well as market feedback.

Through the meetings, the Board reviews, monitors and oversees the implementation of the Group's corporate strategy. The Board also meets at least annually (including in FY 2022) to review and deliberate on strategy and strategic matters with Senior Management. In the lead-up to the Board meeting to discuss strategy in FY 2022, Management met with the SSC several times to seek its guidance in Management's formulation of strategic options for the Company.

The Board adopts and practises the principle of collective decision-making. It is able to achieve consensus on matters requiring its approval after a robust debate on each matter placed before it for approval or guidance. Prior to decision-making, all Directors actively participate in discussions, which includes challenging assumptions, offering alternative scenarios, and testing Management's vision on the relevant matter. The Board is able to achieve this as it benefits from a culture of open, frank, rigorous and constructive discussions and debates at Board and Board Committee meetings conducted on a professional basis. There is mutual trust and respect among the Directors. No individual Director influences or dominates the decision-making process.

The Board is provided with relevant information on a timely basis prior to Board and Board Committee meetings. This enables Directors to make informed decisions to discharge their duties and responsibilities. In addition to receiving complete, adequate and timely information on Board affairs and issues requiring the Board's decision, the Board also receives information on an ongoing basis. Management provides the Board with ongoing reports relating to the operational and financial performance of the Company, as well as updates on market developments and trends.

As a general rule, Board papers are sent to Board or Board Committee members in advance of each Board or Board Committee meeting to allow them to prepare for the meetings and enable them to focus discussions on any questions or issues that they may have or identify. Where appropriate, Management briefs Directors in advance on issues to be discussed before the Board or Board Committee meeting. Agendas for Board and Board Committee meetings are prepared in consultation with and incorporate inputs from Senior Management, the Chairman and the chairpersons of the respective Board Committees. This provides assurance that important topics and issues will be covered. Half-year and full-year financial statements are reviewed by the AC prior to the recommendation to the Board for approval.

In line with the Company's ongoing commitment to minimise paper waste and reduce its carbon footprint, the Company does not provide printed copies of Board papers. Instead, Directors are provided with tablet devices to access and review soft copies of the Board and Board Committee papers whether prior to or during meetings. This initiative also enhances information security as the papers are made available through an encrypted channel. Directors are also able to review and approve written resolutions using the tablet devices.

Although the Company has adopted semi-annual financial results reporting with effect from its Introductory Listing on 20 September 2021, the Board meets at least on a quarterly basis.

A record of the Directors' attendance at general meeting(s) of shareholders and Board and Board Committee meetings held in FY 2022 is set out on page 141 of this Annual Report.

The Group CEO, who is also a Director, attends all Board meetings. He also attends all EXCO and SSC meetings as a member and all other Board Committee meetings on an *ex officio* basis. Other senior executives attend Board and Board Committee meetings as required to brief the Board on specific business matters.

The matters discussed at Board and Board Committee meetings are set out briefly in the table below. The deliberations and decisions taken at Board and Board Committee meetings are recorded in writing in the minutes of meeting.

| BOARD OF DIRECTORS   |   |   |   |   |   |
|--|---|---|---|---|---|
| <ul style="list-style-type: none"> <li>• Strategy</li> <li>• Business and Operations</li> </ul>  |   | <ul style="list-style-type: none"> <li>• Financial Performance</li> <li>• Feedback from Board Committees</li> </ul> |   | <ul style="list-style-type: none"> <li>• Governance</li> <li>• Directors Training and Development</li> <li>• Facilitate Business Opportunities and Strategic Relationships</li> </ul> |   |
| AC   | EXCO  | ERCC  | NC  | RC  | SSC   |
| <ul style="list-style-type: none"> <li>• Financial Performance</li> <li>• Internal Controls</li> <li>• Internal and External Audit</li> <li>• Whistle-Blowing</li> </ul> | <ul style="list-style-type: none"> <li>• Investments and Divestments</li> <li>• Mergers and Acquisitions</li> <li>• Debt and/or Equity Funding</li> </ul> | <ul style="list-style-type: none"> <li>• Remuneration and Management Development and Succession Planning</li> </ul> | <ul style="list-style-type: none"> <li>• Board Performance</li> <li>• Board Appointments and Succession Planning</li> <li>• Board Governance</li> </ul> | <ul style="list-style-type: none"> <li>• Risk Management (includes Workplace Safety and Health)</li> <li>• Risk Governance</li> <li>• Risk Culture</li> </ul>                         | <ul style="list-style-type: none"> <li>• Strategy Review and Monitoring</li> <li>• Strategic Planning</li> <li>• Sustainability Strategy Development</li> </ul> |

There is active interaction between Board members and Management during Board and Board Committee meetings, as well as outside of Board and Board Committee meetings, including Board-hosted lunches and dinners. The Board has unfettered access to any Management staff for any information that it may require at all times. Likewise, Management has access to Directors outside of the formal environment of Board and Board Committee meetings for any guidance that it may seek whenever a need arises. The Board and Management share a productive and harmonious relationship which facilitates separate and independent access by Directors to Management executives, which is critical for good governance and organisational effectiveness.

The Board also has separate and independent access to the Company Secretaries at all times. They support the Board to ensure its proper functioning, including by attending to corporate secretarial administration matters and providing advice to the Board and Management on corporate matters. The Company Secretaries attend all Board meetings and assist the Board Chairman in ensuring that Board procedures are followed. The Company Secretaries also facilitate orientation and undertake the administration work relating to professional development for the Directors. The Company Secretaries are legally trained and their appointment and removal are subject to the Board's approval.

The Board, whether as individual Directors or as a group, is entitled to access to independent professional advice where required, at the Company's expense.

## PRINCIPLE 2: BOARD COMPOSITION AND GUIDANCE

### Board Independence

The NC and the Board review from time to time the size and composition of the Board and Board Committees, with a view to ensuring that the size of the Board and Board Committees is appropriate in facilitating effective deliberations and decision-making. The review takes into account the scope and nature of the Group's operations, the evolving external environment and the competition the Group faces. The Board considers the current Board and Board Committees' compositions as reflecting diversity of thought and background.

The Company recognises the importance of maintaining an appropriate level of independence and diversity of thought and background in the Board composition to enable the Board to make decisions in the best interests of the Company. Its Board Charter provides that at least one-third of the Board shall comprise independent Directors. The Board Charter also provides that, in the event that the Chairman is not an independent Director, the Company will appoint a LID and ensure that the Board comprises a majority of independent Directors.

The Company has a significant majority of independent Directors – 8 out of 10 Directors are non-executive independent Directors. The non-executive Chairman and the Group CEO are the only non-independent Directors. This exceeds the requirements in the Listing Manual, the Code and the Board Charter.

Other than the Group CEO who is the only executive Director on the Board, non-executive Directors make up the rest of the Board.

# Corporate Governance

Profiles of the Directors and their respective designations and roles are set out on pages 14 to 21 of this Annual Report. Key information on Directors is also available on the Company's website.

The Board, taking into account the views of the NC, assesses annually (and additionally as and when circumstances require) the independence of each Director, taking into consideration the relevant relationships and circumstances, including those specified in the Listing Manual, the Code and where relevant, the recommendations set out in the Practice Guidance accompanying the Code (Practice Guidance), that are relevant in the determination as to whether a Director is independent. A Director is considered independent if he/she has no relationship with the Company, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere with the exercise of his/her independent business judgement in the best interests of the Company.

The Company follows a rigorous process to evaluate the independence of the Directors who it considers as independent. As part of the process:

- (a) such Director provides information of his or her business interests and confirms, on an annual basis, that there are no relationships which interfere with the exercise of his or her independent business judgement with a view to the best interests of the Company; such information is then reviewed by the NC. In this regard, all such Directors have in their respective declarations confirmed that they do not have any relationships with the Company, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of their independent business judgement with a view to the best interests of the Company; and
- (b) the NC also reflects on the respective Directors' conduct and contributions at Board and Board Committee meetings, in particular, whether the relevant Director has exercised independent judgement in discharging his or her duties and responsibilities.

Thereafter, the NC's recommendation is presented to the Board for its determination. Each Director is required to recuse himself or herself from the NC's and the Board's deliberations respectively on his or her own independence. The NC also reviews the independence of Directors as and when there is a change of circumstances involving the Director and makes recommendations to the Board for its consideration and determination. In this regard, Directors are required to report to the Company any change of circumstances which may affect his or her independence.



The Board assesses the independence of each Director annually and it last refreshed its assessment in January 2023. The paragraphs below set out the outcome of the assessment.

As part of the review process on the independence of the Directors, the NC took into consideration the relevant relationships and circumstances of each Director, including those specified in the Listing Manual and the Code, that are relevant in its determination as to whether a Director is independent. Such relationships and circumstances include: (a) directorships (if any) in Temasek Holdings (Private) Limited (Temasek), the majority shareholder of the Company through CLG, and in organisations linked to Temasek, (b) appointments (if any) in organisations which have a business relationship with the Group, and (c) employment (if any) with the Company or any of its related corporations in the year under review or any of the past three financial years.

| ADDITIONAL CONSIDERATIONS  |  |   |
|--|--|---|
| Directorships (if any) in Temasek, the majority shareholder of the Company through CLG, and in organisations linked to Temasek | Appointments (if any) in organisations which have a business relationship with the Group | Employment (if any) with the Company or any of its related corporations in the year under review or any of the past three financial years |

Based on the outcome of the assessment, other than Mr Lee Chee Koon, Group CEO, and Mr Miguel Ko, non-executive Chairman, both of whom are the only non-independent Directors, all members of the Board are considered to be independent Directors. Mr Lee, who is Group CEO of the Company, is considered non-independent by virtue of his employment by the Company. Mr Ko is considered non-independent because of his past employment with CLA Real Estate Holdings Pte. Ltd. (CLA), a related corporation of the Company, within the past three financial years look-back period. Although Mr Ko is non-independent due to the past employment relationship, he does not take instructions from CLA in performing his role and duties as Chairman and he acts with independent judgement in the discharge of his duties and responsibilities.

Further, none of the non-executive Directors has been a company's former CEO in the past two years.

### Mr Chaly Mah Chee Kheong

Mr Chaly Mah Chee Kheong is a non-executive board member of the Monetary Authority of Singapore (MAS), Singapore's central bank and financial regulatory authority. Certain subsidiaries of the Company undertake the business of fund management and real estate investment trust (REIT) management, which MAS regulates. Mr Mah's role in MAS generally does not generate any conflict of interest issues in respect of his role as a Director of the Company. In the event of any issues arising in relation to the regulatory aspects of the Group's fund and/or REIT management business, Mr Mah will be required to recuse himself from any deliberations on such issues as appropriate or necessary.

Mr Mah is chairman of Surbana Jurong Private Limited (SJ). SJ is a subsidiary of Temasek and therefore also a related corporation of the Company. It is predominantly focused on the provision of building and engineering consultancy services, which the Group may engage for some of its projects.

SJ was not engaged to provide any services to the Group in FY 2022. The Company will continue to monitor and track any engagements with regard to SJ and the value of such engagements thereof, for consideration in the review of Mr Mah's independence.

In any event, the Board noted that (i) Mr Mah's appointment in SJ is as independent non-executive chairman, (ii) SJ, although a wholly owned subsidiary of Temasek, is independently managed under Temasek, (iii) any engagement of SJ for any of the Group's projects will continue to be made by Management on behalf of the Group in the ordinary course of business and on normal commercial terms, based on merit and competitive terms negotiated by Management, and (iv) Mr Mah was not and will continue not to be involved in the process for or approval of the engagement of SJ. In the event of any engagement of SJ requiring the Board's approval, Mr Mah will be required to follow the Company's established process to recuse himself from any deliberations or approvals thereto.

The Board also considered the conduct of Mr Mah in the discharge of his duties and responsibilities as a Director and is of the view that he has acted with independent judgement in the discharge of his duties and responsibilities. Based on the above, the Board arrived at the determination that Mr Mah is an independent Director.

Mr Mah had recused himself from the Board's deliberations on his independence.

## Mr Kee Teck Koon

Mr Kee Teck Koon does not have any relationships and is not faced with any of the circumstances identified in the Listing Manual, the Code or the Practice Guidance, or any other relationships that may affect his independent judgement.

The Board also considered the conduct of Mr Kee in the discharge of his duties and responsibilities as a Director, and is of the view that he has exercised independent judgement in the discharge of his duties and responsibilities. Based on the above, the Board arrived at the determination that Mr Kee is an independent Director.

Mr Kee had recused himself from the Board's deliberations on his independence.

## Mr Anthony Lim Weng Kin

Mr Anthony Lim Weng Kin is a non-executive director of DBS Group Holdings Ltd (DBS), a financial services group headquartered in Singapore with multinational operations across the Asia-Pacific region. DBS is one of the banks the Group works with for its financing requirements. The magnitude of the fees and payments made to DBS in FY 2022 exceeded the threshold amount of S\$200,000 (which is provided as a general guide in the Practice Guidance). However, Mr Lim's role in DBS is non-executive in nature and he is not involved in the business operations of DBS. The decision to engage DBS was made by Management in the ordinary course of business and on normal commercial terms, based on merit and competitive terms negotiated by Management. Mr Lim was not involved in the process for or approval of the engagement of DBS. In the event of any engagement of DBS requiring the Board's approval, Mr Lim will have to recuse himself under the Company's standing policy, which requires each Director to declare and recuse themselves from any situation(s) where there may be conflicts of interest between his/her duty to the Company and his/her other interest(s).

The Board also considered the conduct of Mr Lim in the discharge of his duties and responsibilities as a Director, and is of the view that the relationship set out above did not impair his ability to act with independent judgement in the discharge of his duties and responsibilities as a Director. The Board is therefore of the view that Mr Lim has exercised independent judgement in the discharge of his duties and responsibilities. Based on the above, the Board arrived at the determination that Mr Lim is an independent Director.

Mr Lim, also an NC member, had recused himself from the NC's as well as the Board's deliberations, respectively, on the assessment of his independence.

## Mr Gabriel Lim Meng Liang

Mr Gabriel Lim Meng Liang does not have any relationships and is not faced with any of the circumstances identified in the Listing Manual, the Code or the Practice Guidance, or any other relationships that may affect his independent judgement. Mr Lim is presently Permanent Secretary of the Ministry of Trade and Industry. The Board noted that Mr Lim's public office duties neither require him to take, nor subject him to any obligation to follow, any instructions from any government authorities in relation to the corporate affairs of the Company. This role also generates no conflict of interest issues in respect of his role as a Director of the Company.

The Board also considered the conduct of Mr Lim in the discharge of his duties and responsibilities as a Director, and is of the view that he has acted with independent judgement in the discharge of his duties and responsibilities. Based on the above, the Board arrived at the determination that Mr Lim is an independent Director.

Mr Lim, also an NC member, had recused himself from the NC's as well as the Board's deliberations, respectively, on the assessment of his independence.

## Ms Judy Hsu Chung Wei

Ms Judy Hsu Chung Wei is CEO, Consumer, Private and Business Banking of Standard Chartered Bank (Singapore) Limited (StanChart). She is in charge of StanChart's consumer, private and business banking business. StanChart is currently not a principal banker of the Group. In any event, should the relationship between StanChart and the Group develop, Ms Hsu will recuse herself from any engagement involving StanChart.

Ms Hsu is also a member of the Urban Redevelopment Authority (URA) board since 1 April 2018. As the national urban development and planning authority, the URA oversees development planning and approvals, as well as state land sales. It is noted that Ms Hsu's role as a non-executive Board member of URA generally does not generate any conflict of interest issues.

The Board also considered the conduct of Ms Hsu in the discharge of her duties and responsibilities as a Director, and is of the view that the relationships set out above did not impair her ability to act with independent judgement in the discharge of her duties and responsibilities as a Director. The Board is of the view that Ms Hsu has exercised independent judgement in the discharge of her duties and responsibilities. Based on the above, the Board arrived at the determination that Ms Hsu is an independent Director.

Ms Hsu had recused herself from the Board's deliberations on her independence.

## Mr David Su Tuong Sing

Mr David Su Tuong Sing does not have any relationships and is not faced with any of the circumstances identified in the Listing Manual, the Code or the Practice Guidance, or any other relationships that may affect his independent judgement.

The Board considered the conduct of Mr Su in the discharge of his duties and responsibilities as a Director, and is of the view that Mr Su has exercised independent judgement in the discharge of his duties and responsibilities. Based on the above, the Board arrived at the determination that Mr Su is an independent Director.

Mr Su had recused himself from the Board's deliberations on his independence.

## Ms Helen Wong Siu Ming

Ms Helen Wong Siu Ming does not have any relationships and is not faced with any of the circumstances identified in the Listing Manual, the Code or the Practice Guidance, or any other relationships that may affect her independent judgement.

The Board considered the conduct of Ms Wong in the discharge of her duties and responsibilities as a Director, and is of the view that Ms Wong has exercised independent judgement in the discharge of her duties and responsibilities. Based on the above, the Board arrived at the determination that Ms Wong is an independent Director.

Ms Wong had recused herself from the Board's deliberations on her independence.

## Tan Sri Abdul Farid bin Alias

Tan Sri Abdul Farid bin Alias is a new member of the Board (appointed on 1 January 2023). A review was conducted for the purpose of his appointment as a Director of the Company. The outcome of the review was that he did not have any relationships and was not affected by any circumstances that might interfere with the exercise of his independent business judgement. The NC recommended and the Board approved his appointment as an independent Director on that basis.

The Board is not aware of any changes in circumstances since the abovementioned review, which may affect Tan Sri Abdul Farid's independence. The Board has had the opportunity of working with Tan Sri Abdul Farid since he came on board on 1 January 2023, and is of the view that he has exercised independent judgement in the discharge of his duties and responsibilities. Based on the above, the Board arrived at the determination that Tan Sri Abdul Farid is an independent Director.

Tan Sri Abdul Farid had recused himself from the Board's deliberations on his independence.

# Corporate Governance

## Board Diversity

The Company embraces diversity and has in place a Board Diversity Policy which provides for the Board to comprise talented and dedicated Directors with a wide mix of expertise (including industry, domain and functional expertise), skills, experience (including international experience) and perspectives, with due consideration to diversity in gender, age, tenure, ethnicity and culture, and geographical background including nationality, as well as any other relevant aspects of diversity.

The Company values the benefits that diversity can bring to the Board in its deliberations by avoiding groupthink and fostering constructive debate. Diversity enhances the Board's decision-making capability and ensures that the Company has the opportunity to benefit from all available talent and perspectives, which is essential to the effective business governance and for ensuring long-term sustainable growth.

The Company's diversity targets, plans and timelines for achieving the targets and progress towards achieving the targets are described below. Further information on the progress achieved during FY 2022 can be found at "Board Composition and Renewal" under Principle 4 of this Report.

| Diversity Targets, Plans and Timelines   | Targets Achieved/Progress Towards Achieving Targets  |
|--|--|
| <b>Gender</b>  |  |
| <p>To have at least 2 female Directors on the Board during the period leading up to 2025.</p> <p>The Company believes in achieving an optimum mix of men and women on the Board to provide different approaches and perspectives.</p>  | <p><b>Achieved</b> – As at the end of FY 2022, 2 out of 9 Directors are female. This represents 22% of the Board.</p>  |
| <b>Age</b>   |  |
| <p>To ensure that the Board comprises Directors across the following age groups:</p> <p>(a) 50 and below;<br/>(b) 51 to 60; and<br/>(c) 61 and above,</p> <p>and to maintain such level of age diversity during the period leading up to 2025.</p> <p>The Company believes that age diversity would provide a broad spectrum of thoughts and views in Board and Board Committee deliberations.</p>   | <p><b>Achieved</b> – As at the end of FY 2022, the Board comprises Directors across all 3 age groups.</p> <p>In particular, 2 Directors are 50 years old and below, 2 Directors are between 51 to 60 years old, and 5 Directors are 61 years old and above.<sup>1</sup></p>  |
| <p><sup>1</sup> Tan Sri Abdul Farid bin Alias, who was appointed as a Director on 1 January 2023, is 55 years old as at 15 March 2023.</p>   |  |
| <b>Tenure</b>  |  |
| <p>To ensure that the Board comprises Directors across the following tenure groups:</p> <p>(a) less than 3 years;<br/>(b) 3 to 6 years; and<br/>(c) more than 6 years,</p> <p>and to maintain such level of tenure diversity during the period leading up to 2025.</p> <p>The Company believes that tenure diversity would facilitate Board renewal progressively and in an orderly manner, whilst ensuring knowledge continuity about the Company and its business operations and sustainability of corporate performance.</p>  | <p><b>Achieved</b> – As at the end of FY 2022, the Board comprises Directors across all 3 tenure groups.</p> <p>In particular, 3 Directors have been on the Board for less than 3 years, 5 Directors have been on the Board for 3 to 6 years and 1 Director has been on the Board for more than 6 years.<sup>2</sup></p> |
| <p><sup>2</sup> This takes into account the Directors' respective tenures on the board of CL (now known as CLG), if any. As disclosed on page 158 of the Company's Introductory Document dated 17 July 2021, in view that the appointment of the relevant independent directors of CL (now known as CLG) as the Company's independent Directors was a natural transition from such directors' appointments as independent directors of CL, for the purposes of compliance with Rule 210(5)(d)(iii) of the Listing Manual (repealed on 11 January 2023), the period served by such directors as independent directors of CL should be counted towards, and treated as part of, the cumulative period that such directors will serve as the Company's independent Directors.</p> |  |

| Diversity Targets, Plans and Timelines  | Targets Achieved/Progress Towards Achieving Targets  |
|---|--|
| <b>Skills &amp; Experience</b>  |  |
| <p>To ensure that the Directors, as a group, possess:</p> <p>(a) a variety of skill sets, including in core competencies, domain knowledge and other fields of expertise, such as finance, banking, real estate, fund and investment management and technology; and</p> <p>(b) a mix of industry experience, management experience, business acumen and listed company board experience, in particular on organisational development, sustainability matters and ESG matters,</p> <p>by 2025, or (if applicable) to maintain such level of diversity in skill sets and experience during the period leading up to 2025.</p> <p>The Company believes that diversity in skill sets would support the work of the Board and Board Committees and needs of the Company, and that an optimal mix of experience would help shape the Company's strategic objectives and provide effective guidance and oversight of Management and the Company's operations.</p> <p>The Company continually endeavours to deepen the bench strength of the Board with complementary and relevant expertise, including in the areas of fund and investment management, organisational development, sustainability matters and ESG matters.</p> | <p><b>In Progress</b> – As at the end of FY 2022, the Board comprises Directors who, as a group, possess a significant majority of the identified core skills and experience. There are opportunities to strengthen certain skill sets including fund and investment management and technology.</p> <p>In terms of skill sets, the Board comprises Directors with a variety of skills and expertise in areas including finance, banking, real estate, fund management, international capital markets and technology.</p> <p>In terms of experience, the Board comprises Directors who are corporate and business leaders and who collectively have experience in general business management, have served on public listed company boards and have international or regional experience.</p> <p>In terms of industry experience, the Directors collectively have exposure in various sectors and markets, including the venture capital industry, the China market and the international capital markets networks.</p> |

The Company remains committed to diversity in the Board and any further progress made towards attaining the targets set will be disclosed in future Corporate Governance Reports as appropriate.

The NC, in carrying out its duties of determining the optimal composition of the Board in its Board renewal process and addressing Board vacancies, considers candidates that bring a diversity of background and opinion with the appropriate background and industry or related expertise and experience. In identifying possible candidates and making recommendations of Board appointments to the Board, the NC's considerations include achieving an appropriate level of diversity in the Board composition having regard to diversity factors such as skills, experience, gender, age, tenure, ethnicity, culture, geographical background and nationality, as well as educational, business and professional background of its members. In its annual review of the Board's composition, the NC expressly considers and includes a commentary to the Board on the subject of diversity, including gender diversity, in the composition of the Board. In this regard, the Board, taking into account the views of the NC, is of the opinion that the Board's current size is appropriate with an appropriate balance and diversity of skills, experience, gender, age, tenure, ethnicity, culture, and geographical background including nationality, taking into account the Company's diversity targets, plans and timelines and objectives of the Board Diversity Policy and the Group's business needs and plans, for effective decision-making, quality discussions and constructive debate.

In line with the Board Diversity Policy, the Board comprises Directors who are corporate and business leaders, or professionals with varied backgrounds, expertise and experience in areas including finance, banking, real estate, fund management, general management and technology, who bring with them the combination of skills, talents, experience and diversity required to serve the needs of and achieve the plans for the Group.

For further information on the NC's work in this regard, please refer to "Board Membership" under Principle 4 of this Report.



## PRINCIPLE 3: CHAIRMAN AND CHIEF EXECUTIVE OFFICER

The roles and responsibilities of the Chairman and Group CEO are held by separate individuals, in keeping with the principles that there be a clear division of responsibilities between the leadership of the Board and that of Management, and that no one individual has unfettered powers of decision-making. The Chairman of the Board is elected by the Board, and it is a non-executive appointment held by Mr Miguel Ko. The Group CEO is Mr Lee Chee Koon. They do not share any family ties. The Chairman and Group CEO enjoy a positive and constructive working relationship, and support each other in their respective leadership roles.

The Chairman leads and oversees the performance of the Board and plays a pivotal role in creating the conditions necessary for overall Board and individual director effectiveness. This includes setting the agenda of Board meetings in collaboration with the Group CEO, ensuring that the agenda takes full account of the important issues facing the Company and that there is sufficient information and time at meetings to address all agenda items, as well as promoting open and constructive engagement and dialogue among the Directors as well as between the Board and Group CEO at meetings. The Chairman also guides the Board through its decision-making process and ensures that the Board operates effectively as a team.

The Chairman devotes considerable time to keep himself updated on the Company's business, including the issues and the competition the Company faces. He plays a significant and active leadership role by providing clear oversight, direction, advice and guidance to the Group CEO. He also maintains open lines of communication and engages with other members of the senior leadership regularly, and acts as a sounding board for the Group CEO and the other members of the senior leadership team on strategic and significant operational matters.

The Chairman also presides at AGMs and other general meetings where he plays a crucial role in fostering constructive dialogue between shareholders, the Board and Management.

The Group CEO has full executive responsibilities to manage the Group's business and to develop and implement Board approved policies.

The separation of the roles and responsibilities of the Chairman and the Group CEO, which is set out in writing, and the resulting clarity of roles provide a healthy professional relationship between the Board and Management, facilitate robust deliberations on the Group's business activities and the exchange of ideas and views to help shape the strategic process, and ensure an appropriate balance of power, increased accountability and greater capacity of the Board for independent decision-making.

As the Chairman is non-independent, the Board has appointed Mr Anthony Lim Weng Kin as the LID. As LID, Mr Lim's main duties are to facilitate the functioning of, and provide leadership to, the Board if circumstances arise in which the Chairman may be (or is perceived to be) in conflict, to support effective Board objectivity in business judgement and oversight, and to serve as an independent leadership contact for shareholders, Directors and Management especially where contact through the normal channels of communication with the Chairman or Management (as the case may be) is inappropriate or inadequate.

## PRINCIPLE 4: BOARD MEMBERSHIP

The Board has a formal and transparent process for the appointment and re-appointment of Directors. It has established the NC, which makes recommendations to the Board on all appointments to the Board and Board Committees. All Board appointments are made based on merit and approved by the Board.

| NOMINATING COMMITTEE  |  |  |
|---|--|--|
| <b>MR GABRIEL LIM MENG LIANG</b><br>Committee Chairman &<br>Non-Executive Independent<br>Director | <b>MR MIGUEL KO</b><br>Non-Executive Non-Independent<br>Director | <b>MR ANTHONY LIM WENG KIN</b><br>Lead Independent Director &<br>Non-Executive Independent<br>Director |

A majority of the NC members, including the chairman of the NC, are non-executive independent Directors. In FY 2022, the NC met twice. Mr Gabriel Lim Meng Liang was appointed as chairman of the NC with effect from the conclusion of the AGM held on 29 April 2022.

The NC also reviewed and approved various matters within its remit via circulating papers. Under its terms of reference, the NC's scope of duties and responsibilities is as follows:

- review and make recommendations to the Board on the size and composition of the Board, the succession plans for Directors, and the structure and membership of the Board Committees;
- review and recommend an objective process and criteria for the evaluation of the performance of the Board, Board Committees and Directors;
- ensure continual training and professional development programmes are put in place for the Directors, including ensuring that new Directors are trained to understand their duties and obligations;
- consider annually, and as and when circumstances require, if a Director is independent and provide its views to the Board for consideration; and
- review whether a Director has been adequately carrying out his or her duties as a Director.

### Board Composition and Renewal

The Board, through the NC, strives to ensure that the Board has an optimal and diverse blend of backgrounds, experience and knowledge in business and general management, expertise relevant to the Group's business and track record, and that each Director can bring to the Board an independent and objective perspective to enable balanced and well-considered decisions to be made in the interests of the Group.

There is a structured process for determining Board composition and for selecting candidates for appointment as Directors. In undertaking its duty of reviewing and making Board appointment recommendations to the Board, the NC evaluates the Board's competencies on a long-term basis and identifies competencies which may be further strengthened in the mid- to long-term. The review includes planning ahead to fill one or more vacancies which may arise in the future. Board succession planning takes into account the need to maintain flexibility to effectively address succession planning and to ensure that the Company continues to attract and retain highly qualified individuals to serve on the Board. The process ensures that the Board composition is such that it has capabilities and experience which are aligned with the Company's strategy and the environment it operates in.

The Board supports the principle that Board renewal is a necessary and continual process for good governance and ensuring that the Board has the skills, expertise, diversity and experience which are relevant to the evolving needs of the Group's business.

Board succession planning is carried out through the annual review by the NC of the Board composition as well as when a Director gives notice of his or her intention to retire or resign. The annual review takes into account, among other things, the requirements in the Listing Manual and the Code, feedback from any individual Board member as well as the diversity targets and factors in the Board Diversity Policy. The outcome of that review is reported to the Board. The Board seeks to refresh its membership progressively and in an orderly manner, whilst ensuring continuity and sustainability of corporate performance. The Board also has in place guidelines on the tenure of Directors. The guidelines provide that a Director is appointed for two terms of a total of approximately six years and any extension of tenure beyond six years will be rigorously considered by NC in arriving at a recommendation to the Board.

The NC identifies suitable candidates for appointment to the Board. In this regard, external consultants are retained from time to time to assist the NC in identifying candidates, to ensure that a diverse slate of candidates is presented for the NC's and the Board's consideration.

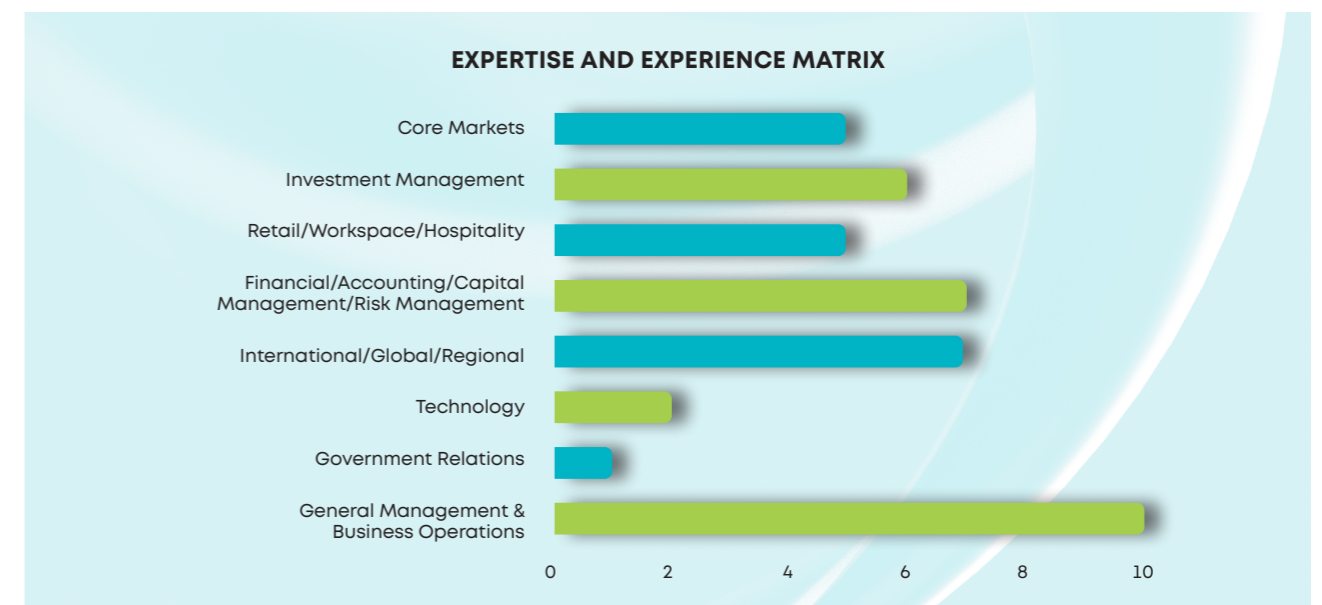
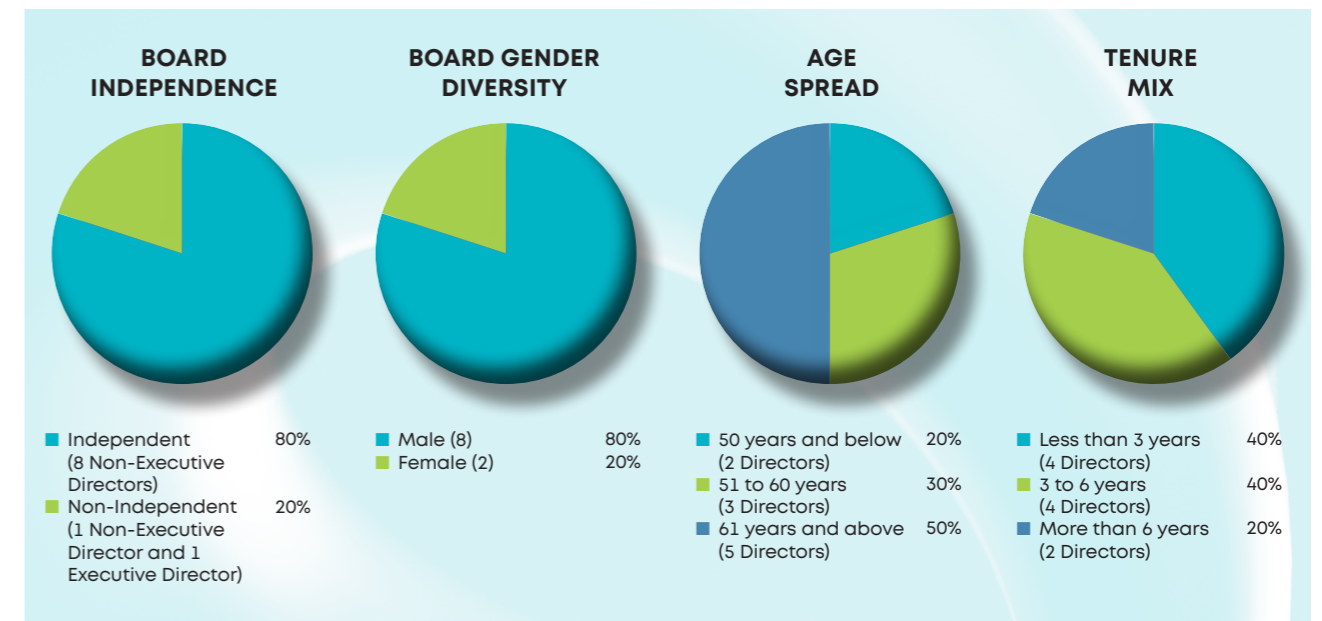
# Corporate Governance

Candidates are identified based on the needs of the Company, taking into account the strategic priorities of the Company and the relevant skills required. Those considered will be assessed against a range of criteria including the candidates' demonstrated business sense and judgement, skills and expertise, and market and industry knowledge (and may include elements such as financial, sustainability or other specific competency, geographical representation and business background) with due consideration to diversity, including but not limited to, diversity in business or professional experience, age and gender, ethnicity and culture, and geographical background (including nationality). The NC also considers the qualities of the candidate(s), in particular whether they are aligned with the strategic directions and values of the Company, while also assessing his or her ability to commit time to the affairs of the Company, taking into consideration the candidate(s)' other current appointments or commitments. The NC uses a skills matrix to determine the skills gaps of the Board and to assess if the expertise and experience of a candidate would complement those of the existing Board members.

Whilst the Board believes that it has an optimal blend of backgrounds, experience, knowledge in business and general management, and expertise relevant to help the Company deliver on its ambition and strategic priorities, it believes in planning for orderly succession as well as contingencies and is continually looking out for opportunities to fill future gaps in competencies and to renew the Board in a progressive manner. In FY 2022, Mr David Su Tuong Sing and Ms Helen Wong Siu Ming joined the Board. On 1 January 2023, Tan Sri Abdul Farid bin Alias joined the Board. These appointments augmented various aspects of Board diversity in terms of professional qualifications, ethnicity, industry and market knowledge, age and skills and experience. Mr David Su Tuong Sing brings considerable expertise and networks in the venture capital industry and the China market. Ms Helen Wong Siu Ming brings considerable fund management and international capital markets expertise and networks (including for the US). The appointment of Tan Sri Abdul Farid bin Alias, who brings considerable expertise and networks in the financial and banking sector and the ASEAN markets, also contributed to the ethnic diversity of the Board. In particular, these appointments enable the Board to achieve or, as the case may be, make significant progress towards achieving the following targets set for the Board:

- increase AC memberships;
- cross-Committee memberships between the AC and the RC;
- improve gender diversity; and
- improve ethnic diversity.

The NC remains focused on Board renewal and continues to identify opportunities for Board enhancement. In FY 2022, the NC also considered several other candidates (aside from Tan Sri Abdul Farid bin Alias), some of whom were female, but the process did not result eventually in appointments due to various reasons. The NC continues its efforts to search for and build its pipeline of possible Board candidates who are proven business leaders with complementary and relevant expertise. The need for ethnic and/or gender diversity, experience in overseeing sustainability matters and/or an appreciation of the fund management business are some of the considerations, taking into consideration some of the qualitative feedback from Directors and Management elicited from the Board evaluation exercise concluded for FY 2022. In this regard, the Board acknowledges that it may not be possible to find all the desired credentials and qualities in a single candidate and, therefore, it would be necessary to prioritise some of them, taking into consideration the current collective skill sets of the Board.



## Shareholders' Approval at AGM

Election of Board members is the prerogative and right of shareholders. The Constitution requires one-third of the Company's Directors (prioritised by the length of service since the previous reelection or appointment and who are not otherwise required to retire) to retire and subject themselves to reelection by shareholders (one-third rotation rule) at every AGM. Effectively, this results in all Directors having to retire and stand for reelection at least once every three years or earlier.

In addition, any Director who is newly appointed by the Board (whether as an additional Director or to fill a vacancy) will submit himself or herself for reelection at the AGM immediately following his or her appointment. Thereafter, he or she is subject to the one-third rotation rule. In this regard, Mr Miguel Ko, Mr Chaly Mah Chee Kheong and Mr Gabriel Lim Meng Liang, all of whom are retiring by rotation at the upcoming 2023 AGM, will be standing for reelection by shareholders. In addition, Tan Sri Abdul Farid bin Alias, who was newly appointed by the Board in January 2023, will be submitting himself for reelection at the upcoming 2023 AGM.

# Corporate Governance

With regard to the reelection of existing Directors each year, the NC advises the Board of those Directors who are retiring or due for consideration to retire in accordance with the articles of the Constitution. The NC makes recommendations to the Board as to whether the Board should support the reelection of a Director who is retiring and, for that purpose, undertakes a review of the retiring Director's contributions to the Board's deliberations during the period in which the Director has been a member of the Board, taking into consideration also the collective skill sets of the Directors at that juncture and the near term targets and plans relating to Board renewal. The NC also considers the relevant Directors' attendance record and preparedness for and level of engagement at Board meetings, as well as their other appointments and commitments. Each member of the NC is required to recuse himself from deliberations on his own reelection. In this regard, the NC has carried out the requisite review and recommendation work in respect of the proposed reelection by shareholders of Mr Miguel Ko, Mr Chaly Mah Chee Kheong and Mr Gabriel Lim Meng Liang as Directors at the upcoming 2023 AGM. After taking into account their respective tenures on the board of CL, Mr Mah would have served as a Director for more than six years and Mr Lim, close to six years, as of the 2023 AGM. As required by the Board's guidelines that a Director be appointed for two terms of a total of approximately six years and any extension of tenure beyond six years be rigorously considered by the NC before arriving at a recommendation to the Board, the NC undertook a rigorous review of the proposed extension of Mr Mah's and Mr Lim's tenures beyond six years. Noting the respective contributions of Mr Ko, Mr Lim and Mr Mah, including as Board Chairman and/or chairman of the relevant Board Committees, the NC recommended to the Board to support their reelection at the upcoming 2023 AGM. The Board, after considering the NC's recommendation, has duly provided its support for their respective reelections. Tan Sri Abdul Farid bin Alias, who was newly appointed by the Board after the 2022 AGM, will also seek reelection at the upcoming 2023 AGM, and the Board has also duly provided its support for his reelection. Each Director seeking reelection at the upcoming 2023 AGM has recused himself from the Board's and, where applicable, the NC's deliberations on his reelection.

Shareholders elect the Directors or candidates put up for election and reelection at AGMs individually. Key information on the Directors or candidates who are seeking election or reelection at AGMs is provided in the Annual Report.

The Group CEO, as a Board member, is also subject to the one-third rotation rule. His role as the Group CEO is separate from his position as a Board member and does not affect the ability of shareholders to exercise their right to select all Board members.

## Review of Directors' Ability to Commit Time

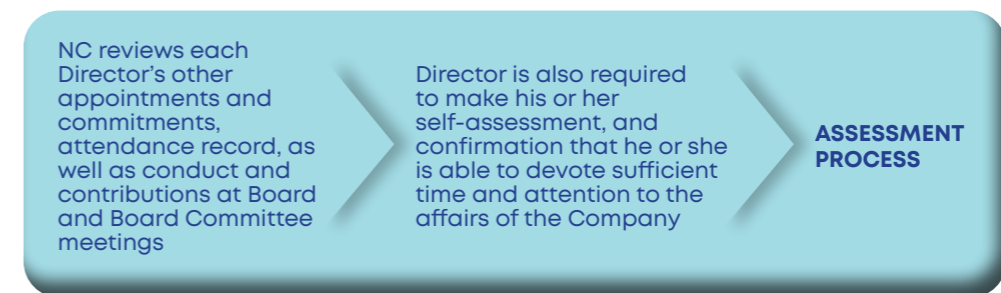
In view of the responsibilities of a Director, Directors need to be able to devote sufficient time and attention to adequately perform their duties and responsibilities. The NC reviews the other appointments and commitments of each Director on an annual basis and as and when there is a change of circumstances involving a Director which may affect his or her ability to commit time to the Company. In this regard, Directors are required to report to the Company any changes in their other appointments or commitments.

In reviewing whether a Director has adequately discharged his or her duties to the Company and a Director's ability to commit time to the affairs of the Company, the NC and the Board consider if the Director's total number of listed company board appointments is within the guidelines of major proxy advisor firms. In respect of the Directors' other appointments and commitments, the Board takes the view that the limit on the number of directorships and principal commitments that an individual may hold should be considered on a case-by-case basis, as a person's available time and attention may be affected by many different factors, such as his or her capacity, whether he or she is in full-time employment, the nature of his or her other responsibilities and near-term plan regarding some of the other appointments. A Director with multiple directorships is nonetheless expected to ensure that he or she can devote sufficient time and attention to the affairs of the Company. Directors are also required to consult the Chairman before accepting any invitation for appointment as a director of another entity or offer of a full-time executive appointment. Such a consultation will enable any concerns relating to the Director's ability to commit time to the affairs of the Company, as well as any potential conflicts of interests, to be shared and addressed. The Chairman will make the requisite assessment and consult with the NC as necessary.

There is no alternate director to any of the Directors. In keeping with the principle that a Director must be able to commit time to the affairs of the Company, the NC has adopted the principle that it will generally not approve the appointment of alternate directors to Directors.

Each of the Directors is required to make his or her self-assessment and confirm that he or she is able to devote sufficient time and attention to the affairs of the Company. For FY 2022, all Directors had undergone the self-assessment and provided the confirmation.

On an annual basis and, where appropriate, when there is a change of circumstances involving a Director, the NC assesses each Director's ability to commit time to the affairs of the Company. In the assessment, the NC takes into consideration each Director's confirmation, his or her other appointments and commitments, attendance record at meetings of the Board and Board Committees, as well as conduct (including preparedness, participation and level of engagement) and the value and quality of their contributions at Board and Board Committee meetings.



The Directors' listed company directorships and other principal commitments are disclosed on pages 16 to 21 of this Annual Report.

None of the Directors currently holds more than three listed company board appointments, which is within the guidelines of major proxy advisor firms. The Group CEO, who is the sole executive Director, does not serve on any listed company board outside of the Group.

The Directors' attendance record for FY 2022 is set out on page 141 of this Annual Report. Directors are informed of the expectation to attend scheduled meetings, unless unusual circumstances make attendance impractical or if a Director has to recuse himself or herself from the meeting in relation to the sole matter under consideration at such meeting. In this regard, the Directors currently on the Board as at 15 March 2023 (and who also served as Directors during FY 2022) achieved full attendance rate for Board and Board Committee meetings held in FY 2022. They have also contributed positively to discussions at Board and Board Committee meetings. In respect of any meetings for which any Director is unable to attend, arrangements will be made for such Director to provide his or her comments on the relevant matters to be discussed at such meetings to the Chairman or the relevant Board Committee chair prior to the relevant meetings. A separate briefing may be arranged to facilitate this if necessary. The Directors are also generally accessible to Management outside the formal environment of Board and/or Board Committee meetings.

Based on the foregoing, the NC (with each member recused from the deliberations in respect of himself) has determined that each Director has been adequately carrying out his or her duties as a Director of the Company notwithstanding any other listed company board representations and/or principal commitments he or she may have. The Board, taking into consideration the NC's assessment, has noted that each Director has met with the requirements under the NC's guidelines and has been adequately carrying out his or her duties and responsibilities as a Director of the Company.

## PRINCIPLE 5: BOARD PERFORMANCE

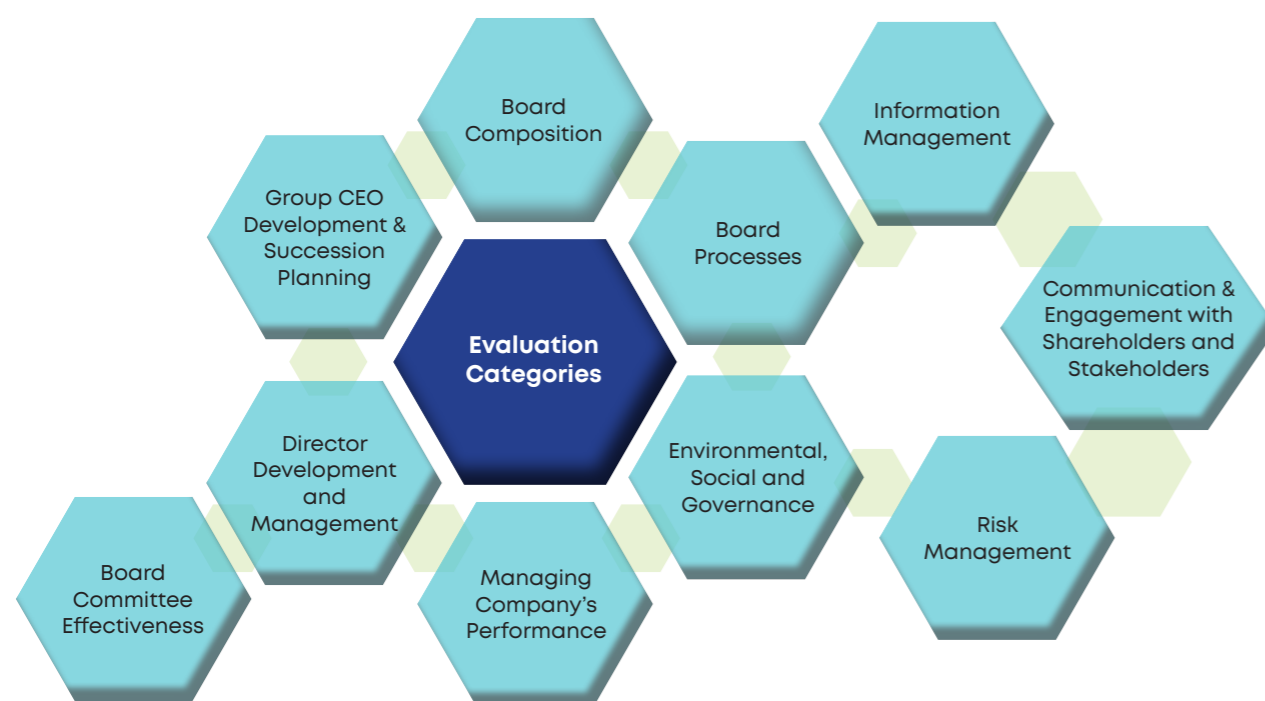
The Company believes that oversight from a strong and effective Board goes a long way in guiding the Company's success. Whilst Board performance is ultimately reflected in the long-term performance of the Group, the Board believes that engaging in a regular process of self-assessment and evaluation of Board performance provides an opportunity for the Board to reflect on its effectiveness including the quality of its decisions, as well as to clarify the individual and collective roles and responsibilities of the Directors and the Board to give the Directors better knowledge of expectations to help them become more effective. It also enables the Board to identify key strengths and gaps as well as areas for improvement which is essential to effective stewardship and attaining success for the Company, in addition to improving working relationships with Management.

Led by the NC Chairman and with respect to FY 2022, findings and practical suggestions were reviewed, considered and discussed first at an NC meeting, then at a Board meeting to formulate appropriate follow-up actions, where necessary. The Board evaluation process helps to identify where the Board has met its objectives, and indicate where it needs improvements. Such a process also facilitates greater interactions among the Board members and Senior Management.

### Board and Board Committees

The NC undertakes a tailored process to evaluate the effectiveness of the Board as a whole and the Board Committees every year. For an objective and independent evaluation, an external consultant is engaged to facilitate the evaluation process. The consultant engaged for the review for FY 2022, Aon, is independent of and is not related to the Company or any of its Directors.

As part of the process, questionnaires are sent by the consultant to the Directors and interviews are conducted where required. In addition to numerically scored multiple-choice items, the questionnaires use a mix of open-ended questions to solicit qualitative comments including suggestions for improvement. For the year under review, one-to-one interviews with each Board member were also conducted. The objective of the interviews is to seek clarifications to the feedback obtained from the responses in the questionnaires, during which broader questions might also be raised to help validate certain survey findings. The findings are then evaluated by the consultant and reported, together with the recommendations of the consultant, to the NC and thereafter the Board. The evaluation categories covered in the questionnaire included Board composition, information management, Board processes, ESG, managing the Company's performance, Group CEO development and succession planning, Director development and management, communication and engagement with shareholders and stakeholders, risk management and Board Committee effectiveness.



As an integral part of the evaluation process, the Senior Management team also provides feedback on areas including Board composition, information management, developing strategy and monitoring such strategy, managing risks and working with Management.

The findings and recommendations of the consultant which include benchmarking information and best practices of other boards, are considered by the Board and follow-up action is taken, where necessary.

The FY 2022 Board evaluation yielded a set of overall credible evaluation results, including when compared to market peers. The evaluation process found that the Board has been functioning well as a team with each of the Board members contributing to Board deliberations. There is quality in discussions between the Board and Management. The Board benefits from a culture of active, open, frank, rigorous and constructive discussions and debates at Board and Board Committee meetings. The Board also benefits from the diversity in views, perspectives and expertise. There is a positive and healthy professional relationship between the Board and Management. Board Committees were also assessed to work well with thorough robust debate, a good understanding of the issues and functional knowledge. There are no concerns or issues affecting any Board or Board Committee requiring attention or follow-up work.

| KEY FINDINGS FOR FY 2022 BOARD EVALUATION |   |  |  |   |
|---|---|--|--|---|
| Functioning well as a team                | Quality in discussions between the Board and Management | Active, open, frank, rigorous and constructive discussions and debates | Diversity in views, perspectives and expertise | Good understanding of the issues and functional knowledge |

### Individual Directors

In respect of individual Directors, a formal evaluation is also carried out on an annual basis. For FY 2022, the Board Chairman and NC Chairman jointly evaluated each individual Director using an agreed evaluation framework as a guide. The evaluation criteria include Director's duties, contributions and conduct. Feedback from selected Senior Management members was also sought as part of the process. The NC Chairman also held one-to-one conversations with each of the Directors to discuss strengths and opportunities, which sessions were received positively by the Directors.

| KEY FINDINGS FOR FY 2022 INDIVIDUAL DIRECTOR EVALUATIONS |   |  |                                    |
|--|---|--|------------------------------------|
| Contributes to Board deliberations                       | Participates actively and is fully engaged in Board deliberations | Works well with one another, and with Management | Generally accessible to Management |

The outcome of the evaluation is that every Director contributes to Board deliberations. Each one of them participates actively and is fully engaged in Board deliberations. Additionally, Directors work well with one another, and with Management, contributing to the overall smooth functioning of the Board. Whilst collegial, deliberations at meetings were open, constructive and robust, and conducted on a professional and respectful basis. Management has also provided positive feedback on the performance and contributions of the individual Directors, noting that the relationship between the Board and Management is healthy and good. Directors are also generally accessible to Management outside the formal environment of Board and/or Board Committee meetings. As with the outcome of the Board and Board Committee evaluations, there are no concerns or issues affecting any Director requiring attention or follow-up work.

Formal evaluation is also carried out by the NC as and when a Director is due for retirement by rotation and is seeking reelection. The NC also considers the contributions and performance of individual Directors when it reviews Board composition.

The Board also recognises that contributions by an individual Board member can take different forms including providing objective perspectives on issues, facilitating business opportunities and strategic relationships, and accessibility to Management outside of the formal environment of Board and/or Board Committee meetings.

## Board Evaluation as an Ongoing Process

The Board believes that performance evaluation should be an ongoing process and the Board achieves this by seeking feedback on a regular basis. The regular interactions among Board members, and between Board members and Management, also contribute to this ongoing process. Through this process of engaging its members, the Board also benefits from an understanding of shared norms between Board members which in turn contributes to a positive Board culture. The collective Board performance and the contributions of individual Board members are also reflected in, and evidenced by, the synergistic performance of the Board in discharging its responsibilities as a whole by providing proper guidance, diligent oversight and able leadership, and lending support to Management in steering the Company in the appropriate direction, as well as the long-term performance of the Company whether under favourable or challenging market conditions.

## REMUNERATION MATTERS

### PRINCIPLES 6, 7 AND 8: PROCEDURES FOR DEVELOPING REMUNERATION POLICIES, LEVEL AND MIX OF REMUNERATION AND DISCLOSURE ON REMUNERATION

The Board has a formal and transparent procedure for developing policies on Director and executive remuneration, recommending individual Directors' remuneration packages for shareholders' approval and determining the remuneration of key management personnel.

It has established the ERCC to recommend to the Board for approval a general framework of remuneration for the non-executive Directors and key management personnel of the Group, and the specific remuneration package for each key management personnel. The ERCC also recommends to the Board for endorsement the specific remuneration package for each Director.

| EXECUTIVE RESOURCE AND COMPENSATION COMMITTEE   |  |  |
|---|--|--|
| <b>MS JUDY HSU CHUNG WEI</b><br>Committee Chairman &<br>Non-Executive Independent<br>Director | <b>MR MIGUEL KO</b><br>Non-Executive Non-Independent<br>Director | <b>MR ANTHONY LIM WENG KIN</b><br>Lead Independent Director &<br>Non-Executive Independent<br>Director |

A majority of ERCC members, including the chairman of the ERCC, are non-executive independent Directors. All ERCC members are non-executive Directors.

In FY 2022, the ERCC met four times.

The ERCC is guided by its terms of reference. The ERCC oversees leadership and succession planning for key management personnel. This includes overseeing the process that supports the Board in making decisions regarding the appointment of the Group CEO and his terms of appointment and remuneration package, and approving the appointment and remuneration of other key management personnel. In carrying out its role, the ERCC also aims to build capable and committed management teams through market competitive compensation and progressive policies which are aligned with the long-term interests and risk policies of the Group. The ERCC thus plays a crucial role in helping to ensure that the Company is able to attract, motivate and retain the best talents to drive the Group's business forward and deliver sustainable returns to shareholders.

The ERCC also conducts, on an annual basis, the evaluation of the Group CEO's performance and a succession planning review of the Group CEO and key management positions in the Group and presents its findings and recommendations to the Board. Potential candidates for leadership succession are reviewed for their readiness in the immediate, medium and long term.

The Company is committed to developing a strong talent pipeline to sustain its business growth. It has an established process to identify different talent segments to enable leaders of the Company to plan for the succession of key roles. The success of its approach to talent development and succession planning is evidenced by many examples of internal promotions into key leadership roles throughout the Group over the years (including those years when the Company was a subsidiary of the listed CL), even at the most senior levels of the organisation.

The Company also believes that learning is a continuous journey and is committed to developing employees to their fullest potential by equipping them with the right tools and knowledge to stay relevant and ahead of the competition. The Company provides learning opportunities to employees so that they will consistently deliver to high standards of performance and be able to perform their job roles competently.

## Remuneration Policy for Key Management Personnel

The remuneration framework and policy is designed to support the implementation of the Group's strategy and deliver sustainable returns to shareholders. The policy's principles governing the remuneration of the Company's key management personnel are as follows:

|   |   |
|---|---|
| <p><b>BUSINESS ALIGNMENT</b></p> <ul style="list-style-type: none"> <li>• Create sustainable value and drive dollar returns above the risk-adjusted cost of capital to align with long-term interests of its stakeholders</li> <li>• Provide sound and structured funding to ensure affordability and cost-effectiveness in line with performance goals</li> <li>• Enhance retention of key talents to build strong organisational capabilities</li> <li>• Strengthen alignment to sustainable corporate practices</li> </ul> | <p><b>FAIR &amp; APPROPRIATE</b></p> <ul style="list-style-type: none"> <li>• Ensure competitive remuneration relative to the appropriate external talent markets</li> <li>• Manage internal equity such that remuneration is viewed as fair across the Group</li> <li>• Significant and appropriate portion of pay-at-risk, taking into account risk policies of the Group, symmetric with risk outcomes and sensitive to the risk time horizon</li> </ul> |
| <p><b>MOTIVATE RIGHT BEHAVIOUR</b></p> <ul style="list-style-type: none"> <li>• Pay for performance – align, differentiate and balance rewards according to multiple dimensions of performance</li> <li>• Strengthen line-of-sight linking rewards and performance</li> <li>• Foster Group-wide interests to recognise the interdependence of the various businesses of the Group and drive superior outcomes</li> </ul>  | <p><b>EFFECTIVE IMPLEMENTATION</b></p> <ul style="list-style-type: none"> <li>• Maintain rigorous corporate governance standards</li> <li>• Exercise appropriate flexibility to meet strategic business needs and practical implementation considerations</li> <li>• Facilitate employee understanding to maximise the value of the remuneration programmes</li> </ul>  |

The Board sets the remuneration policies in line with the Company's business strategy and approves the executive compensation framework based on the key principle of linking pay to performance. Pay-for-performance is emphasised by linking total remuneration to the achievement of business and individual goals and objectives. In its deliberations, the ERCC also takes into consideration industry practices and norms in compensation to ensure market competitiveness. The ERCC considers all aspects of remuneration, including termination terms, to ensure they are fair.

The Board has access to independent remuneration consultants to advise on remuneration matters as required.

The ERCC appointed an independent remuneration consultant, Willis Towers Watson, to provide professional advice on Board and executive remuneration in FY 2022. Willis Towers Watson is a global advisory, broking and solutions company with over 45,000 employees serving more than 140 countries and markets. The remuneration consultant is not related to the Company or any of its Directors and does not otherwise have any relationships with the Company that could affect its independence and objectivity.

## Remuneration of Key Management Personnel

The remuneration of key management personnel comprises fixed components, variable cash components, share-based components and employee benefits. A significant proportion of key management personnel's remuneration is in the form of variable compensation, awarded in a combination of short-term and long-term incentives, in keeping with the principles that the interests of the Group CEO and key management personnel should be aligned with those of the Company's shareholders and other stakeholders and that the remuneration framework should link rewards to corporate and individual performance.

# Corporate Governance

## A Fixed Components:

The fixed components comprise the base salary, fixed allowances and compulsory employer contribution to an employee's Central Provident Fund (CPF).

## B Variable Cash Components:

The variable cash components comprise the Balanced Scorecard Bonus Plan (BSBP) and Economic Value-Added (EVA)-based Incentive Plan (EBIP).

### Balanced Scorecard Bonus Plan

The BSBP is linked to the achievement of annual performance targets for each key management personnel as agreed at the beginning of the financial year with the Board and/or the Group CEO, as the case may be.

Under the Balanced Scorecard framework, the Group's strategy and goals are translated to performance outcomes comprising both quantitative and qualitative targets in the dimensions of Financial & Execution, Future Growth, Talent Management, Sustainability and Digitalisation & Innovation; these are cascaded down throughout the organisation, thereby creating alignment across the Group. The overall dimensions, performance measures and their relative weights are reviewed annually to reflect the Group's business priorities and focus for the relevant year.

| Balanced Scorecard Dimension | Financial & Execution  | Future Growth   | Talent Management   | Sustainability   | Digitalisation & Innovation   |
|------------------------------|--|---|---|--|---|
| <b>Key Objectives</b>        | <ul style="list-style-type: none"> <li>Driving sustainable Return On Equity (ROE) growth</li> <li>Ensuring financial robustness</li> </ul> | <ul style="list-style-type: none"> <li>Growing assets/funds under management</li> <li>Growing the lodging platform</li> </ul> | <ul style="list-style-type: none"> <li>Building a future-oriented organisation</li> <li>Developing leadership bench strength</li> <li>Motivating and retaining talents</li> </ul> | <ul style="list-style-type: none"> <li>Building a responsible and sustainable organisation</li> <li>Ensuring workplace safety</li> </ul> | <ul style="list-style-type: none"> <li>Driving operational efficiency</li> <li>Improving customer experience</li> <li>Building data insights</li> </ul> |

After the close of each year, the ERCC reviews the Group's achievements against the targets set in the Balanced Scorecard, determines the overall performance taking into consideration qualitative factors such as the quality of earnings, operating environment, regulatory landscape, industry trends and affordability to the Company, and approves a bonus pool that is commensurate with the performance achieved. For FY 2022, the bonus pool was smaller as compared to the bonus pool under the BSBP for the financial year ended 31 December 2021 (FY 2021), due to the targets set having only been partially achieved by the Group.

In determining the payout quantum for each key management personnel under the plan, the ERCC considers the overall performance of the Group, the performance of the business(es) specific to each key management personnel, as well as quantitative and qualitative aspects of individual performance, including but not limited to leadership behaviours and demonstration of core values.

### Economic Value-Added-based Incentive Plan

The EBIP is based on sharing with employees a portion of the EVA achieved, which varies according to the actual achievement of residual economic profit.

The EBIP rewards sustainable value creation over the medium term achieved by growing profits, deploying capital efficiently and managing the risk profile and risk time horizon of the business.

Under this plan, the bonus declared to each EBIP participant for the current year is added to the participant's balance carried forward from the previous year, upon which one-third of the resulting total amount is paid out in cash, with the remaining two-thirds to be carried forward to the following year. The balance in each participant's EBIP account is at risk because a significant reduction in EVA in any year may result in retraction (performance clawback) of the EBIP bonus declared in preceding years. The EBIP encourages key management personnel to work for sustained EVA generation and to take actions that are aligned with the long-term interests of the Company's stakeholders.

In determining the EBIP bonus declared to each participant, the ERCC considers the overall business performance, individual job responsibilities, performance and contribution, as well as the relevant market remuneration benchmarks. In respect of FY 2022, no EBIP bonus was paid as the Group's EVA was negative.

## C. Share-based Components:

The Company adopted the CapitaLand Investment Performance Share Plan 2021 (PSP) and the CapitaLand Investment Restricted Share Plan 2021 (RSP) (together, the Share Plans) on 17 July 2021 in connection with the Company's Introductory Listing in 2021.

Share awards were granted in FY 2022 pursuant to both the PSP and RSP. The total number of shares comprised in the awards granted under the Share Plans during FY 2022 did not exceed 1% of the total number of issued shares (excluding treasury shares) of the Company.

To foster a "founders' mindset" in driving the transformation of the Group into a REIM company, a one-time special contingent award (Special PSP Award) was granted pursuant to the PSP to selected key new-hire executives of the Group during FY 2021 and into FY 2022. This long-term share-based award with a five-year performance period will vest at the end of the third year and/or fifth year, subject to the achievement of the targets approved by the ERCC.

As previously disclosed in the Company's corporate governance report for FY 2021 (FY 2021 Report), awards were granted under the PSP to certain employees of the Group and certain employees of CL, its holding company and their subsidiaries (other than the Group) during FY 2021 (Replacement Awards) to replace awards previously granted to such employees pursuant to the performance share plans of CL. Further details on the Replacement Awards can be found in the FY 2021 Report.

The obligation to deliver shares pursuant to awards granted under the Share Plans is intended to be satisfied primarily out of treasury shares.

To promote the alignment of Management's interests with that of the Company's stakeholders, the ERCC has approved share ownership guidelines for Senior Management to instill stronger identification by senior executives with the long-term performance and growth of the Group. Under these guidelines, key management personnel are required to build up over time and hold shares of an aggregate value of at least the equivalent to, one, two or three times their annual base salary (depending on their seniority level).

In alignment with the Practice Guidance, shares awarded pursuant to the Share Plans may be clawed back in circumstances of misstatement of financial results, misconduct resulting in financial or other losses to the Company, or other misdemeanours.

Details of the Share Plans as well as awards granted under the Share Plans are given in the Share Plans section of the Directors' Statement on pages 148 to 151 of this Annual Report and the Equity Compensation Benefits section of the Notes to the FY 2022 Financial Statements on pages 215 to 222 of this Annual Report.

#### **CapitaLand Investment Performance Share Plan 2021**

The awards granted under the PSP in FY 2022 (except the Special PSP Award) are conditional on targets set for a three-year performance period. A specified number of shares will only be released to recipients at the end of the qualifying performance period if the threshold targets are minimally achieved.

Under the PSP (excluding Replacement Awards and the Special PSP Award), an initial number of shares (baseline award) is allocated according to the following performance conditions approved by the ERCC:

- (a) Absolute Total Shareholder Return (TSR) of the Group measured as a multiple of Cost of Equity;
- (b) Relative TSR of the Group measured by the percentile ranking of the Group's TSR relative to the constituents of a peer group comprising public-listed companies and REIM firms of comparable scale, scope and/or business mix in Singapore and other countries;
- (c) Average ROE of the Group; and
- (d) Carbon emissions intensity reduction of the CapitaLand Group.

The above performance measures have been selected as key measurements of wealth creation for shareholders and long-term environmental performance. The final number of shares to be released will depend on the achievement of pre-determined targets over the three-year qualifying performance period. No share will be released if the threshold targets are not met at the end of the qualifying performance period. On the other hand, if superior targets are met, more shares than the baseline award can be delivered up to a maximum of 200% of the baseline award. The ERCC has the discretion to adjust the number of shares released taking into consideration other relevant quantitative and qualitative factors. Recipients will receive fully paid shares, their equivalent cash value or combinations thereof, at no cost.

Under the Special PSP Award, an initial number of shares (baseline award) is allocated according to the performance condition of the Company's share price expressed as a multiple of the Group's net asset value per share (Price/NAV) set for a five-year performance period. A specified number of shares will only be released to recipients at the end of the qualifying performance period, provided the minimum target is achieved.

The performance measure for the Special PSP Award has been selected as the key measure of sustainable value creation for shareholders through the execution of an asset-light strategy in fund management, lodging management and real estate investments. No share will be released if the minimum target is not met at the end of the qualifying performance period. On the other hand, if the superior target is met, more shares than the baseline award can be delivered up to a maximum of 300% of the baseline award. In the event of early achievement of the targets within the first three years of the qualifying performance period, a maximum of 20% to 50% of the baseline award can be released after the third year, with any balance in excess of 50% of the baseline award to be released only after the fifth year.

In respect of the share awards and Special PSP Award granted pursuant to the PSP during FY 2022, the respective qualifying performance periods have not ended as at the date of this Report.

#### **CapitaLand Investment Restricted Share Plan 2021**

In FY 2022, the ERCC granted awards which are conditional on targets set for a one-year performance period. A specified number of shares will only be released to recipients at the end of the qualifying performance period if the threshold targets are minimally achieved.

Under the RSP, an initial number of shares (baseline award) is allocated according to the following performance conditions approved by the ERCC:

- (a) Operating Earnings Before Interest and Taxes of the Group; and
- (b) Operating ROE of the Group.

The above performance measures have been selected as they are the key drivers of operating business performance. The final number of shares to be released will depend on the achievement of pre-determined targets at the end of the one-year qualifying performance period. The shares will then be released in equal annual tranches over a vesting period of three years. No share will be released if the threshold targets are not met at the end of the qualifying performance period. On the other hand, if superior targets are met, more shares than the baseline award can be delivered up to a maximum of 150% of the baseline award. The ERCC has the discretion to adjust the number of shares released taking into consideration other relevant quantitative and qualitative factors. Recipients will receive fully paid shares, their equivalent cash value or combinations thereof, at no cost.

In respect of the awards granted pursuant to the RSP in FY 2022, based on the ERCC's assessment that the performance achieved by the Group has partially met the pre-determined performance targets for FY 2022, the resulting number of shares released has been adjusted accordingly to reflect the performance level.

Time-vested restricted awards may also be granted, for example, as a form of deferral on the variable cash component of the remuneration packages of executives, or as a recruitment tool to compensate new senior executive hires for the share-based incentives that they may have had to forego when they leave their previous employer to join the Group.

#### **D. Employee Benefits:**

The benefits provided are comparable with local market practices.

Each year, the ERCC evaluates the extent to which the Group CEO and each of the key management personnel have delivered on the corporate and individual goals and objectives, and based on the outcome of the evaluation, approves the compensation for the key management personnel, and proposes the compensation for the Group CEO for the Board's approval. The appointed independent remuneration consultant advises the Board and the ERCC on the compensation of the Group CEO and key management personnel including, but not limited to, the reasonableness of compensation levels in relation to the performance achieved, the competitiveness of compensation levels against relevant industry peers, and compensation trends and practices around the world. The Group CEO who attends meetings of the ERCC on an *ex officio* basis does not participate in discussions relating to his performance and remuneration.

The details of the remuneration for the Group CEO in respect of FY 2022 are provided in the Directors' and Group CEO's Remuneration for FY 2022 section on page 142 of this Annual Report.

While the disclosure of, among others, the names, amounts and breakdown of remuneration of at least the top five key management personnel (who are not Directors or the Group CEO) in bands no wider than S\$250,000 and the aggregate of the total remuneration paid to these key management personnel, would be required for full compliance with Provision 8.1 of the Code, the Board has considered carefully and decided that such disclosure would not be in the interests of the Company and its shareholders due to the following reasons:

- in light of the intense competition for talents in the REIM industry, the Board is of the view that it is in the interests of the Company and its shareholders to not make such disclosures so as to minimise potential staff movement and undue disruption to its key management team;
- taking into account the need to balance the confidential and commercial sensitivities associated with remuneration matters, the Board is of the view that such disclosures could be prejudicial to the interests of the Company and its shareholders; and
- in view of the importance of retaining competent and experienced staff to ensure the Company's stability and continuity of business operations, the Board is of the view that such disclosures may subject the Company to undue risks, including, unnecessary key management turnover.

The Board is of the view that despite the abovementioned deviation from Provision 8.1 of the Code, the disclosures on the remuneration of key management personnel in this Report (including the detailed disclosures on the remuneration policy for key management personnel and the breakdown of the various components of the remuneration for key management personnel) are consistent with the intent of Principle 8 of the Code and would provide sufficient information and transparency to shareholders on the Company's remuneration policies, the level and mix of remuneration accorded to the key management personnel and the procedure for setting remuneration. These disclosures would enable shareholders to understand the relationship between the Company's performance, value creation and the remuneration of the key management personnel. The Board is of the view that there is no misalignment between the remuneration of the key management personnel and the interests of shareholders, and the interests of shareholders are not prejudiced by the abovementioned deviation from Provision 8.1 of the Code.

The ERCC seeks to ensure that the remuneration paid to the Group CEO and key management personnel is strongly linked to achieving business and individual performance targets. The performance targets endorsed by the ERCC and approved by the Board are set at realistic yet stretched levels each year to motivate a high degree of business performance with emphasis on short, medium and long term quantifiable objectives. A pay-for-performance alignment study was conducted by the appointed independent remuneration consultant and reviewed by the ERCC – the findings indicate that there has been effective pay-for-performance alignment for the Group in both absolute and relative terms against a peer group of listed companies and REIM firms in Singapore and other countries over a multi-year period.

For FY 2022, there were no termination, retirement or post-employment benefits granted to Directors, the Group CEO and key management personnel. There was also no special retirement plan, 'golden parachute' or special severance package for any key management personnel.

There are no employees of the Group who are substantial shareholders of the Company or immediate family members of such a substantial shareholder, a Director or the Group CEO. "Immediate family member" refers to the spouse, child, adopted child, step-child, sibling or parent of the individual.

## Non-Executive Director Remuneration

For FY 2022, the compensation policy for non-executive Directors (except the Chairman) is based on a scale of fees divided into basic retainer fees for serving as Director and additional fees for attendance and serving on Board Committees. The Chairman receives an all-inclusive fee (i.e., without any additional fee for attendance and serving on Board Committees). The Directors' fees are market-benchmarked on an annual basis, taking into account the effort, time spent and demanding responsibilities on the part of the Directors in light of the scale, complexity and international nature of the business. The remuneration of Directors is reviewed to ensure that it is appropriate to attract, retain and motivate the Directors to provide good stewardship of the Company. The remuneration of non-executive Directors does not include any performance-related elements, and no performance conditions are attached to the share awards granted under the RSP to non-executive Directors as part of their remuneration in lieu of cash.

The Group CEO, who is also a Director, is remunerated as part of key management personnel and therefore does not receive any Director's fees.

No individual Director by himself or herself can decide his or her own remuneration. Directors' fees are reviewed and recommended by the ERCC to the Board for endorsement before the Directors' remuneration for the relevant financial year is put forward for shareholders' approval at the AGM. The Directors' remuneration is paid only following upon receipt of shareholders' approval at the AGM. These measures serve to assure that the independence of the non-executive Directors is not compromised by their compensation.

The fee structure for non-executive Directors for FY 2022, which remains unchanged from that for the previous financial year, is as follows:

| Basic retainer fee   | S\$                  |
|--|----------------------|
| Board Chairman   | 750,000 <sup>1</sup> |
| Lead Independent Director  | 125,000              |
| Director   | 90,000               |
| <b>Fee for appointment to Audit Committee and Executive Committee</b>  |                      |
| Committee Chairman   | 60,000               |
| Committee member   | 40,000               |
| <b>Fee for appointment to other Board Committees</b>   |                      |
| Committee Chairman   | 45,000               |
| Committee member   | 25,000               |
| <b>Attendance fee for Board/Board Committee meetings (per meeting)</b>   |                      |
| (a) Attendance in person   |                      |
| BOARD MEETING  |                      |
| Local  | 4,000                |
| Overseas (in region <sup>2</sup> )   | 7,000                |
| Overseas (out of region <sup>3</sup> )   | 14,000               |
| BOARD COMMITTEE MEETING  |                      |
| Local  | 2,200                |
| Overseas (in region <sup>2</sup> )   | 7,000                |
| Overseas (out of region <sup>3</sup> )   | 10,000               |
| (b) Attendance via video conferencing, conference telephone or similar communications equipment  |                      |
| Local and Overseas   | 1,700                |
| <b>Attendance fee in person or otherwise for project committee meetings/verification meetings/other meetings where attendance of Directors is required (per meeting)</b> |                      |
| Local and Overseas   | 1,000                |

- The fee is all-inclusive and there will be no separate Board retainer fee, Board Committee fee or attendance fee for the Board Chairman.
- Up to 15 hours travel time (both ways) for travel within the region.
- More than 15 hours travel time (both ways) for travel beyond the region.



# Corporate Governance

In cases where there were travel restrictions imposed by various countries in FY 2022 due to the COVID-19 pandemic, attendance at Board and Board Committee meetings via video conferencing, conference telephone or similar communications equipment was treated as attendance in person.

The Directors' fees of the non-executive Directors for FY 2022 will be paid as to about 70% in cash and about 30% in the form of share awards under the RSP, save in the case of (a) Ms Goh Swee Chen (who retired from the Board at the conclusion of the 2022 AGM) and Mr Stephen Lee Ching Yen (who stepped down from the Board following the conclusion of the 2022 AGM), both of whom will, in accordance with the Company's current policy, receive their Directors' fees wholly in cash; and (b) Mr Gabriel Lim Meng Liang whose fees will be paid fully in cash to a government agency, the Directorship & Consultancy Appointments Council (DCAC). Mr Lim has requested, and the DCAC has concurred, that the Directors' fees for his services, upon approval by shareholders at the upcoming 2023 AGM, be donated by the Company in its entirety to a charitable organisation, the CapitaLand Hope Foundation.

The share awards under the RSP consist of the grant of fully paid shares, with no performance conditions attached and no vesting periods imposed. In order to encourage the alignment of the interests of the non-executive Directors with the interests of shareholders, a non-executive Director is required to hold shares in the Company worth at least one year of the basic retainer fee for a Director or the total number of shares awarded under the above policy, whichever is lower, at all times during his or her Board tenure. For the Chairman, the shares are required to be held for at least two years from the date of award, and the two-year moratorium shall continue to apply in the event of retirement. Other than this, the non-executive Directors do not receive any other share incentives under any of the Company's share plans. Details of the Directors' remuneration are provided in the Directors' and Group CEO's Remuneration for FY 2022 section on page 142 of this Annual Report.

The Company will be seeking shareholders' approval at the upcoming 2023 AGM for the remuneration to be paid to the non-executive Directors in respect of the Directors' fees for FY 2022.

The Company will also be seeking shareholders' approval at the upcoming 2023 AGM for the remuneration to be paid (on a current year basis) to the non-executive Directors in respect of the Directors' fees for FY 2023. Further information on this proposal (including the revised fee structure for the non-executive Directors with respect to FY 2023) is provided in the Notice of AGM dated 3 April 2023.

## Compensation Risk Assessment

Under the Practice Guidance, the compensation system shall take into account the risk policies of the Group, be symmetric with risk outcomes and sensitive to the time horizon of risks. The ERCC has conducted a Compensation Risk Assessment to review the various compensation risks that may arise as well as the mitigating policies to better manage risk exposures identified. The ERCC is satisfied that there are adequate risk mitigation features in the Group's compensation system, such as the use of malus, deferral and clawback features in the Share Plans and EBIP. The ERCC will continue to undertake periodic reviews of compensation-related risks.

## ACCOUNTABILITY AND AUDIT

### PRINCIPLE 9: RISK MANAGEMENT AND INTERNAL CONTROLS

The Company maintains an adequate and effective system of risk management and internal controls (including financial, operational, compliance and information technology (IT) controls) to safeguard stakeholders' interests and the Group's assets.

The Board has overall responsibility for the governance of risk, including determining the risk strategy, risk appetite and risk limits, as well as the risk policies. The Board has established the RC to assist it in carrying out the Board's responsibility of overseeing the Company's risk management framework and policies for the Group, determining the nature and extent of the significant risks which the Company is willing to take in achieving its strategic objectives and value creation and ensuring that Management maintains a sound system of risk management and internal controls.

Under its terms of reference, the RC's scope of duties and responsibilities is as follows:

- make recommendations to the Board on risk strategy, risk appetite and risk limits;
- review the risk management framework, including the processes and resources to identify, assess and manage material risks;
- oversee the design, implementation and monitoring of the risk management and internal controls systems;
- review the key risks facing the Group (including investment and divestment, competition, IT-related risks as well as workplace safety and health risks) and the management of risks thereof;
- review the adequacy and effectiveness of the risk management and internal controls systems covering material risks and the assurance given by Management, as well as the disclosures in the Annual Report; and
- consider and advise on risk matters referred to it by the Board or Management.

| RISK COMMITTEE   |  |  |   |  |
|--|--|--|---|--|
| <b>MR KEE TECK KOON</b><br>Committee<br>Chairman &<br>Non-Executive<br>Independent<br>Director | <b>MR GABRIEL LIM<br/>MENG LIANG</b><br>Non-Executive<br>Independent<br>Director | <b>MS JUDY HSU<br/>CHUNG WEI</b><br>Non-Executive<br>Independent<br>Director | <b>MS HELEN WONG<br/>SIU MING</b><br>Non-Executive<br>Independent<br>Director | <b>TAN SRI ABDUL FARID<br/>BIN ALIAS</b><br>Non-Executive<br>Independent<br>Director |

All RC members, including the chairman of the RC, are non-executive independent Directors. In FY 2022, the RC met twice. Ms Helen Wong Siu Ming and Tan Sri Abdul Farid bin Alias were appointed as members of the RC with effect from 1 January 2023.

The Company recognises that it is a good risk governance structure to ensure awareness among the members of the AC and RC of the respective risk-related activities of both committees, given the interconnectivity of the key risks the Company could be faced with. In this regard, the Company has put in place the following arrangements to facilitate sharing of information and knowledge, and to foster a common understanding of the risk management and internal controls systems, between the AC and the RC:

- an annual joint meeting between the RC and the AC;
- updates to be provided by the AC chairman and the RC chairman at the beginning of each Board meeting, so as to allow the AC and the RC to take cognisance of and consider the respective reports of the AC and the RC; and
- common membership between the AC and the RC. With effect from 1 January 2023, there are two members of the RC who are also members of the AC.

The Group adopts an Enterprise Risk Management (ERM) framework which sets out the required environmental and organisational components for managing risks in an integrated, systematic and consistent manner. The ERM framework and related policies are reviewed annually. A team comprising the Group CEO and other key management personnel is responsible for directing and monitoring the development, implementation and practice of ERM across the Group.

As part of the ERM framework, Management, among other things, undertakes and performs a Group-wide Risk and Control Self-Assessment annually to identify material risks along with their mitigating measures.

The adequacy and effectiveness of the systems of risk management and internal controls are reviewed at least annually by Management, the RC, the AC and the Board, taking into account the Listing Manual and the best practices and guidance in the Risk Governance Guidance for Listed Boards issued by the Corporate Governance Council.

The Group's Risk Appetite Statement (RAS), which incorporates the Group's risk limits, addresses the management of material risks faced by the Group. Alignment of the Group's risk profile to the RAS is achieved through various communication and monitoring mechanisms (including key performance indicators set for Management) put in place across the Group.

# Corporate Governance

More information on the Group's ERM framework, including the material risks identified, can be found in the Risk Management section on pages 92 to 96 of this Annual Report.

The internal and external auditors conduct reviews of the adequacy and effectiveness of the material internal controls (including financial, operational, compliance (including with sanctions-related laws and regulations) and IT controls) and risk management systems. This includes testing, where practicable, material internal controls in areas managed by external service providers. Any material non-compliance or lapses in internal controls together with corrective measures recommended by the internal and external auditors are reported to and reviewed by the AC. The AC also reviews the adequacy and effectiveness of the measures taken by Management on the recommendations made by the internal and external auditors in this respect.

The Board has received assurance from the Group CEO and the Group CFO that the financial records of the Group have been properly maintained and the financial statements for FY 2022 give a true and fair view of the Group's operations and finances. It has also received assurance from the Group CEO and the relevant key management personnel who have responsibility regarding various aspects of risk management and internal controls that the systems of risk management and internal controls within the Group are adequate and effective in addressing the risks (including financial, operational, compliance (including sanctions-related risks) and IT risks) which the Company considers relevant and material to its current business environment.

The Group CEO, the Group CFO and the other key management personnel have obtained similar assurances from the respective business and corporate executive heads in the Group.

In addition, for FY 2022, the Board received the relevant certification by Management on the integrity of financial reporting and the Board provided a negative assurance confirmation to shareholders as required by the Listing Manual.

Based on the ERM framework established and the reviews conducted by Management and both the internal and external auditors, as well as the assurance from the Group CEO, the Group CFO and the relevant key management personnel, the Board is of the opinion that the systems of risk management and internal controls within the Group are adequate and effective to address the risks (including financial, operational, compliance (including sanctions-related risks) and IT risks) which the Company considers relevant and material to its current business environment as at 31 December 2022. The AC and the RC concur with the Board in its opinion. No material weaknesses in the systems of risk management and internal controls were identified by the Board, the AC or the RC in the review for FY 2022.

The Board notes that the systems of risk management and internal controls established by Management provide reasonable assurance that the Group, as it strives to achieve its business objectives, will not be significantly affected by any event that can be reasonably foreseen or anticipated. However, the Board also notes that no system of risk management and internal controls can provide absolute assurance in this regard, or absolute assurance against poor judgement in decision-making, human error, losses, fraud or other irregularities.

## PRINCIPLE 10: AUDIT COMMITTEE

| AUDIT COMMITTEE  |   |   |  |
|--|---|---|--|
| <b>MR CHALY MAH CHEE KHEONG</b><br>Committee Chairman & Non-Executive Independent Director | <b>MR DAVID SU TUONG SING</b><br>Non-Executive Independent Director | <b>MS HELEN WONG SIU MING</b><br>Non-Executive Independent Director | <b>TAN SRI ABDUL FARID BIN ALIAS</b><br>Non-Executive Independent Director |

All members of the AC, including the chairman of the AC, are non-executive independent Directors. The chairman of the AC is not the Chairman of the Board. Mr David Su Tuong Sing and Tan Sri Abdul Farid bin Alias were appointed as members of the AC with effect from 1 January 2023. Mr Anthony Lim Weng Kin was a member of the AC up to 31 December 2022. The members of the AC bring invaluable recent and relevant managerial and professional expertise in accounting and related financial management domains. In particular, they have professional qualifications relating substantially to accounting or finance, experience in working within the areas of corporate finance, financial reporting or accounting, and/or experience gained through executive responsibilities for a sizeable business including having or having had responsibility for the finance function.

For FY 2022, the AC met four times. The Board calendar provides for the AC to meet at least four times a year, with two meetings to coincide with the half-year and full-year financial reporting cycles and the other two to coincide with the release of the Company's quarterly business updates.

The AC does not comprise members who were partners or directors of the incumbent external auditors, KPMG LLP, within the period of two years commencing on the date of their ceasing to be a partner or director of KPMG LLP. The AC also does not comprise any member who has any financial interest in KPMG LLP.

The AC has explicit authority to investigate any matter within its terms of reference. Management gives the fullest cooperation in providing information and resources to the AC, and in implementing or carrying out all requests made by the AC. The AC has direct access to the internal and external auditors and full discretion to invite any Director or executive officer to attend its meetings. Similarly, internal and external auditors have unrestricted access to the AC.

Under its terms of reference, the AC's scope of duties and responsibilities is as follows:

- review the significant financial reporting issues and judgements so as to ensure the integrity of the financial statements of the Company and any announcements relating to the Company's financial performance;
- review and report to the Board at least annually the adequacy and effectiveness of the Company's internal controls, and together with the RC, the risk management systems including financial, operational, compliance and information technology controls;
- review the assurances from the Group CEO and the Group CFO on the financial records and financial statements of the Company;
- review the scope and results of the internal audit, and the adequacy, effectiveness and independence of the Company's internal audit function;
- review the scope and results of the external audit, and the adequacy, effectiveness and independence of the external auditors;
- review the whistle-blowing reports and the policy and processes for the detection, independent investigation and follow-up action relating to possible improprieties in financial reporting or other matters; and
- make recommendations to the Board on the proposals to the shareholders on the appointment, reappointment and removal of the external auditors, and the remuneration and terms of engagement of the external auditors.

The AC also reviews and approves processes to regulate interested person transactions (as the term is defined in the Listing Manual) (IPT) to comply with the applicable regulations, including the Listing Manual.

The AC assesses the adequacy, effectiveness and independence of the external auditors. To assist the AC in carrying out this duty, in particular, to balance the independence and objectivity of the external auditors, the Company has developed policies regarding the types of non-audit services that the external auditors can provide to the Group and the related approval processes. The AC has reviewed the nature and extent of non-audit services provided by the external auditors in FY 2022 and the fees paid for such services. The AC is satisfied that the independence of the external auditors is not impaired by the provision of those services. The external auditors have also provided confirmation of their independence to the AC.

# Corporate Governance

The total audit and non-audit fees paid to the external auditors for FY 2022 were as follows:

| External Auditor Fees for FY 2022 | S\$ Million | As a Percentage to Total Fees Paid |
|-----------------------------------|-------------|------------------------------------|
| Total Audit Fees                  | 8.5         | 91%                                |
| Total Non-Audit Fees              | 0.8         | 9%                                 |
| <b>Total Fees Paid</b>            | <b>9.3</b>  | <b>100%</b>                        |

At all pre-scheduled quarterly meetings of the AC in FY 2022, the Group CEO and all key management personnel were in attendance. The Company adopts the practice of announcing its financial statements on a half-yearly basis and provides quarterly business updates in between such announcements or as and when necessary. Accordingly, during the AC meetings scheduled for February and August each year, among other things, the AC reviews the half-yearly financial statements, including the relevance and consistency of the accounting principles adopted and any significant financial reporting issues and judgements, and recommends the half-yearly financial statements and corresponding announcements to the Board for approval. During the AC meetings scheduled for May and October/November each year, the AC reviews, among other things, the quarterly business updates prepared by Management, which will then be presented to the Board for approval.

In FY 2022, the AC also, together with the RC, reviewed and assessed the adequacy and effectiveness of the Company's internal controls and risk management systems to address the material risks faced by the Company, taking into consideration the outcome of reviews conducted by Management and both the internal and external auditors, as well as the assurance from the Group CEO and the Group CFO.

In FY 2022, the AC also met with the internal and external auditors, separately and without Management's presence, to discuss the reasonableness of the financial reporting process, the internal controls and risk management systems, and the significant comments and recommendations by the auditors. The AC meets with the internal and external auditors, separately and without Management's presence, at least once a year.

Where relevant, the AC makes reference to the best practices and guidance for audit committees in Singapore, including practice directions issued from time to time in relation to the Financial Reporting Surveillance Programme administered by the Accounting and Corporate Regulatory Authority of Singapore (ACRA).

## Key Audit Matters

In its review of the financial statements of the Group and the Company for FY 2022, the AC had discussed with Management the accounting principles that were applied and their judgement of items that could affect the integrity of the financial statements. The AC also considered the clarity of key disclosures in the financial statements. The AC reviewed, among other matters, the following key audit matters as reported by the external auditors for FY 2022.

| KEY AUDIT MATTER  |
|---|
| <ul style="list-style-type: none"> <li>Valuation of investment properties</li> </ul>  |
| HOW THIS ISSUE WAS ADDRESSED BY THE AC  |
| <ul style="list-style-type: none"> <li>The AC reviewed the outcomes of the annual valuation process and discussed the details of the valuation with Management, focusing on properties which registered significant fair value gains or losses during FY 2022 and the key drivers for the changes.</li> <li>The AC considered the findings of the external auditors, including their assessment of the appropriateness of valuation methodologies and the underlying key assumptions applied by the valuer in the valuation of investment properties.</li> <li>The AC was satisfied with the valuation process, the methodologies used and the valuation for investment properties as adopted and disclosed in the financial statements.</li> </ul> |

Changes to the accounting standards and accounting issues which have a direct impact on the financial statements are reported to and discussed with the AC at its meetings. Directors are also invited to attend relevant seminars on changes to accounting standards and issues by leading accounting firms.

The Company confirms that it complies with Rules 712, 715 and 716 of the Listing Manual in relation to the appointment of its external auditors.

## Internal Audit

The Company has an Internal Audit Department (IA). IA is independent of the activities it audits. The primary reporting line of IA is to the AC, which also decides on the appointment, termination and remuneration of the head of IA. IA has unfettered access to the Group's documents, records, properties and employees, including access to the AC, and has appropriate standing within the Company.

The AC monitors and assesses the role and effectiveness of IA through the review of IA's processes from time to time, and the AC may make recommendations to the Board for any changes to IA's processes. The AC also reviews to ensure that IA is adequately resourced and skilled in line with the nature, size and complexity of the Company's business, and that an adequate budget is allocated to IA to ensure its proper functioning as internal auditors of the Company. The AC reviewed the internal audit function in respect of FY 2022, and is satisfied that the internal audit function performed by IA is adequately resourced, effective and independent.

IA formulates its internal audit plan in consultation with, but independently of, Management and its audit plan is submitted to the AC for approval prior to the beginning of each year. IA adopts a risk-based approach in formulating the audit plan that aligns its activities to the key strategies and risks across the Group's business. The reviews performed by IA are focused on assisting the Board in promoting sound risk management, robust internal controls and good corporate governance, through assessing the design and effectiveness of operating controls that govern key business processes and risks identified in the overall risk framework of the Group. IA also reviews compliance with the Group's policies, procedures and regulatory responsibilities, performed in the context of financial and operational and information system reviews.

For FY 2022, the AC reviewed the results of audits performed by IA based on the approved audit plan. All findings are reported to Senior Management and the AC with emphasis on the significant findings. IA also reviews the status of implementation of the audit recommendations and whether there are any past due items, and reports the same to Senior Management and the AC.

The AC also reviewed reports on whistle-blower complaints reviewed by IA to ensure independent and thorough investigation and adequate follow-up.

The AC also received reports on IPTs reviewed by IA, noting that the transactions were on normal commercial terms and were not prejudicial to the interests of the Company and its minority shareholders. A policy and appropriate procedures are in place to comply with the Listing Manual requirements relating to IPTs. All IPTs are reported to and monitored by the Finance department which also keeps tabs on the aggregate value of such IPTs (as necessary for the Company's compliance with the Listing Manual), prior to the review by IA. Legal advice is sought, if required, in respect of any issues relating to any specific IPT. In the year under review, there were no significant IPTs involving controlling shareholders or Directors requiring approval of the shareholders.

As required by the Listing Manual, details of IPTs entered by the Company in FY 2022 are disclosed in this Annual Report at page 277.

The AC also meets with IA at least once a year without the presence of Management.

IA is adequately resourced and staffed with persons having the relevant qualifications and experience. IA is a corporate member of the Institute of Internal Auditors Inc. Singapore (IIAS), an affiliate of the Institute of Internal Auditors Inc. headquartered in the United States of America (US). IA subscribes to, and is guided by, the International Standards for the Professional Practice of Internal Auditing (Standards) developed by the IIAS, and has incorporated these Standards into its audit practices.

# Corporate Governance

To ensure that internal audits are performed effectively, IA recruits and employs suitably qualified professional staff with the requisite skill sets and experience. This includes IA staff involved in IT audits who possess the relevant professional IT certifications. The IT auditors are also members of the ISACA Singapore Chapter, a professional body administering information systems audit and information security certifications that is headquartered in the US. The ISACA Information Systems Auditing Standards provide guidance on the standards and procedures to be applied in IT audits. IA identifies and provides training and development opportunities for its staff to ensure their technical knowledge and skill sets remain current and relevant.

## SHAREHOLDER RIGHTS AND ENGAGEMENT

### PRINCIPLES 11 AND 12: SHAREHOLDER RIGHTS AND CONDUCT OF GENERAL MEETINGS AND ENGAGEMENT WITH SHAREHOLDERS

The Company is committed to treating all its shareholders fairly and equitably. All shareholders enjoy specific rights under the Constitution and the relevant laws and regulations. These rights include, among other things, the right to participate in profit distributions (including dividends) and, to approve any proposed amendments to the Constitution, the payment of Directors' remuneration, the transfer of all or substantially all assets of the Company, and the issue of new shares of the Company. Further, under the Companies Act 1967, two or more members holding not less than 10% of the total number of issued shares of the Company (excluding treasury shares) may call a meeting of the Company or alternatively, members holding not less than 10% of the total number of paid-up shares (excluding treasury shares) may requisition the Directors to convene an extraordinary general meeting of the Company.

#### General Meetings

The Company encourages and facilitates shareholder participation and voting at general meetings. Annual Reports of the Company are provided to shareholders within four months from the end of the Company's financial year and at least 14 days before the date of its AGM. Shareholders may download Annual Reports (printed copies are available upon request) and notices of general meetings from the Company's website at [www.capitalandinvest.com](http://www.capitalandinvest.com). These documents are also available on the SGXNet. More than the legally required notice period for general meetings is provided, and the rationale and explanation for each agenda item requiring shareholders' approval are provided in the notice of general meeting so as to enable shareholders to exercise their voting rights on an informed basis. To safeguard shareholder interests and rights, a separate resolution is proposed for each substantially separate issue at general meetings, unless the issues are interdependent and linked so as to form one significant proposal. Where resolutions are bundled, the reasons and material implications are explained in the notice of general meeting to enable shareholders to make an informed decision. Further, if the resolution is in respect of an IPT (as defined in the Listing Manual), the interested person (as defined in the Listing Manual) will be required to abstain from voting on such resolution.

During the financial year under review and in light of the COVID-19 situation in Singapore at the time, the Company's 2022 AGM was convened and held by way of electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 and the joint statement issued by ACRA, MAS and Singapore Exchange Regulation as updated on 4 February 2022 providing guidance to listed and non-listed entities on the conduct of general meetings amid the evolving COVID-19 situation. Alternative arrangements for the conduct of the Company's 2022 AGM included: (a) attendance at the AGM via electronic means (i.e., via live-audio visual webcast or live audio-only stream); (b) submission of questions to the Chairman of the Meeting in advance of, or live at, the AGM and addressing of substantial and relevant questions in advance of, or live at, the AGM; and (c) voting at the AGM (i) live by the shareholders or their duly appointed proxy(ies) (other than the Chairman of the Meeting) via electronic means; or (ii) by appointing the Chairman of the Meeting as proxy to vote on their behalf at the AGM. Further information on the arrangements relating to the conduct of the 2022 AGM was provided in the Notice of AGM dated 5 April 2022.

As Singapore has progressively transitioned towards living with COVID-19 and meetings can now take place physically, the Company's upcoming 2023 AGM will be held in a wholly physical format. Shareholders may also submit questions to the Chairman of the Meeting, in advance of, or at the 2023 AGM, and the Company will address all substantial and relevant questions received from shareholders by the submission deadline by publishing the Company's responses to such questions on the Company's website and on the

SGXNet, prior to the 2023 AGM. Shareholders can vote at the AGM themselves or through duly appointed proxy(ies). Shareholders, who do not wish to, or are unable to, attend the 2023 AGM in person but who wish to only watch the AGM proceedings may do so remotely by accessing the Company's live webcast of the 2023 AGM if they have registered to do so. Further information on the arrangements relating to the conduct of the upcoming 2023 AGM is provided in the Notice of AGM dated 3 April 2023.

Shareholders are entitled to attend general meetings and are accorded the opportunity to participate effectively and vote at general meetings (including through the appointment of up to two proxies, if they are unable to attend in person or, in the case of a corporate shareholder, through its appointed representative). Shareholders such as nominee companies which provide custodial services for securities are not constrained by the two proxy limitation, and are able to appoint more than two proxies to attend, speak and vote at general meetings of the Company.

At general meetings, the Group CEO presents and updates shareholders on the Company's performance, position and prospects. The presentation materials are available to shareholders on the Company's website and the SGXNet. Shareholders are given the opportunity to communicate their views, raise questions and discuss with the Board and Management on matters affecting the Company. All Directors (including the chairpersons of the respective Board Committees), Management and external auditors, attend and are present for the entire duration of general meetings to address any queries that the shareholders may have, including queries about the conduct of the Company's audit, and preparation and contents of the auditors' report.

To ensure transparency in the voting process and better reflect shareholders' shareholding interests, the Company conducts electronic poll voting for all the resolutions proposed at general meetings. One ordinary share is entitled to one vote. Voting procedures and rules governing general meetings are explained and vote tabulations are disclosed at the general meetings. An independent scrutineer is also appointed to validate the vote tabulation procedures. Votes cast for or against each resolution, and the respective percentages, are tallied and displayed live on-screen to shareholders immediately at the general meetings. The total number of votes cast for or against the resolutions and the respective percentages are also announced on the SGXNet after trading hours on the date of the general meeting.

Provision 11.4 of the Code requires an issuer's Constitution to allow for absentia voting at general meetings of shareholders. The Company's Constitution currently does not permit shareholders to vote at general meetings in absentia (such as via mail or email). The Company will consider implementing the relevant amendments to the Constitution to permit absentia voting after it has carried out careful study and is satisfied that the integrity of information and authentication of the identity of shareholders will not be compromised through web transmission, and legislative changes to the Companies Act 1967 are effected to formally recognise absentia voting. The Company is of the view that despite its deviation from Provision 11.4 of the Code, shareholders nevertheless have opportunities to communicate their views on matters affecting the Company even when they are not in attendance at general meetings. For example, shareholders may appoint proxies to attend, speak and vote, on their behalf, at any general meeting.

Minutes of the general meetings, recording the substantial and relevant comments made, questions raised and answers provided, are prepared and available to shareholders for their inspection upon request. Minutes of general meetings are also uploaded to the Company's website at [www.capitalandinvest.com](http://www.capitalandinvest.com) and, where required, on the SGXNet.

#### Engagement with Shareholders

The Company actively engages with its shareholders to provide them with the information they need to make informed judgements about the Company, and to solicit and understand their views.

The Company's institutional shareholder base is geographically well-diversified. To keep them updated on the Company's progress, the Company regularly participates in investor conferences and conducts non-deal roadshows, catering to different global time zones. Since the beginning of the COVID-19 pandemic three years ago, the Company has participated in most of these engagements virtually. However, since economies began to reopen and global travel gradually resumed in FY 2022, the Company participated in these engagements which were held in a physical format in key global financial hubs such as New York, London, Tokyo, Sydney and Kuala Lumpur. In FY 2022, the Company also held a two-day Investor Day for institutional investors, which saw 250 physical attendees over two days.

## Corporate Governance

In addition, the Company conducts live webcast briefings in respect of key calendar events which include the Company's half-year and full-year financial results release, as well as important announcements including those relating to its investments, strategic and operational developments that could have a bearing on investor decisions. The Company conducted a total of five such briefings since 1 January 2022 up to the date of this Annual Report. Sell-side research analysts as well as members of the media were invited to pose questions to the Company's Senior Management in real-time, so that the sessions could be more informative for viewers.

For retail shareholders, the Company regularly hosts large-group dialogue sessions, often partnering with organisations such as Securities Investors Association (Singapore) as well as the SGX Academy, which have significant retail investor base. The Company's Group CEO, Group CFO and Head of Investor Relations are usually present at these sessions to attend to questions from the audience. The Company also proactively keeps retail investors informed through business media, website postings and other social media and publicity channels.

Materials disseminated to institutional investors are also disseminated via the SGXNet for access by retail shareholders.

The Company has an Investor Relations department that facilitates effective communication with the Company's shareholders and the general investor community including sell-side analysts, fund managers and retail investors. The Company maintains a website which contains information on the Company, including but not limited to announcements and news releases, financial statements (current and past), investor presentations, Annual Reports (current and past years), the Constitution and key events.

The Company has in place an Investor Relations Policy (IR Policy) to promote regular, effective and fair communications with its shareholders. The IR Policy, which sets out the mechanism through which shareholders may contact the Company with questions and through which the Company may respond to such questions, is available on the Company's website at [www.capitalandinvest.com](http://www.capitalandinvest.com). Shareholders are encouraged to engage with the Company beyond general meetings and they may do so by contacting the Investor Relations department, the details of which may be found on the Company's website.

The Company also has a Group Communications department which works closely with the media and oversees the Company's external communications efforts.

More information on the Company's investor and media relations efforts can be found in the Our Stakeholders section on pages 69 to 81 of this Annual Report.

### Dividends Policy

The Company has a policy on the payment of dividends. Barring unforeseen circumstances, the Company's policy is to declare a dividend of at least 30% of the annual cash profit after tax and minority interests (PATMI), defined as the sum of operating PATMI, portfolio gains/losses and realised valuation gains/losses, after considering a number of factors, including the Company's level of cash and reserves, results of operations, business prospects, capital requirements and surplus, general financial condition, contractual restrictions, the absence of any circumstances which might reduce the amount of reserves available to pay dividends, and other factors considered relevant by the Board, including the Company's expected financial performance. Upon approval by shareholders at the general meeting, dividends are generally paid to all shareholders within 15 market days after the record date.

### Timely Disclosure of Information

The Company is committed to ensuring that its shareholders, other stakeholders, analysts and the media have access to accurate information vis-à-vis the Company on a timely basis. This is achieved through posting announcements and news releases on the SGXNet on a timely and consistent basis. These announcements and news releases are also posted on the Company's website.

In FY 2022, the Company provided shareholders with the full-year financial statements for FY 2021 and the half-year financial statements for FY 2022 within the relevant periods prescribed by the Listing Manual. These were reviewed and approved by the Board prior to release to shareholders via announcement on the SGXNet. The Company provides shareholders with its half-year and full-year financial statements within the relevant periods prescribed by the Listing Manual. Such half-year and full-year financial statements would be reviewed and approved by the Board prior to release to shareholders via an announcement on the SGXNet. The releases of the half-year and full-year financial statements are accompanied by news releases issued to the media, which are also posted on the SGXNet. In presenting the half-year and full-year financial statements to shareholders, the Board seeks to provide shareholders with a balanced, clear and understandable assessment of the Company and the Group's performance, position and prospects. In order to achieve this, Management provides the Board with management accounts on a monthly basis and such explanation and information as any Director may require, to enable the Directors to keep abreast, and make a balanced and informed assessment, of the Group's financial performance, position and prospects.

In keeping with the Company's commitment to providing its shareholders with information promptly, the Company provides shareholders, on a voluntary basis, with quarterly business updates between the announcement of its half-year and full-year financial statements. Such business updates contain, among other things, information on the Group's key operating and financial metrics.

In addition to financial statements, the Company also keeps its shareholders, stakeholders and analysts informed of the performance and changes in the Group or its business which are materially price-sensitive or trade-sensitive, so as to assist shareholders and investors in their investment decision-making.

The Group has a formal policy on corporate disclosure controls and procedures to ensure that the Company complies with its disclosure obligations under the Listing Manual. These controls and procedures incorporate decision-making processes and an obligation on internal reporting of decisions made.

A written communications protocol has also been established to implement a control process within the Group for the management of communications with various internal and external stakeholders. Such protocol identifies the spokespersons who are authorised to provide information about the Group to the relevant stakeholders. As part of the employee on-boarding process, all employees are informed that they are required to comply with the obligation of maintaining the confidentiality of information relating to the Group and are prohibited from disclosing or communicating such information or discussing internal corporate matters or developments with anyone except where necessary and in the performance of regular corporate duties. On an annual basis, they also declare that, among other things, they are aware of and will comply with, their obligations to keep confidential information which they receive during their employment.

The Company believes in conducting itself in ways that seek to deliver maximum sustainable value to its stakeholders. Best practices are promoted as a means to build an excellent business for its stakeholders. Prompt fulfilment of statutory reporting requirements is but one way to maintain stakeholders' confidence and trust in the capability and integrity of the Company.

## MANAGING STAKEHOLDER RELATIONSHIPS

### PRINCIPLE 13: ENGAGEMENT WITH STAKEHOLDERS

With the Company placing sustainability at the core of everything it does, the Board's role includes considering sustainability as part of its strategy formulation. The Company engages with its stakeholders based on the principles of sustainability and sound governance, in keeping with its commitment to sustainability with a view to enabling the Company to generate sustainable returns over time.

The Company adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders. Reflecting the Company's commitment to sustainability, the Group adopted the CapitaLand 2030 Sustainability Master Plan as part of its preparation for its Introductory Listing in 2021. The master plan articulates the Group's sustainability targets over the next decade and five pathways to achieve them. As part of its sustainability commitment, the Company embeds ESG considerations into its investment analysis, financing consideration and day-to-day business operations. The master plan is reviewed every two years. The Company has arrangements in place to identify and engage with its material stakeholder groups and, through such arrangements, engages with these stakeholder groups from time to

time to gather feedback on the sustainability issues most important to such groups and to manage its relationships with such groups. Such arrangements include maintaining and updating the Company's website at [www.capitalandinvest.com](http://www.capitalandinvest.com) with current information on its sustainability strategy and stakeholder engagements, so as to facilitate communication and engagement with the Company's stakeholders. Further information on the CapitaLand 2030 Sustainability Master Plan and stakeholder engagement can be found on pages 82 to 91 of this Annual Report.

The Company has received recognition for its efforts on sustainability. It is listed in the Global 100 Most Sustainable Corporations Index, Dow Jones Sustainability World Index and Asia-Pacific Index, GRESB (Highest 5-star rating), FTSE4Good Index Series, MSCI Global Sustainability Indexes and The Sustainability Yearbook. More information on the Company's efforts in sustainability management can be found on pages 82 to 91 of this Annual Report and in the CapitaLand Investment Global Sustainability Report 2022, which will be published by 31 May 2023.

## ADDITIONAL INFORMATION

### DEALINGS IN SECURITIES

The Company has adopted a securities trading policy for the Group's officers and employees which applies the best practice recommendations in the Listing Manual. Under the policy, Directors and employees in the Group are required to refrain from dealing in the Company's securities (a) while in possession of material unpublished price-sensitive or trade-sensitive information, and (b) during the one-month period immediately preceding, and up to the time of the announcement of the Company's half-year and full-year financial statements. Prior to the commencement of each relevant blackout period, an email would be sent out to all Directors and employees of the Group to inform and/or remind them of the duration of the relevant blackout period.

In addition, Directors and certain employees identified as "Key Insiders" are prohibited from dealing in the securities of the Company, except during the open trading window (being the one calendar month commencing from the relevant date of announcement of the Company's half-year and full-year results), provided that they are not in possession of undisclosed material price-sensitive or trade-sensitive information. If a Key Insider intends to trade outside the open trading window, he or she is required to obtain the approval of, in the case of a Director, the Board, or in the case of an employee, the Group CEO. In addition, Key Insiders are required to notify the Group CEO of any intended trade prior to any trade of the Company's securities during the open trading window.

The policy also provides for the Company to maintain a list(s) of persons who are privy to price-sensitive or trade-sensitive information relating to the Group as and when circumstances require such a list to be maintained.

Directors and employees of the Group are also required to refrain from dealing in securities of the Company and/or other relevant listed entities in the Group if they are in possession of unpublished price-sensitive or trade-sensitive information of the Company and/or these other listed entities arising from their appointment as Directors and/or in the course of performing their duties. As and when appropriate, they would be issued an advisory to refrain from dealing in the relevant securities.

Under the policy, Directors and employees are also discouraged from trading on short-term or speculative considerations. They are also prohibited from using any information with respect to other companies or entities obtained in the course of their employment in connection with securities transactions of such companies or entities.

A Director is required to notify the Company of his or her interest in the Company's securities within two business days after (i) the date on which he or she becomes a Director; or (ii) the date on which he or she acquires an interest in the Company's securities. A Director is also required to notify the Company of any change in his or her interests in the Company's securities within two business days after he or she becomes aware of such a change. Any dealings by the Directors (including the Group CEO who is also a Director) in securities of the Company are disclosed, in accordance with the requirements of the Securities and Futures Act 2001.

During FY 2022, there were no dealings by the Directors in the securities of the Company (other than the award of shares to them under the RSP in part payment of their Directors' fees for FY 2021 (comprising the share component of their Directors' fees), and, in the case of Mr Lee Chee Koon, the contingent awards of shares to him as an employee pursuant to the Share Plans).

### Ethics And Code Of Business Conduct

The Company adheres to an ethics and code of business conduct policy that deals with issues such as business ethics, confidentiality, conduct and work discipline.

Integrity is a core value of the Company. The Company is committed to doing business with integrity and has adopted a zero-tolerance stance against fraud, bribery and corruption. Consistent with this commitment, the Company has in place a Fraud, Bribery and Corruption Risk Management Policy (FBC Risk Management Policy). The FBC Risk Management Policy reiterates the Company's strong stance against fraud, bribery and corruption, and sets the overarching approach and standards for managing fraud, bribery and corruption risks in an integrated, systematic and consistent manner. The FBC Risk Management Policy works with various other policies and guidelines to guide all employees to maintain the highest standards of integrity in their work and business dealings. This includes guidelines and procedures for the giving and receipt of corporate gifts and concessionary offers. The Company's zero tolerance policy on bribery and corruption extends to its business dealings with third parties. The Company's stance against bribery and corruption is also reiterated by Management during its regular staff communication sessions. In addition, on an annual basis, all employees of the Group are required to pledge that they will uphold the Company's core values and not engage in any corrupt or unethical practices.

In addition to the FBC Risk Management Policy and related policies, various other policies and guidelines are in place to guide employees' behaviour.

Together, these policies aim to help detect and prevent occupational fraud in mainly three ways. First, the Company offers fair compensation packages, based on practices of pay-for-performance and promotion of employees based on merit. The Company also provides various healthcare subsidies and financial assistance schemes to alleviate the common financial pressures its employees may face. Second, clearly documented policies and work procedures incorporate internal controls which ensure that adequate checks and balances are in place. Periodic audits are also conducted to evaluate the effectiveness of these internal controls. Finally, the Company seeks to build and maintain the right organisational culture through its core values and imbuing employees on good business conduct and ethical values.

These policies and guidelines are published on the Company's intranet, which can be easily accessed by all employees.

### Whistle-Blowing Policy

Consistent with its commitment to maintaining a high standard of integrity in its business conduct, the Company has put in place a whistle-blowing policy. The policy and the related procedures provide the Group's employees and parties who have dealings with the Group with well-defined, accessible and trusted channels to report to the Company any suspected fraud, corruption, dishonest practices, misconduct, wrongdoing and/or other improprieties relating to the Company and its officers, and provide for the independent investigation of any reported incidents and appropriate follow-up actions. The objective of the policy is to encourage the reporting of such matters – by ensuring that employees or external parties making any reports in good faith will be able to do so with the confidence that they will be treated fairly and, to the extent possible, be protected from reprisal and detrimental or unfair treatment. The policy provides that the identity of the whistle-blower will be kept confidential, and that an independent investigating committee will be formed for the purpose of investigating any reports made in good faith. It further provides that the Company will not tolerate the harassment or victimisation of anyone reporting a genuine concern and that it will ensure the protection of whistle-blowers against reprisal and detrimental or unfair treatment, even if they turn out to be mistaken.

## Corporate Governance

The AC is responsible for oversight and monitoring of whistle-blowing. Whistle-blowing reports can be made to the AC Chairman and the Company has designated an independent function to investigate whistle-blowing reports made in good faith. Internal Audit provides the staff function for the AC and reports directly to the AC on all reported cases. The AC reviews all whistle-blowing complaints at its quarterly meetings. Independent, thorough investigation and appropriate follow-up actions are taken. The outcome of each investigation is reported to the AC.

The whistle-blowing policy is publicly disclosed on the Company's website and made available to all employees on the Company's intranet. Further, as part of the Group's efforts to promote strong ethical values and fraud and control awareness, the whistle-blowing policy, including the procedures for raising concerns, is covered and explained in detail during periodic communications to all staff.

### Business Continuity Management

The Company has implemented a Business Continuity Management programme that puts in place the prevention, detection, response and business recovery and resumption measures to minimise the impact of adverse business interruptions or unforeseen events on the Company's operations and has in place a Business Continuity Plan (BCP). Under the BCP, Management has identified the critical business functions, processes and resources, and has a pool of employees trained under a Business Psychological Resilience Programme to provide peer support to colleagues following the occurrence of adverse events. As part of the BCP, periodic desktop exercises and drills, simulating different scenarios, are carried out to stress-test the effectiveness of the processes, procedures and escalation protocols. This holistic approach under the BCP serves to ensure organisational and staff preparedness and readiness to deal with adverse business disruptions such as acts of terrorism, cyber-attacks, data breaches and epidemics. This approach aims to minimise financial loss, allows the Company to continue to function and mitigates any negative effects that disruptions could have on the Company's reputation, operations and ability to remain in compliance with the relevant laws and regulations.

### Attendance Record of Meetings of Shareholders, Board and Board Committees in FY 2022<sup>1</sup>

|  | Board <sup>9</sup> | Audit Committee (AC) | Executive Committee (EXCO) | Executive Resource and Compensation Committee (ERCC) | Nominating Committee (NC) | Risk Committee (RC) | Strategy Committee <sup>10</sup> (SC) | General Meeting(s) |
|--|--------------------|----------------------|----------------------------|--|---------------------------|---------------------|---------------------------------------|--------------------|
| <b>No. of Meetings Held</b>            | <b>7</b>           | <b>4</b>             | <b>8</b>                   | <b>4</b>   | <b>2</b>                  | <b>2</b>            | <b>5</b>                              | <b>1</b>           |
| <b>Board Members</b>                   |                    |                      |                            |  |                           |                     |                                       |                    |
| Miguel Ko                              | 100%               | -                    | 100%                       | 100%   | 100%                      | -                   | 100%                                  | 100%               |
| Lee Chee Koon <sup>2</sup>             | 100%               | -                    | 100%                       | -  | -                         | -                   | 100%                                  | 100%               |
| Anthony Lim<br>Weng Kin <sup>3</sup>   | 100%               | 100%                 | -                          | 100%   | 100%                      | -                   | 100%                                  | 100%               |
| Chaly Mah<br>Chee Kheong               | 100%               | 100%                 | 100%                       | -  | -                         | -                   | -                                     | 100%               |
| Kee Teck Koon                          | 100%               | -                    | 100% <sup>4</sup>          | -  | -                         | 100%                | -                                     | 100%               |
| Gabriel Lim<br>Meng Liang <sup>5</sup> | 100%               | 100%                 | -                          | -  | 100%                      | 100%                | -                                     | 100%               |
| Judy Hsu<br>Chung Wei <sup>6</sup>     | 100%               | -                    | -                          | 100%   | -                         | 100%                | -                                     | 100%               |
| David Su Tuong Sing                    | 100%               | -                    | -                          | -  | -                         | -                   | 100%                                  | 100%               |
| Helen Wong Siu Ming                    | 100%               | 100%                 | -                          | -  | -                         | -                   | 100%                                  | 100%               |
| Stephen Lee<br>Ching Yen <sup>7</sup>  | 100%               | -                    | -                          | 100%   | 100%                      | -                   | -                                     | 100%               |
| Goh Swee Chen <sup>8</sup>             | 50% <sup>8A</sup>  | -                    | -                          | 100%   | -                         | 100%                | -                                     | 100%               |

1 All Directors are required to attend shareholders, Board and/or Board Committee meetings called, in person or via audio or video conference, unless required to recuse. Attendance is marked against the shareholders, Board and Board Committee meetings each Director is required to attend, and the percentage is computed accordingly.

2 Attended all Board Committee meetings on an *ex officio* basis.

3 Appointed as a member of the ERCC on 29 April 2022.

4 Recused from one EXCO meeting due to conflict of interest.

5 Ceased to be a member of the AC and appointed as chairman of the NC on 29 April 2022.

6 Appointed as chairman of the ERCC on 29 April 2022.

7 Stepped down from the Board, and ceased to be chairman of the ERCC and the NC, respectively, following the conclusion of the 2022 AGM.

8 Retired from the Board, and ceased to be a member of the ERCC and the RC, respectively, at the conclusion of the 2022 AGM.

8A Attended one out of two board meetings held before her retirement from the Board.

9 Includes a Board Strategy Meeting held over two days.

10 Renamed to Strategy and Sustainability Committee with effect from 1 January 2023, without any change to the composition of the Board Committee in connection therewith.

# Corporate Governance

## Directors' and Group CEO's Remuneration for FY 2022

| Directors and Group CEO of the Company                  | Salary inclusive of employer's CPF<br>S\$ | Bonus and other benefits inclusive of employer's CPF<br>S\$ | Share awards <sup>1</sup><br>S\$ | Directors' fees       |                         |                     | Total remuneration<br>S\$       |
|---|---|---|----------------------------------|-----------------------|-------------------------|---------------------|---------------------------------|
|   |   |   |                                  | Cash component<br>S\$ | Shares component<br>S\$ | Benefits<br>S\$     |                                 |
| <b>Director and Group CEO</b>                           |   |   |                                  |                       |                         |                     |                                 |
| Lee Chee Koon   | 1,130,640                                 | 1,966,436   | 2,909,358                        | -                     | -                       | -                   | 6,006,434 <sup>2</sup>          |
| <b>Sub-Total</b>  | <b>1,130,640</b>                          | <b>1,966,436</b>  | <b>2,909,358</b>                 | <b>-</b>              | <b>-</b>                | <b>-</b>            | <b>6,006,434</b>                |
| <b>Non-Executive Directors</b>                          |   |   |                                  |                       |                         |                     |                                 |
| Miguel Ko   | -   | -   | -                                | 525,000.00            | 225,000.00              | -                   | 750,000.00                      |
| Anthony Lim Weng Kin                                    | -   | -   | -                                | 228,352.60            | 97,865.40               | 2,063.26            | 328,281.26                      |
| Chaly Mah Chee Kheong                                   | -   | -   | -                                | 179,620.00            | 76,980.00               | 500.00              | 257,100.00                      |
| Kee Teck Koon   | -   | -   | -                                | 160,300.00            | 68,700.00               | 500.00              | 229,500.00                      |
| Gabriel Lim Meng Liang <sup>3</sup>                     | -   | -   | -                                | 204,695.00            | -                       | 3,500.00            | 208,195.00                      |
| Judy Hsu Chung Wei                                      | -   | -   | -                                | 140,095.20            | 60,040.80               | 3,050.23            | 203,186.23                      |
| David Su Tuong Sing                                     | -   | -   | -                                | 120,400.00            | 51,600.00               | 3,500.00            | 175,500.00                      |
| Helen Wong Siu Ming                                     | -   | -   | -                                | 163,660.00            | 70,140.00               | 1,746.04            | 235,546.04                      |
| Stephen Lee Ching Yen <sup>4</sup>                      | -   | -   | -                                | 71,087.00             | -                       | -                   | 71,087.00                       |
| Goh Swee Chen <sup>5</sup>                              | -   | -   | -                                | 54,045.00             | -                       | -                   | 54,045.00                       |
| <b>Sub-Total</b>  |   |   |                                  | <b>1,847,254.80</b>   | <b>650,326.20</b>       | <b>14,859.53</b>    | <b>2,512,440.53<sup>6</sup></b> |
| <b>Total for Directors and Group CEO of the Company</b> | <b>1,130,640</b>                          | <b>1,966,436</b>  | <b>2,909,358</b>                 | <b>2,497,581</b>      | <b>14,859.53</b>        | <b>8,518,874.53</b> |                                 |

- The share awards are based on the fair value as at the time of grant of the shares comprised in the contingent awards granted in May 2022 under the share plans of the Company. The final number of shares released under the contingent awards of shares pursuant to the PSP and RSP will depend on the achievement of pre-determined performance conditions and subject to the respective vesting periods under the PSP and RSP.
- The FY 2022 total remuneration of S\$6,006,434 for Mr Lee Chee Koon represents a decrease of about 14% when compared to Mr Lee's annualised FY 2021 total remuneration of S\$7,014,354.
- The fees payable to Mr Gabriel Lim Meng Liang will be paid fully in cash to a government agency, DCAC. Mr Lim has requested and the DCAC has concurred, that the fees for his services, upon approval by shareholders, be donated by the Company in its entirety to a charitable organisation, the CapitaLand Hope Foundation.
- Mr Stephen Lee Ching Yen stepped down from the Board following the conclusion of the 2022 AGM.
- Ms Goh Swee Chen retired from the Board at the conclusion of the 2022 AGM.
- The remuneration of the non-executive Directors amounting to S\$2,512,440.53 in aggregate is subject to approval by shareholders at the upcoming 2023 AGM.

## Group CEO's Remuneration for FY 2022

The remuneration of the Group CEO for FY 2022 is set out in the table below:

|   | Salary inclusive of employer's CPF | Bonus and other benefits inclusive of employer's CPF <sup>1</sup> | Share awards <sup>2</sup> | Total                             |
|---|------------------------------------|---|---------------------------|-----------------------------------|
| Lee Chee Koon   | S\$1,130,640<br>19%                | S\$1,966,436<br>33%   | S\$2,909,358<br>48%       | S\$6,006,434 <sup>3</sup><br>100% |
| <ol style="list-style-type: none"> <li>The disclosure includes the bonuses earned under the BSBP and EBIP which have been accrued for in FY 2022. The BSBP includes S\$200,000 in deferred shares granted pursuant to the RSP with a 1-year vesting period and no performance conditions attached. No EBIP bonus was declared or paid during FY 2022.</li> <li>The share awards are based on the fair value as at the time of grant of the shares comprised in the contingent awards granted in May 2022 under the share plans of the Company. The final number of shares released under the contingent awards of shares pursuant to the PSP and RSP will depend on the achievement of pre-determined performance conditions and subject to the respective vesting periods under the PSP and RSP.</li> <li>The FY 2022 total remuneration of S\$6,006,434 for Mr Lee Chee Koon represents a decrease of about 14% when compared to Mr Lee's annualised FY 2021 total remuneration of S\$7,014,354.</li> </ol> |                                    |   |                           |                                   |