

CORPORATE GOVERNANCE

City Developments Limited (“CDL” or the “Company”) is committed to upholding a high standard of corporate governance and business integrity in all its business activities, which is essential for the long-term sustainability of the Group’s businesses and the enhancement of shareholders’ value.

To demonstrate its commitment towards excellence in corporate governance, CDL had, since 2010, joined the Securities Investors Association Singapore (“SIAS”) and its partners in making the following public Statement of Support at the annual Singapore Corporate Governance Week (organised by SIAS):

“As a Company, we are committed to upholding high standards of corporate governance to enhance stakeholder value and a sustainable future, making a lasting sustainable transition to a low carbon environment. We believe practicing good environmental, social and corporate governance standards are central to the health and stability of our financial markets and economy.”

CORPORATE GOVERNANCE ACCOLADES

- In its journey to uphold the highest standards of corporate governance, CDL achieved a joint 4th ranking on the Singapore Governance and

Transparency Index (SGTI) in 2022. The SGTI is aimed at assessing companies on their corporate governance disclosure and practices, as well as the timeliness, accessibility and transparency of their financial results announcements.

- In recognition of its commitment to transparency in gender reporting and advancing gender diversity in the workplace, CDL continued to be listed in the Bloomberg Gender-Equality Index (GEI) in 2022. The sector-neutral Bloomberg GEI measures gender equality across five pillars: female leadership and talent pipeline; equal pay and gender pay parity; inclusive culture; sexual harassment policies; and pro-women brand. CDL is the only Singapore real estate company listed on the Bloomberg GEI for four consecutive years.

- CDL has been placed on the SGX Fast Track programme since April 2018. This programme was launched by Singapore Exchange Regulation (SGX RegCo) in

recognition of listed companies which have maintained a good corporate governance standing and compliance track record. Companies under this programme will receive prioritised clearance on selected corporate action submissions to SGX RegCo.

The Company has complied with Listing Rule 710 of the Listing Manual of Singapore Exchange Securities Trading Limited (“Listing Manual”) by describing in this report, its corporate governance practices with specific reference to the principles and provisions in the Code of Corporate Governance 2018 (“2018 Code”). Where the Company’s practices differ from the principles and provisions under the 2018 Code, the Company’s position and reasons in respect of the same are explained in this report.

Our Governance Framework

Board	
<ul style="list-style-type: none"> Kwek Leng Beng, Executive Chairman Sherman Kwek Eik Tse, Executive Director and Group Chief Executive Officer Lee Jee Cheng Philip, Lead Independent Director Philip Yeo Liat Kok, Non-Independent Non-Executive Director Ong Lian Jin Colin, Independent Director Daniel Marie Ghislain Desbaillets, Independent Director Chong Yoon Chou, Independent Director Chan Swee Liang Carolina, Independent Director Tang Ai Ai Mrs Wong Ai Ai, Independent Director Tan Kian Seng, Independent Director 	<ul style="list-style-type: none"> Key Objectives: Provides leadership by setting the strategic objectives of the Company together with the Key Management team to achieve long-term success for the Company and its subsidiaries (the “Group”) through value creation, innovation and sustainability. Oversees the performance of the Group for accountability to shareholders by ensuring that the necessary financial, operational and human resources are in place for the Company to meet its strategic objectives, which are supported by an adequate and effective system of internal controls and risk management.

Committees	Composition
Audit & Risk Committee (“ARC”)	<ul style="list-style-type: none"> Lee Jee Cheng Philip, Chairman (ID) Chong Yoon Chou (ID) Chan Swee Liang Carolina (ID) Tan Kian Seng (ID) <ul style="list-style-type: none"> Key Objectives: Assists the Board in the discharge of statutory and other responsibilities relating to the integrity of the financial statements of the Group and reviews the adequacy and effectiveness of the internal controls and risk management systems. Considers the key risks of the Group under a risk management framework which takes into account the strategic objectives and risk appetite of the Group.
Nominating Committee (“NC”)	<ul style="list-style-type: none"> Ong Lian Jin Colin, Chairman (ID) Kwek Leng Beng (non-ID) Lee Jee Cheng Philip (ID) Chong Yoon Chou (ID) Tang Ai Ai Mrs Wong Ai Ai (ID) <ul style="list-style-type: none"> Key Objectives: Assists the Board in its succession plan through the review of board size and composition and the recommendations on the independence of Directors, appointment, re-nomination and retirement of Directors. Assists the Board in the evaluation of the performance of the Board, the Board Committees and the Directors. Also reviews the succession plan for the Group Chief Executive Officer (“Group CEO”) and Key Management Personnel.
Remuneration Committee (“RC”)	<ul style="list-style-type: none"> Chan Swee Liang Carolina, Chairman (ID) Lee Jee Cheng Philip (ID) Ong Lian Jin Colin (ID) Daniel Marie Ghislain Desbaillets (ID) <ul style="list-style-type: none"> Key Objectives: Oversees the remuneration of the Board and the Key Management Personnel, including setting appropriate remuneration frameworks, aligning with talent management framework and policies to reflect a performance-based remuneration system that is balanced between the current and long-term objectives of the Company.
Board Sustainability Committee (“BSC”)	<ul style="list-style-type: none"> Sherman Kwek Eik Tse, Chairman (non-ID) Daniel Marie Ghislain Desbaillets (ID) Chong Yoon Chou (ID) Tang Ai Ai Mrs Wong Ai Ai (ID) <ul style="list-style-type: none"> Key Objectives: Assists the Board in the review of the Company’s sustainability issues and approach to sustainability reporting, reviews the Company’s Environmental, Social and Governance (ESG) framework, key ESG targets and long-term sustainability that contribute to the Company’s performance and reputation as a global corporate citizen. Also assists the Board in the oversight of the Company’s Workplace Safety and Health matters.

BOARD MATTERS

Principle 1: The Board’s Conduct of Affairs

The Primary Functions of the Board

The Board oversees the Company’s business and its performance under its collective responsibility and provides leadership by setting the strategic objectives of the Company together with Management, to achieve long-term success for the Group through value creation, innovation and sustainability. The Board sets broad policies, provides guidance on and approves strategic objectives, ensures that necessary financial, operational and human resources are in place for the Company to meet its objectives, reviews the performance of the Group and Management and satisfies itself as to the adequacy and effectiveness of the framework and processes for internal controls (including financial, operational,

compliance and information technology (“IT”) controls) and risk management for the safeguarding of shareholders’ interests and the Group’s assets.

The Board also assumes responsibility for good corporate governance and is responsible for setting the right ‘tone at the top’ in its policies and decisions to ensure that the Company’s corporate values and ethical standards are observed and there is proper accountability throughout the Group and obligations to its shareholders and other stakeholders are clearly understood and met.

The Board is also committed to the Company’s strategic approach to integrating sustainability in key aspects of its business and operations and to advance the Company’s sustainability efforts and achievements.

Directors’ Objective Discharge of Duties and Declaration of Interests (Provision 1.1)

All Directors are fiduciaries who exercise due diligence and objectively discharge their duties and responsibilities in the best interests of the Company. This ability to exercise objectivity is one of the assessment criteria in the NC annual evaluation of the Directors.

Directors, who are in any way, directly or indirectly, interested in a transaction or proposed transaction, declare the nature of their interests in accordance with the Company’s Constitution and provisions of the Companies Act 1967, and in the case of any conflicts of interest (actual or potential), recuse themselves from participating in the deliberation and abstain from decision-making on such transactions, with abstention duly recorded within the minutes and/or the resolutions of the Board and/or the Committees.

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Accountability of the Board and Management (Provision 1.1)

The Board and Management are committed to conducting business with integrity, consistent with high standards of business ethics, and in compliance with all applicable laws and regulatory requirements. The Company has established various corporate policies as necessary which provide a communicable and understandable framework for employees to observe the Company's principles on honesty, integrity, responsibility and accountability at all levels of the organisation and in the conduct of the Company's business in their relationships with the Company's stakeholders, including customers, suppliers and employees. Further details of these policies are described in the segment entitled 'Corporate Values and Conduct of Business' at the end of this report.

Board Orientation and Training (Provision 1.2)

Each newly appointed Director receives a formal letter, setting out his/her general duties and obligations as a Director pursuant to the relevant legislations and regulations. The new Director will also receive an electronic induction pack containing information and documents relating to the roles, duties and responsibilities of a director (and where applicable, as a member of the Committees), the Group's principal businesses, the Company's Board processes and corporate governance practices, relevant Company policies and procedures as well as a board meeting calendar for the year with a brief of the routine agenda for each meeting of the Board and where applicable, the Committees.

The Company also conducts a comprehensive induction programme for newly appointed Directors, and for existing Directors pursuant to their appointments to any of the Committees, which seeks to familiarise Directors with the Group's principal businesses, the Company's governance practices and processes,

internal controls and risk management systems, their responsibilities as directors and in the case of appointments to any of the Committees, the roles and areas of responsibilities of such Committees. The induction programme includes meetings with various key executives of the Management to allow the new Directors to be acquainted with the Management team and to facilitate their independent access to the Management team in future. The programme also includes briefings by the Management team on key areas of the Company's operations.

For a first-time Director who has no prior experience as a director of a listed company, in addition to the induction as detailed above, he/she will be required to also attend certain specific modules of the Listed Entity Director ("LED") Programme conducted by the Singapore Institute of Directors ("SID") to acquire relevant knowledge of what is expected of a listed company director, this being a mandatory requirement under Singapore Exchange Securities Trading Limited ("SGX-ST") Listing Rules (the "Mandatory Training"). Completion of the LED Programme, which focuses on comprehensive training of company directors on compliance, regulatory and corporate governance matters, should provide the first-time Director with a broad understanding of the roles and responsibilities of a director of a listed company under the requirements of the Companies Act 1967, the Listing Manual and the 2018 Code. A first-time director need not attend the Mandatory Training if the NC, in assessing the relevant experience of the director, is satisfied that he/she possesses relevant experience comparable to that of a person who has served as a director of an issuer listed on SGX-ST. Where such an assessment is made by the NC, the reasons are disclosed in the announcement made on the appointment of the director.

Mrs Wong Ai Ai and Mr Tan Kian Seng were appointed as IDs on 1 January 2022 and 10 March 2023 respectively. Mrs Wong had attended the induction programmes

conducted by the Company in January 2022 while arrangements are being made for Mr Tan to attend the same in April 2023.

The Directors are also provided with updates and/or briefings from time to time by professional advisers, auditors, the Management and the Company Secretaries in areas such as directors' duties and responsibilities, corporate governance practices, relevant legislations and regulations, risk management and financial reporting standards. The Directors are also regularly kept informed by the Company Secretaries of the availability of relevant courses, conferences and seminars, including those conducted by the SID, and the Directors are encouraged to attend such training at the Company's expense. The NC and the Board are kept informed of the training sessions attended by the Directors during the year. As part of the NC's annual assessment of the skill set of the Board and the Committees, the NC will also recommend further training for the Directors in specific areas, if required, to supplement the regular updates/briefings provided to the Directors from time to time.

During the year, some of the training sessions attended by the Directors included the ACRA-SGX-SID Audit Committee Seminar 2022, SID Directors Conference 2022, SID Corporate Governance Roundup 2022, SID AC Chapter Pit-Stop Series, Launch of the Board of Directors Survey 2022, the LED Programme, SID Masterclass for Directors (MCD) Programme, briefings and seminars organised by SID, audit professionals and other consultants in relation to audit committee matters, risk management, financial and sustainability matters.

In-house seminars were also organised in 2022 and conducted by invited external speakers on the following topics:

- Zero in on Future Value: Turning Risks to Growth Opportunities
- Geopolitical Risks
- Sustainability: Get Ready for IFRS Sustainability Disclosure Standards

100% of the Board attended various training seminars and workshops in 2022

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Accounted for more than 222.25 training hours in aggregate

In addition, all Directors (except for Mr Tan) have undergone the mandatory sustainability training courses as prescribed by SGX. Arrangements will be made for Mr Tan to attend the mandatory training. Members of the ARC were also provided with regular briefings from the Company's external auditors on applicable Accounting Standards during the year.

Further to the training courses/programmes and briefing updates, Directors are also at liberty to approach Management should they require any further information or clarification concerning the Company's operations.

Board Approval (Provision 1.3)

Key matters which are specifically reserved for approval by the Board include the decisions over the strategic direction, plans and performance objectives of the Group (including its risk appetite); the Group's financial objectives and annual budget; decisions to commence, discontinue or modify significantly any business activity or to enter into or withdraw from a particular market sector which has or may have material impact on the profitability or performance of the Group; corporate or financial restructuring; decisions over new borrowings or amendments to the terms and conditions of existing borrowings; adoption of key corporate policies and corporate governance practices and any other matters which require the Board's approval as prescribed under the relevant legislations and regulations as well as the provisions of the Company's Constitution. All issuance of the Group's financial results requires the approval of the Board, including decisions with regard to the Company's dividend policy and payouts.

Aligned with the Group's strategy to develop growth platforms in Singapore

and key international markets, the Board has put in place an approval matrix with the Group's investments and divestments, including funds and corporate holdings. The approval matrix is revised and updated when necessary, in line with the Group's strategic objectives.

Management is fully apprised of such matters which require the approval of the Board or the Committees. For operational efficiency, the Company also has a structured approval limits matrix which sets out the delegated authority to various levels of Management to approve operating expenditures up to pre-determined limits.

Delegation by the Board (Provision 1.4)

The primary functions of the Board are either carried out directly by the Board or delegated to the Committees with clear written terms of reference setting out their compositions, authorities and duties, including reporting back to the Board. The Committees established by the Board are the ARC, the NC, the RC and the BSC, all collectively referred to hereafter as the "Committees".

Each Committee reports key matters to the Board at Board Meetings and submit its report at least once on an annual basis.

All terms of reference for the Committees are approved by the Board and reviewed annually to ensure their continued relevance, taking into account the changes in the governance and regulatory environment.

The delegation of authority by the Board to the Committees enables the Board to achieve operational efficiency by empowering these Committees to decide,

review and make recommendations on matters within their respective written terms of reference and/or limits of delegated authority, without abdicating the Board's overall responsibility.

Please refer to the sections on Principles 4, 5, 6, 7 and 10 in this report for further information on the activities of the NC, RC and ARC. Information on the activities of the BSC can be found under the 'Sustainability' segment towards the end of this report.

Board and Board Committees Meetings (Provision 1.5)

Meetings of the Board and Committees are held regularly, with the Board meeting held at least four times a year. Four Board meetings were held in 2022. At the regular Board meetings, the Board agenda includes updates by the Management on the Group's strategic initiatives and implementation status, updates on the Group's investments and developments, and the review of the Group's financial and operational performance. Of the four scheduled meetings, two were the half-year and full year Board meetings mainly to review and approve the Group's financial results, and two were scheduled primarily for the Board to focus on the review of the Company's strategic direction, including specific business strategies, business segmental and geographical allocation of assets, risk appetite and tolerance limits, as well as to review the Group's quarterly operational performance, where applicable.

During the year, the Directors attended an off-site Board retreat where the Company's strategies, various initiatives and operational updates were presented by Management. The board strategies and various initiatives were subsequently formalised at a Board meeting held the day after and duly approved.

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A meeting of the non-executive Directors (“NEDs”), including IDs, duly chaired by the Lead Independent Director (“Lead ID”), was held in 2022. Meetings of the NEDs, including IDs, are convened as often as may be warranted by circumstances. The IDs also meet regularly under the various Committees and the Lead ID is a member of some of these Committees.

The proposed meetings for the Board and all Committees for each new calendar year are set out in a schedule of meetings, which is notified to all Board members before the start of that calendar year. Additional meetings are convened as and when circumstances warrant. Records of all such meetings, including discussions on key deliberations and decisions taken, are maintained by the

Company Secretaries. The Company’s Constitution allows for the meetings of its Board and the Committees to be held via teleconferencing and videoconferencing. The Board and the Committees may also make decisions by way of circulating written resolutions.

The attendance (including via electronic means) of the Directors at the Annual General Meeting of the Company (“AGM”) and meetings of the Board, the Committees and the NEDs, as well as the frequency of such meetings in 2022, is disclosed in the table below. Directors who were unable to attend any meetings of the Board or the Committees, were provided with the meeting materials and encouraged to raise discussion points or queries with the Board Chairman or

respective Committee chairman or the Management. Nonetheless, the Board is of the view that the contribution of each Director should not be focused solely on his/her attendance at meetings of the Board and/or the Committees. A Director’s contribution should also extend beyond the confines of the formal environment of such meetings, through the sharing of views, advice, experience and strategic networks which would further the interests of the Company. The Directors, whether individually or collectively, also engage with the Management, heads of the Group’s business units and departments and the Group’s external consultants in order to better understand the challenges faced by the Group and the input of the Directors, through such engagements, provide invaluable perspective to the Management.

Directors’ Attendance (including via electronic means) at the AGM, and Meetings of the Board, the Committees and the NEDs in 2022 (Provision 1.5)

	Board	ARC	NC	RC	BSC	NEDs	AGM
Number of meetings held in 2022	4	5	2	3	2	1	1
Name of Directors	Number of meetings attended in 2022						
Kwek Leng Beng ⁽¹⁾	4/4	N.A.	2/2	N.A.	N.A.	N.A.	1/1
Sherman Kwek Eik Tse ⁽¹⁾	4/4	N.A.	N.A.	N.A.	2/2	N.A.	1/1
Lee Jee Cheng Philip ⁽¹⁾	4/4	5/5	2/2	3/3	N.A.	1/1	1/1
Philip Yeo Liat Kok ⁽³⁾	3/4 ⁽⁶⁾	N.A.	N.A. ⁽³⁾	N.A.	N.A. ⁽³⁾	1/1	1/1
Ong Lian Jin Colin ⁽¹⁾	4/4	N.A.	2/2 ⁽⁴⁾	3/3	N.A.	1/1	1/1
Daniel Marie Ghislain Desbaillets	4/4	N.A.	N.A.	3/3	N.A.	1/1	1/1
Chong Yoon Chou	4/4	5/5	2/2	N.A.	2/2 ⁽⁵⁾	1/1	1/1
Chan Swee Liang Carolina ⁽¹⁾	4/4	5/5	N.A.	3/3	N.A.	1/1	1/1
Tang Ai Ai Mrs Wong Ai Ai ⁽²⁾	4/4	N.A.	2/2 ⁽²⁾	N.A.	2/2 ⁽²⁾	1/1	1/1

Notes:

⁽¹⁾ All Directors, including Mr Kwek Leng Beng (the Chairman of the Board), Mr Lee Jee Cheng Philip (the chairman of the ARC), Mr Ong Lian Jin Colin (the chairman of the NC), Ms Chan Swee Liang Carolina (the chairman of the RC) and Mr Sherman Kwek Eik Tse (the Group CEO/the chairman of the BSC), were in attendance at the AGM in 2022 together with the key management personnel and the Company’s external auditors. The AGM was held via electronic means.

⁽²⁾ Mrs Wong Ai Ai was appointed as a Director, member of NC and BSC on 1 January 2022.

⁽³⁾ Mr Philip Yeo Liat Kok ceased to be an ID with effect from 1 January 2022. Consequently, he has stepped down as the chairman of the NC and a member of the BSC. Mr Yeo was invited to attend one NC meeting held in August 2022.

⁽⁴⁾ Mr Ong Lian Jin Colin was appointed as the chairman of the NC on 1 January 2022.

⁽⁵⁾ Mr Chong Yoon Chou was appointed as a member of the BSC on 1 January 2022.

⁽⁶⁾ Mr Philip Yeo was unable to attend one Board Meeting as he had prior travel arrangement.

Directors’ Multiple Board Representations and Time Commitments (Provision 1.5)

When considering the re-nomination of Directors for re-election, the NC also takes into account the competing time commitments faced by Directors with multiple listed company board representations and/or other principal commitments. An analysis of the directorships (which includes directorships by groups and executive appointments) held by the Directors is reviewed annually by the NC. Each Director is also required to confirm annually to the NC as to whether he/she has any issue with competing time commitments which may impact his/her ability to provide sufficient time and attention to his/her duties as a Director of the Company. Based on the analysis, the Directors’ annual confirmation and the Directors’ commitments and contributions to the Company, which are also evident in their level of attendance and participation at Committee and IDs’ meetings, the NC is satisfied that all Directors are able to carry out and have been adequately carrying out their duties as a Director of the Company.

The NC noted that including the directorship held in the Company, the number of listed company board representations currently held by each of the Directors ranged from one to three in number and those held by Mr Kwek Leng Beng are on the boards of the related companies of the Company. The NC has recommended that the maximum number of listed company board representations which each Director of the Company may hold, be set at six, to provide a guide to address potential competing time commitments that Directors may face serving on multiple listed company boards. The NC may review this guideline from time to time and will also consider the circumstances of individual Directors or potential candidates with multiple listed company directorships above the recommended number to determine their capacity to participate and contribute effectively to the Board.

In addition to the current procedures for the review of the attendance records and analysis of directorships/principal commitments, a policy has also been put in place for Directors to consult the Board Chairman or the chairman of the NC prior to accepting any new listed company board appointment or principal commitment and to notify the Board of any changes in their external appointments. This would allow the Director to review his/her time commitments with the proposed new appointment, and in the case of an ID, to also ensure that his/her independence would not be affected.

Complete, Adequate and Timely Information (Provision 1.6)

Prior to each meeting, members of the Board and the Committees are provided with the meeting agenda and the relevant papers submitted by the Management, containing complete, adequate and timely information to enable full deliberation on the issues to be considered at the respective meetings. The Management is in attendance at such meetings, whilst the Company’s auditors and professional advisers who can provide additional insight into the matters for discussion are invited as required to attend the relevant meetings. The Management also provides all Directors with monthly updates on the Company’s financial performance including an analysis of the same, with material variances between the comparative periods disclosed and explained. Where the Board’s or a Committee’s approval is sought, relevant background and explanatory information on the specific matter are provided to enable Directors to understand the issues and request for further information, as necessary.

Draft agendas for Board and Committee meetings are circulated in advance to the Board Chairman and the Committee chairman respectively, for them to review and suggest items for the agenda. The Board and the Committees are also furnished routine reports, where applicable, from the Management. The chairman of the ARC, NC, RC and

BSC provides an annual report of the respective Committees’ activities during the year under review to the Board. The minutes of meetings of the Committees are circulated to all Board members.

Access to Management, Company Secretaries and Independent Professional Advice (Provision 1.7)

All Directors have direct and independent access to the Management. To facilitate this access, all Directors are provided with the contact details of the Key Management Personnel and other senior management team members. The contact details of the heads of internal audit and risk management are also provided to the ARC.

The Directors, whether as a group or individually, are entitled to take independent professional advice at the expense of the Company, in furtherance of their duties and where circumstances warrant the same. The Company has in place internal guidelines allowing the Directors to seek such independent professional advice.

The Company Secretaries, whose appointment and removal are subject to the Board’s approval, attend all meetings of the Board and the Committees to provide guidance for Board procedures to be followed. The Company Secretaries, together with the Management, also ensure that the Company complies with applicable statutory and regulatory rules. Together with the Management, the Company Secretaries also advise the Board Chairman, the Board and the Committees on corporate governance matters and assist in implementing and strengthening corporate governance practices and processes, including ensuring good information flow within the Board and the Committees and between the Directors and Management, facilitating the induction for newly appointed Directors and newly appointed Committee members, and assisting in the continuing training and development programme for the Directors. On an ongoing basis, the Directors have separate and independent access to the Company Secretaries.

CORPORATE GOVERNANCE

Principle 2: Board Composition and Guidance

Board Independence (Provisions 2.1, 2.2 and 2.3)

The Board currently comprises ten members. Based on the NC's recommendation, the Board has determined seven of them, being more than half of the Board, to be independent, thus providing for a strong and independent element on the Board, capable of exercising objective judgement on the corporate affairs of the Company. No individual or small group of individuals dominate the Board's decision-making. No alternate Directors have been appointed in respect of any of the Directors.

The non-independent Directors are the Board Chairman, the Group CEO, both holding executive appointments in the Company, and Mr Philip Yeo Liat Kok who is an NED. Mr Yeo was considered as non-independent with effect from 1 January 2022 as he has served more than nine consecutive years on the Board. He was accordingly re-designated a non-independent non-executive Director with effect from that date.

When reviewing the independence of the IDs (excluding Mr Tan who was appointed in March 2023)(“6 IDs”), the NC has considered the applicable Listing Rule 210(5)(d) and the guidelines for independence set out in Provision 2.1 of the 2018 Code and its accompanying Practice Guidance (collectively, the “Independence Guidance”). As part of the consideration of the 6 IDs' independence, the NC has also taken into account the following:

- other directorships;
- annual declarations regarding their independence;
- disclosures of interest in transactions in which they have a direct/indirect interest;
- their ability to avoid any apparent conflicts of interest especially by abstaining from deliberation on such transactions;

- their ability to maintain objectivity in their conduct as Directors of the Company; and
- their ability to objectively raise issues and seek clarification as and when from the Board, Management and the Company's external advisors on matters pertaining to their area of responsibilities whether on the Board or on the Committees.

Each of the IDs on the NC recused himself/herself from the NC's deliberations on his/her own independence.

Mr Ong Lian Jin Colin, an ID, is a director of Summervale Properties Pte. Ltd. (“Summervale”) which had entered into an Asset Management and Marketing Agreement with Trentwell Management Pte Ltd (“Trentwell”), a wholly-owned subsidiary of the Company, for Trentwell to manage and market Summervale's residential units at Nouvel 18. Mr Ong is not involved in the daily operations of and does not hold any executive position in Summervale or its holding company, Green 18 Pte. Ltd., other than being a board member of both companies and a shareholder of Green 18 Pte. Ltd. holding less than 5% shareholding. The Board has concurred with the NC's determination that Mr Ong's independence is not affected by this relationship between Trentwell and Summervale.

None of the 6 IDs and Mr Tan are currently employed or have been employed at any time during the past three financial years by the Company or any of its related corporations. These IDs also do not have immediate family members who are currently employed or have been employed at any time during the past three financial years by the Company or any of its related corporations, and whose remuneration is determined by the RC. For purposes of determining independence, the 6 IDs and Mr Tan have also provided confirmation that they are not related to the Directors or to any shareholders holding 5% interest in the Company. The NC is satisfied that there is no other relationship which could affect their independence. The Directors undertook a review of their independence, with each ID abstaining from participating

in his/her own review by the Board and had concurred with the NC's determination of the independence of the IDs.

When considering and recommending Mr Tan for appointment as an ID, the NC also considered his other directorships, the Independence Guidance and the declaration by Mr Tan on his own independence.

Board Composition, Size and Diversity (Provision 2.4)

The Company has in place a Board Diversity Policy (“BDP”) which sets out the framework for promoting diversity on the Board. The Company recognises that a diverse Board is an important element which will better support the Company's achievement of its strategic objectives for sustainable development by enhancing the decision-making process of the Board through the perspectives derived from the various skills, business experience, industry discipline and other aspects of diversity (such as gender and age) of the Directors.

The BDP, which is available on the Company's corporate website, provides that the NC shall consider all aspects of diversity when reviewing and assessing the composition of the Board and when making recommendations to the Board for the appointment of Directors to arrive at an optimal balanced composition of the Board. The BDP also provides for the NC to discuss and recommend annually to the Board measurable targets and timelines for promoting and achieving diversity on the Board.

The NC has put in place a skills matrix to help identify gaps in the Board and Committees. The skills matrix classifies skills, experience and knowledge of the existing Directors into broad categories such as industry knowledge, namely real estate and hospitality-related businesses and management and fund management; management expertise for example strategic planning, leadership and customer-based experience; professional or skills in specific areas for example, audit/finance, risk, digital/information technology, sustainability and legal.

When reviewing and assessing the size and composition of the Board and Committees and making recommendations to the Board annually including the appointment/re-appointment of Directors, the NC will consider all aspects of diversity based on targets and timelines set for promoting and achieving diversity on the Board to arrive at an optimal balanced composition of the Board. As prescribed under the BDP, the final decision on the selection of Directors will be based on merits against objective criteria and targets considered by the NC annually and recommended to the Board for approval.

Diversity Targets and Progress in FY 2022

Targets	Progress
Expand/enhance the Board skill set to achieve the Company's strategic objectives	The NC took diversity into account in its search for new directors to complement the skill set on the Board. Mrs Wong Ai Ai was appointed to the Board in January 2022, bringing valuable skills in the areas of extensive legal knowledge and experience and sustainability in relation to climate change and its consequences. Mr Tan Kian Seng was appointed in March 2023. He has more than 35 years of experience in senior positions, managing various international businesses including hospitality and manufacturing sectors. Mr Tan will be seeking election at the 2023 AGM. Please refer to the 'Board of Directors' and 'Additional Information on Directors seeking election/re-election' sections in this Annual Report 2022 ("AR") for more information on Mr Tan.
Achieve 20% female representation on the Board	With Mrs Wong's appointment in January 2022, the Board has achieved its target of 20% female representation and based on the recommendation of the Council for Board Diversity for listed companies, the Board will strive to increase its female representation to 25% by 2025. In this regard, the NC will try to ensure that: (a) if external search consultants are used to search for candidates for Board appointments, the brief will include a requirement to present female candidates; (b) when seeking to identify a new Director for appointment to the Board, the NC will request female candidates to be fielded for consideration; (c) female representation on the Board be continually improved over time, based on the set objectives of the Board; and (d) at least one female Director continues to be appointed to the NC. Mrs Wong is a member of the NC.
Achieve two third independence on the Board.	With Mr Philip Yeo's redesignation as a non-independent non-executive Director and the appointment of Mrs Wong, both in January 2022, the Board has achieved a two-third Board independence. The appointment of Mr Tan in March 2023 has further strengthened the Board independence. Independent Directors make up more than two third of the Board.
Maintain age diversity with Directors with age ranging from below 50s to above 70s with majority of the Directors within the above 50s but below 70s age group.	The Board has continued to maintain this target.

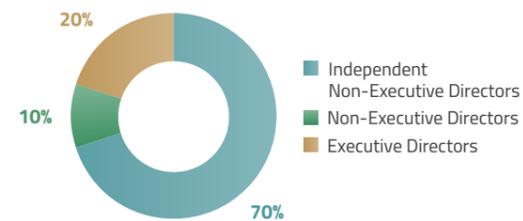
CORPORATE GOVERNANCE

The NC and Board also agreed that there was no need to set a specific target for ethnicity/nationality so long as the candidates provide distinguishing qualities that complement and expand the skills and experience of the Board as a whole. Further information on the individual Directors' background, experience and skills can be found in the 'Board of Directors' section in this AR.

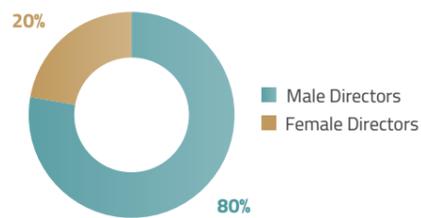
Having considered the scope and nature of the operations of the Group, the Board is satisfied that the current size and composition of the Board and Committees are appropriate as they reflect the Company's commitment to Board diversity with a good balance of skills, experience, industry knowledge, professional qualifications, gender and age, which serve to support the Company in achieving its strategic objectives and sustainable growth and development.

Board Composition, Diversity and Balance

Independence

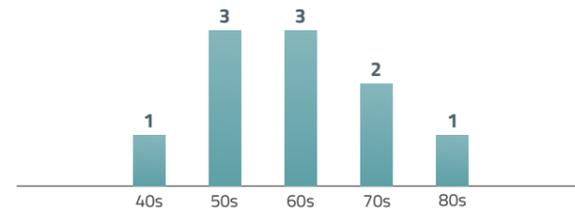


Gender Diversity



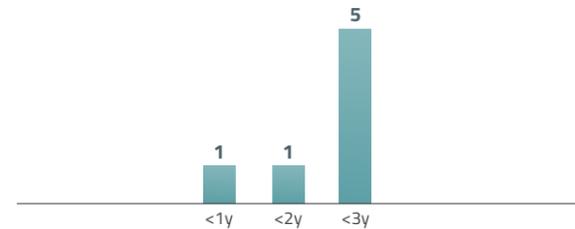
Directors' Age Group

As of 24 March 2023



Independent Directors' Length of Service

As of 24 March 2023



NEDs' Participation (Provision 2.5)

NEDs are encouraged to participate actively at Board meetings in the development of the Company's strategic plans and direction, and in the review and monitoring of Management's performance against targets. To facilitate this, they are kept informed of the Company's businesses and performance through monthly reports from the Management and have unrestricted access to the Management. They also sit on various Committees established by the Board to provide unbiased and independent views, constructive input and the independent review and monitoring of performance of the Company and Management. One meeting of the NEDs, chaired by the Lead ID,

was held in 2022 without the presence of Management. The NEDs would also confer among themselves without the presence of Management as and when the need arises. The Lead ID collates the views and feedback from the NEDs and communicates the same to the Board and/or the Board Chairman as appropriate.

Principle 3: Chairman and Chief Executive Officer

Roles of the Executive Chairman and the Group Chief Executive Officer (Provisions 3.1 and 3.2)

The roles of Chairman of the Board and the Group CEO are separate to ensure a clear division of responsibilities and increased accountability.

The Chairman of the Board, Mr Kwek Leng Beng, is also the Executive Board Chairman. Mr Kwek Leng Beng plays an instrumental role in providing the Company with strong leadership and vision, leading the Board in its review of the Group's strategies for sustainable growth. As the Board Chairman with written terms of reference approved by the Board, Mr Kwek Leng Beng also promotes and leads the Group in its commitment to achieve and maintain high standards of corporate governance. He bears primary responsibility for the workings of the Board, by ensuring effectiveness in all aspects of its role including setting the agenda for Board meetings with input from Management, ensuring sufficient allocation of time for thorough discussion of key agenda items

at Board meetings, promoting an open environment within the Boardroom for constructive debate, encouraging the NEDs to speak freely and contribute effectively, and exercising control over the quality, quantity and timeliness of information flow between the Board and Management. At AGMs and other shareholders' meetings, he plays a pivotal role in fostering constructive dialogue between shareholders, the Board and Management.

As Executive Board Chairman, he is the most senior executive in the Company and bears overall executive responsibility for the Group's business. Mr Kwek Leng Beng is assisted by the Group CEO, Mr Sherman Kwek. The Group CEO leads the members of the Management team and is responsible for implementing and reviewing the business direction and strategies for the Group as endorsed by the Board, and for operational performance and organisational excellence. He is the elder son of the Executive Board Chairman.

The Board has considered Mr Kwek Leng Beng's role as an Executive Board Chairman and the strengths he brings to such a role by virtue of his stature and experience. Through the appointment of the Lead ID (see more information below) and the establishment of various Committees with power and authority to perform key functions without the undue influence from the Board Chairman, and the putting in place of internal controls for proper accountability and to allow for effective oversight by the Board of the Company's business, the Board ensures that there is an appropriate balance of power which allows the Board to exercise objective decision-making in the best interests of the Company. The Board is of the view that Mr Kwek Leng Beng's role as an Executive Board Chairman would continue to facilitate the Group's decision-making and implementation process without diminishing the capacity of the Board for independent decision-making.

Lead Independent Director (Provision 3.3)

Cognisant that the Board Chairman is an Executive Director and thus not independent, the Board has designated a Lead ID who serves as a sounding board for the Board Chairman and as an intermediary between the NEDs/IDs and the Board Chairman. The current Lead ID is Mr Lee Jee Cheng Philip.

The role of the Lead ID is set out in the written terms of reference for the Lead ID, which have been approved by the Board. The Lead ID is available to shareholders should they have concerns which cannot be resolved or are inappropriate to raise through the normal communication channels of the Board Chairman or the Management. No query or request on any matter which requires the Lead ID's attention was received from shareholders in 2022. Under the chairmanship of the Lead ID, a meeting of the NEDs was convened in 2022 without the presence of Management or the Board Chairman, and the views expressed by the NEDs at the meeting were communicated by the Lead ID to the Board Chairman and the Management, as appropriate.

Principle 4: Board Membership

NC Composition and Role (Provisions 4.1 and 4.2)

Four out of the five members of the NC, including the NC chairman, are IDs. The Lead ID is one of the independent members of the NC.

The key responsibilities of the NC as set out in its written terms of reference approved by the Board, are as follows:

- to examine Board size;
- to review all Board and Committees composition and membership;
- to review board succession plans for the Directors (including the Board Chairman and the Group CEO) and the Key Management Personnel ("KMP") who are not Directors;
- to determine each Director's independence annually and as and when circumstances require;

- to evaluate the performance of the Board, Committees and the individual Directors;
- to review appointment and re-appointment of Directors (including alternate directors, if any) and the reasons for resignations of Directors;
- to review appointments and the reasons for resignations and terminations of the KMP who are not Directors;
- to review and confirm the induction programmes for newly appointed Directors and for existing Directors in respect of their appointments to any of the Committees; and
- to review the training and continuous professional development programme for the Directors.

The Company has identified the Group CEO, who is also a Director, the Group Chief Operating Officer ("Group COO"), the Group General Manager ("Group GM"), the Group Chief Investment Officer ("Group CIO"), the Group Chief Financial Officer ("Group CFO") and the Group Chief Human Resources Officer ("Group CHRO") (joined in March 2023) who are the most senior members of the Management team, as its KMP. The Group CIO left the Company in September 2022 and a successor will be identified in due course.

Two NC meetings were held in 2022. The Company Secretaries maintain records of all NC meetings including records of discussions on key deliberations and decisions taken.

For the financial year under review, the NC conducted a self-assessment of its own effectiveness in the discharge of its roles and responsibilities, which was facilitated through the use of a self-assessment checklist ("NC Self-Assessment Checklist"). The NC Self-Assessment Checklist covered, *inter alia*, the responsibilities of the NC under its terms of reference and also considered the contributions of NC members to the deliberation and decision-making process at NC meetings.

CORPORATE GOVERNANCE

Based on the self-assessment, the NC is of the view that it has fulfilled its responsibilities and discharged its duties as set out in its terms of reference.

Nomination of Directors and Determination of Independence (Provisions 4.3 and 4.4)

The NC reviews the nomination of the relevant Directors for election/re-election as well as the independence of Directors annually. When considering the nomination of Directors for election/re-election, the NC takes into account their contribution to the effectiveness of the Board (which includes their participation and candour at Board and Committee meetings) as well as their time commitment especially for Directors who have multiple board representations and/or other principal commitments, and also reviews their independence having regard to the provisions in the applicable Listing Rule 210(5)(d) and Provision 2.1 of the 2018 Code. The recommendation of the NC on the annual nomination of the Directors for election/re-election is submitted to the Board for decision and thereafter tabled at the AGM of the Company for consideration and approval by shareholders.

The Constitution of the Company provides that not less than one-third of the Directors for the time being, shall retire as Directors at each AGM. All new Directors appointed by the Board shall hold office until the next AGM and are eligible for election at the said AGM.

In accordance with the Constitution of the Company, Mr Philip Yeo Liat Kok, Mr Daniel Marie Ghislain Desbaillets and Mr Chong Yoon Chou are due to retire by rotation at the 60th Annual General Meeting ("2023 AGM"), and being eligible, have offered themselves for re-election at the 2023 AGM. The NC has considered their contribution and performance and recommended to the Board to nominate their re-election at the 2023 AGM.

Mr Tan Kian Seng who was appointed in March 2023 will retire at the 2023 AGM, and being eligible, has offered himself for election at the 2023 AGM. The NC has recommended to the Board his election at the 2023 AGM.

Criteria and Process for Nomination and Selection of New Directors (Provision 4.3)

The NC also reviews all nominations and interviews candidates before formally considering and recommending them for appointment to the Board and where applicable, to the Committees. Searches for potential candidates generally take into account recommendations from the Directors and various other sources. Where necessary, the NC may consider the use of external search consultants to find appropriate candidates. Shortlisted candidates would be required to furnish their curriculum vitae containing information on their academic/professional qualification, work experience, employment history and experience (if any) as directors of listed companies.

In reviewing and recommending to the Board any new Director appointments, including appointments to the appropriate Committees, the NC considers the following as well as factors prescribed under the Company's BDP, details of which as set out under the sub-header 'Board Composition, Size and Diversity (Provision 2.4)':

- (a) the candidate's track record, experience and capabilities or such other factors including age and gender, as may be determined by the NC to be relevant and which would contribute to the Board's collective skill set;
- (b) any competing time commitments if the candidate has multiple listed company board representations and/or other principal commitments;
- (c) the candidate's independence, in the case of the appointment of an independent NED; and

- (d) the composition requirements for the Board and Committees after matching the candidate's skill set to the requirement of the relevant Committees (if the candidate is proposed to be appointed to any of the Committees).

Key Information on Directors (Provision 4.5)

Please refer to the 'Board of Directors' section in the AR for key information on the Directors, including their dates of first appointment and last election/re-election to the Board (if applicable), their academic/professional qualifications, major appointments/principal commitments, directorships held in listed companies for both the current and in the preceding five years, and other relevant information; 'Additional Information on Directors seeking election/re-election'; and the 'Notice of Annual General Meeting' for information on Directors proposed for election/re-election at the 2023 AGM.

Succession Planning for the Board, the Board Chairman and the KMP (Provision 4.1)

The Board believes in carrying out succession planning for itself, the Board Chairman and the KMP to ensure continuity of leadership. It has in place a formal Board (including the Board Chairman) and KMP succession plan which is reviewed annually. Board renewal is a continuous process and in this regard, the NC reviews annually the composition of the Board and Committees, which includes size and mix, and recommends to the Board the selection and appointment of new Directors, whether in addition to the existing Board members or as replacement of retiring Board members, with a view to identify any gaps in the Board's skill set taking into account the Group's strategy and business operations. The Board will be able to function smoothly notwithstanding any resignation or retirement of any Director given the present number of members and mix of competencies on the Board.

As part of the Board succession plan, Mrs Wong Ai Ai was appointed to the Board as an ID in January 2022. Mrs Wong's broad experience, especially in corporate law, provides further diversity to the core competencies and skill set of the Board. To further strengthen the Board skill set in the areas of hospitality and finance, Mr Tan Kian Seng was appointed as an ID in March 2023.

Board Development (Provision 4.5)

The NC reviews the training and development of the Directors to ensure that Directors receive appropriate development on a continuing basis, to perform their roles on the Board and where applicable, the Committees. The Directors are provided with updates and/or briefings to assist them to properly discharge their duties. The briefings are conducted either internally with invited speakers, or externally, at the Company's expense. A separate programme is established for new Directors, details of which together with details of the internal briefing and updates provided to the Directors in 2022 are set out in the paragraph under the subject heading 'Board Orientation and Training' in this report.

The Board is kept apprised twice yearly on the list of training programmes attended by the Directors during the year.

Principle 5: Board Performance

Board Evaluation Process (Provision 5.1)

The Company has in place a formal process for assessment of the effectiveness of the Board as a whole, the various Committees and the contribution by each Director towards the effectiveness of the Board and the Committees. No external facilitator has been used. The NC assesses the Board's performance as a whole annually, using objective and appropriate criteria which were recommended by the NC and approved by the Board. When assessing the overall Board performance, the NC takes into consideration the feedback from individual Directors on areas

relating to the Board's role on strategy and performance, the Board's process and governance (including oversight on internal controls and risk management), the Board's competencies and effectiveness and the effectiveness of the Board Chairman. The results of the overall evaluation of the Board by the NC, including its recommendation for improvements, if any, are presented to the Board.

The NC also undertook an evaluation of the performance of the Committees with the assistance of self-assessment checklists completed by these Committees.

The annual evaluation process for the Board Chairman's and the individual Director's performance comprises two parts: (a) review of background information concerning the Director including his attendance records at Board, Committee and NEDs (where applicable) meetings; and (b) NC's evaluation based on certain assessment parameters, which were recommended by the NC and approved by the Board.

When deliberating on the performance of a particular Director who is also a member of the NC, that member abstains from the discussions to avoid any conflict of interest.

The results of the individual evaluation of the Directors are also used by the NC, in its consultation with the Board Chairman (who is also a member of the NC), to review, where appropriate, the composition of the Board and Committees, and to support its proposals, if any, for appointment of new members and its recommendations for the re-election of retiring Directors. The Board Chairman, as a member of the NC, is fully apprised of the results of the performance evaluation for the individual Directors and would take into consideration such evaluation and act as appropriate on the recommendations of the NC. Comments from the Directors, if any, concerning the Board as a whole and the general

performance of the Directors, are also presented to the Board.

Board Evaluation Criteria (Provision 5.2)

The qualitative criteria used by the NC to evaluate the Board covers five key areas relating to Board structure, the Board's review of the Company's strategy and performance, Board's oversight on the Company's governance, including risk management and internal controls, and the effectiveness of the Board Chairman and Board processes.

The quantitative criteria used to evaluate the overall Board performance comprises performance indicators which include a comparison of the Group's performance (including segmental performance) for the financial period under review against the Group's performance for the corresponding period in previous years, and other indicators such as the Company's share price performance over a historical period.

Individual Director Evaluation Criteria (Provision 5.2)

Factors taken into account in the assessment of a Director's performance include their abilities and competencies, their objectivity and the level of participation at Board and Committee meetings including their knowledge and contribution to Board processes and the business strategies and performance of the Group. The performance evaluation of each Director is taken into account in the NC's consideration with regard to his/her election/re-election as Director.

REMUNERATION MATTERS

Principle 6: Procedures for Developing Remuneration Policies

RC Composition and Role (Provisions 6.1, 6.2, 6.3 and 6.4)

The RC comprises four NEDs, all of whom including the chairman of the RC, are independent.

CORPORATE GOVERNANCE

The key responsibilities of the RC, as set out in its written terms of reference approved by the Board, are to review and recommend for endorsement by the Board, a framework of remuneration for the Directors, including the specific remuneration packages of the Executive Directors (“EDs”) and the KMP. Further, in consultation with the NC and the Management, the RC also considers the talent management framework so as to align with its review of the overall remuneration framework.

The Company has in place a remuneration framework (which covers all aspects of remuneration) for the NEDs, EDs and KMP. On an annual basis, the RC reviews and recommends the fees payable to the Directors for the Board’s consideration before approval is sought from the shareholders at the AGM. The RC also reviews and recommends annually specific remuneration packages for the EDs and the KMP, including the annual increments, short-term and long-term incentives, for approval by the Board. The RC also considers the termination terms in the contracts of employment of the KMP to ensure that they are not unfair or unreasonable.

In 2022, Willis Towers Watson, external remuneration consultants, provided benchmark data on the remuneration for top executives in regional listed real estate companies of comparable size to the Company as well as the benchmark data for top listed companies in Singapore across all industries to help the RC in its consideration and proposal of the appropriate level of remuneration for the Company’s KMP to attract, retain and motivate for sustained performance and value creation. The Company has no relationship with the appointed remuneration consultants other than their engagement in providing such benchmark data, which could affect the said consultants’ independence.

The Company Secretaries maintain records of all RC meetings including

records of discussions on key deliberations and decisions taken. The RC held three meetings in 2022.

For the financial year under review, the RC conducted a self-assessment of its own effectiveness in the discharge of its roles and responsibilities, which was facilitated through the use of a self-assessment checklist (“RC Self-Assessment Checklist”). The RC Self-Assessment Checklist covered, *inter alia*, the responsibilities of the RC under its terms of reference and also considered the contribution of RC members to the deliberation and decision-making process at RC meetings.

Based on the self-assessment, the RC is of the view that it has fulfilled its responsibilities and discharged its duties as set out in its terms of reference.

Principle 7: Level and Mix of Remuneration of Directors and KMP (Provisions 7.1, 7.2 and 7.3)

The Company’s remuneration policy for Directors comprises the following distinct objectives:

- to ensure that the procedure for determining remuneration for Directors is formal and transparent;
- to ensure that the level of remuneration is sufficient (without being excessive) to attract and retain Directors to exercise oversight responsibility over the Company; and
- to ensure that no Director is involved in deciding on his/her own remuneration.

In reviewing the remuneration packages of the EDs and the KMP, the RC, with the assistance of external remuneration consultants, considers the level of remuneration based on the Company’s remuneration policy which comprises the following distinct objectives:

- to reward employees for achieving corporate and individual performance targets in a fair and equitable way; and

- to ensure that the remuneration reflects employees’ duties and responsibilities.

The Company advocates a performance-based remuneration system that is flexible and responsive to the market, and the performance of the Group’s business units and individual employees. In designing the compensation structure, the Company seeks to ensure that the level and mix of remuneration is competitive, relevant and appropriate in finding a balance between the current and long-term objectives of the Company.

The remuneration packages for the EDs and KMP comprise the following components:

Total Remuneration

Fixed Compensation	Variable Compensation
Base salary	Short-term incentive (STI) in the form of cash-based annual variable bonus
Annual wage supplement (“AWS”)	*Long-term incentive (LTI) in the form of cash awards
Fixed Allowances	
Benefits-in-kind	

* Applicable only to the KMP

The total salary, including AWS, STI and LTI, is benchmarked to the market, to ensure that the remuneration commensurates with the position and responsibilities of the EDs and KMP. The STI in the form of annual variable bonus and the LTI in the form of cash awards, reward achievement of the Group, business units and individual performance based on key performance indicators (involving financial and non-financial indicators) determined annually. The RC approves the Company’s balanced

scorecard and the performance targets set out in the GET (Growth, Enhancement and Transformation) strategy to be achieved by the Company based on its short and long-term objectives, which are cascaded down to the various business units.

The LTI in the form of cash awards, has a three-year performance period, and aligns Management with long-term shareholder value creation. LTI payments are not guaranteed and are subject to Management achieving the performance conditions based on Board-approved budget and strategy. LTI payment will be made at the end of a three-year assessment period if performance conditions are met. Being a cash-based award, the LTI is not dilutive to current shareholders. Claw-back provisions are included within the LTI which would give the right to the Company to reclaim incentive components from the EDs and KMP in exceptional circumstances such as misstatement of financial results or of misconduct resulting in financial loss to the Group.

The overall level of remuneration of the EDs and KMP is not considered to be at a level which is likely to promote behaviour contrary to the Group’s risk profile. The RC

and the Board believe that the executive compensation framework is aligned with the short-term and long-term interests of the shareholders and stakeholders, and that it promotes the long-term success of the Company.

When reviewing the structure and level of Directors’ fees, which comprise the base director fee and additional fees for services rendered on Committees and fee for the Lead ID, the RC takes into consideration the Directors’ respective roles and responsibilities on the Board and Committees and the changes in the business, corporate governance practices and regulatory rules. The RC also compares the Company’s fee structure against industry practices annually. Other factors taken into consideration in the fee revision include the frequency of Board and Committee meetings and the interval since the last fee revision. The RC is mindful that the remuneration for IDs should not be excessive so as to compromise or reasonably be perceived to compromise their independence. No Director is involved in deciding his/her own remuneration.

Each of the Directors receives a base Director’s fee. The Lead ID also

receives an additional fee to reflect his expanded responsibility. Directors who serve on the various Committees also receive additional fees in respect of each Committee that they serve on, with the chairmen of the Committees receiving a higher fee in respect of their service as chairmen of the respective Committees. Attendance fee is payable for attendance in person or via teleconference or video conference at each meeting of the Board or Committee in consultation with the RC and the respective Committee chairman. Approval of the shareholders will be sought at the 2023 AGM for the payment of an aggregate sum of \$1,512,000 as Directors’ fees and meeting attendance fees for FY 2022. The Company is also seeking the approval of shareholders at the 2023 AGM for a total of up to \$2,000,000 as Directors’ fees and meeting attendance fees for the current financial year, for payment on a quarterly basis in arrears.

The Company currently does not discourage Directors from holding shares in the Company but notes that there is no requirement under the Company’s Constitution for Directors to hold shares in order to be qualified to act as a Director.

The structure of the fees payable to Directors of the Company for FY 2022 is as follows:

Appointment	Per annum	Appointment	Per annum
Board of Directors	\$75,000	Board Sustainability Committee	
– Base fee		– BSC Chairman’s fee	\$17,000
Audit & Risk Committee		– BSC Member’s fee	\$10,000
– ARC Chairman’s fee	\$105,000	Lead Independent Director’s fee	\$15,000
– ARC Member’s fee	\$80,000	Attendance fee	Per meeting
Nominating Committee			\$4,000*
– NC Chairman’s fee	\$30,000		
– NC Member’s fee	\$18,000		
Remuneration Committee			
– RC Chairman’s fee	\$30,000		
– RC Member’s fee	\$18,000		

* Payable in consultation with the RC and the respective Committee chairmen.

CORPORATE GOVERNANCE

Principle 8: Disclosure of Remuneration

Disclosure of Remuneration (Provisions 8.1(a) and 8.3)

The compensation packages for employees including the EDs and the KMP, based on the Company's Remuneration Framework, also take into account amongst other factors, the individual's performance, the performance of the Group and industry practices.

During the year, there were no termination, retirement or post-employment benefits granted to any Director or KMP.

The remuneration of each Director and the Group CEO for FY 2022, including a breakdown in percentage terms of the components of the remuneration, is set out below:

	Fixed Salary*	STI*	Board/Committee Fees**	Other Benefits	Total
	%	%	%	%	\$
Executive Directors					
Kwek Leng Beng [^]	19.4	77.1	1.8	1.7	7,783,617
Sherman Kwek Eik Tse ^{^+}	25.5	70.0	3.0	1.5	3,866,739
Non-executive Directors					
Lee Jee Cheng Philip	–	–	100	–	287,000
Philip Yeo Liat Kok ⁽¹⁾	–	–	100	–	91,000
Ong Lian Jin Colin ⁽²⁾	–	–	100	–	159,000
Daniel Marie Ghislain Desbaillets	–	–	100	–	139,000
Chong Yoon Chou ⁽³⁾	–	–	100	–	235,000
Chan Swee Liang Carolina	–	–	100	–	233,000
Tang Ai Ai Mrs Wong Ai Ai ⁽⁴⁾	–	–	100	–	135,000

Notes:

- * The fixed salary (inclusive of AWS) and STI, in the form of annual variable bonus, are inclusive of employer's central provident fund contributions.
- ** These fees comprise Board and Committee fees as well as meeting attendance fees for FY 2022, which are subject to approval by shareholders as a lump sum at the 2023 AGM.
- [^] Remuneration of these Directors includes remuneration paid or payable by subsidiaries of the Company.
- ⁽¹⁾ Mr Philip Yeo Liat Kok stepped down as the chairman of the NC and a member of the BSC on 1 January 2022.
- ⁽²⁾ Mr Ong Lian Jin Colin was appointed as the chairman of the NC on 1 January 2022.
- ⁽³⁾ Mr Chong Yoon Chou was appointed as a member of the BSC on 1 January 2022.
- ⁽⁴⁾ Mrs Wong Ai Ai was appointed as a Director, a member of NC and BSC on 1 January 2022.
- + A LTI award of \$1.35 million is granted, in addition to the remuneration stated in the above table. The final payment to be vested will range from 0% to 200% of the award and is contingent on the achievement of the pre-determined targets over a three-year performance period, starting from 2022.

Remuneration of Key Management Personnel (KMP) (not being a Director or CEO) (Provisions 8.1(b) and 8.3)

For FY 2022, the KMP (who are not Directors or the Group CEO) are Mr Chia Ngiang Hong (Group General Manager), Mr Kwek Eik Sheng (Group Chief Operating Officer), Mr Frank Khoo (Group Chief Investment Officer) and Ms Yiong Yim Ming (Group Chief Financial Officer). The aggregate remuneration paid to the KMP of the Company in respect of FY 2022, excluding the Directors and the Group CEO (whose remuneration have been disclosed in the Directors' and Group CEO's remuneration table above) but including the Group Chief Investment Officer who resigned during the year, is \$6,292,569, which amount included directors' fees paid or payable by subsidiaries of the Group.

The remuneration of the KMP (who are not Directors or the Group CEO) for FY 2022 is set out below in remuneration bands of \$250,000:

Remuneration bands	Number of KMP	Fixed Salary*	STI*	LTI**	Board/Committee Fees	Other Benefits
		%	%	%	%	%
\$2,250,001 to \$2,500,000	1	26.3	49.5	23.8	0.1	0.3
\$2,000,001 to \$2,250,000	1	27.9	45.2	25.5	0.1	1.3
\$1,250,001 to \$1,500,000	1	35.1	48.0	15.8	–	1.1
\$250,001 to \$500,000	1	99.8	–	–	–	0.2

* The fixed salary (inclusive of AWS) and STI, in the form of annual variable bonus, are inclusive of employer's central provident fund contributions.

** The final payment to be vested will range from 0% to 200% of the award and is contingent on the achievement of the pre-determined targets over a three-year performance period, starting from 2022.

The Board, on the recommendation of the RC, has considered Provision 8.1 of the 2018 Code in the context of the Group and after careful consideration, it believes that the disclosures provided above are sufficiently transparent in giving an understanding of the remuneration of the KMP, the procedure for determining remuneration and the linkages between remuneration, performance and value creation.

Remuneration of Directors' Immediate Family Members for FY 2022 (Provision 8.2)

There are no other employees of the Company who are substantial shareholders of the Company or immediate family members of a Director or of the Group CEO, and whose remuneration exceeds \$100,000 during the year.

Share Option Schemes (Provision 8.3)

Whilst the Company currently does not have a share option scheme or an LTI in the form of a share awards plan, it is open to establishing such a scheme or plan to further promote alignment towards long-term objectives.

ACCOUNTABILITY AND AUDIT

Principle 9: Risk Management and Internal Controls

The Company maintains an adequate and effective system of internal controls (including financial, operational, compliance and IT controls) and risk management systems 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.

Oversight of Risk Management (Provision 9.1)

The ARC assists the Board in carrying out the Board's responsibility of overseeing the Company's risk management framework and policies for the Group and ensuring that Management maintains a sound system of internal controls and risk management.

The Company's Enterprise Risk Management ("ERM") Framework is implemented under the supervision of the Risk Management Committee ("RMC"), chaired by the Group CEO and comprises the Senior Management team, key functional leaders and heads of business divisions.

CORPORATE GOVERNANCE

The ARC receives regular reports on the risk management activities of the Company and updates on the ERM framework. Key risks including Tier 1 risks are reviewed regularly or at least quarterly and refreshed to ensure that relevant emerging risks are being considered and included for proper assessment, monitoring and reporting as appropriate. Based on the reports of the RMC, the ARC is satisfied that significant risks identified are assessed, managed and monitored adequately within the Group's ERM Framework. The ERM Framework includes a periodic review of the risk appetite statements and risk appetite and tolerance limits for these key risks, which statements and limits are considered and endorsed by the ARC and the Board.

Having regard to the risks which the Group is exposed, the likelihood of such risks occurring and the risk tolerance accepted by the Group, a system of internal controls has been designed and put in place by the Management to provide reasonable assurance that assets are safeguarded, and transactions are authorised and properly recorded to enable the preparation of true and fair financial statements and maintain accountability of assets.

The Group's approach to risk is set out in the 'Risk Management' section on pages 60 to 66 of this AR.

The internal and external auditors, pursuant to their respective terms of reference and appointment, report to

the ARC any audit findings relating to internal controls, and the ARC reviews the adequacy of the actions taken by Management to address the recommendations of the internal and external auditors.

The ARC also receives regular reports, briefings and updates from the RMC, the Chief Technology Officer, the internal and external auditors and the Management team during its meetings to help the ARC review the adequacy and effectiveness of the Group's material internal controls that address the Group's financial, operational, compliance and IT controls.

Assurances from the Key Management Personnel (Provision 9.2)

In relation to Provision 9.2 of the 2018 Code and Listing Rule 1207(10), the ARC received:

- (i) written assurance from the Group CEO and the Group CFO that the Group's financial records have been properly maintained and the financial statements give a true and fair view of the Group's operations and finances; and
- (ii) written assurance from the KMP that the Group's risk management and internal controls systems in place were adequate and effective to address the principal risks (including financial, operational, compliance and IT risks) within the current scope of the Group's business operations for FY 2022.

The above written assurances on the Group's internal controls and risk management systems are provided half-yearly and are supported by similar written assurances provided by the heads of the Group's key operating divisions/ functions and key operating subsidiaries.

The process of reviewing and strengthening the Group's control environment is an evolving process. When controls should be enhanced, the Board and Management take actions to rectify and strengthen the internal controls and risk management systems. The Board and Management will continue to devote resources and expertise towards improving the internal policies and procedures to maintain a high level of governance and internal controls. However, the Board also notes that no system of internal controls and risk management can provide absolute assurance against poor judgement in decision-making, human errors, losses, frauds and other irregularities.

Based on the work performed by Internal Auditors, the external auditors and the periodic reports from the RMC and Management, as well as the written assurances from the KMP to support the opinion to be given by the ARC and the Board, the Board with the concurrence of the ARC, is of the opinion that the internal controls and risk management systems in place as at 31 December 2022 are adequate and effective to address principal risks (including financial, operational, compliance and IT risks) within the current scope of the Group's business operations.

Principle 10: Audit & Risk Committee Composition of the ARC (Provisions 10.2 and 10.3)

The ARC comprises four NEDs, all of whom including the chairman of the ARC are independent. The chairman of the ARC, Mr Lee Jee Cheng Philip, possesses the relevant audit, accounting and related financial management and risk management expertise and experience. Mr Tan Kian Seng has accounting, financial and business management experience, whilst the other members of the ARC, Mr Chong Yoon Chou and Mrs Carol Fong each has financial and risk management experience as well as experience in investment banking and the financial markets respectively.

With the current composition, the ARC is of the opinion that it has the relevant accounting and related financial management expertise and experience to discharge its functions within its written terms of reference which have been approved by the Board.

Based on the terms of reference of the ARC, a former partner or director of the Company's existing auditing firm or auditing corporation should not act as a member of the ARC: (a) within a period of two years commencing on the date of his/her ceasing to be a partner of the auditing firm or director of the auditing corporation; and in any case, (b) for as long as he/she has any financial interest in the auditing firm or auditing corporation. Mr Lee ceased as a partner of KPMG LLP ("KPMG"), the Company's existing auditors, in September 2018 and does not have any financial interest in KPMG. The other ARC members do not have any relationship with KPMG.

Powers and Duties of the ARC (Provision 10.1)

The ARC is authorised by the Board to review or investigate any matters it deems appropriate within its terms of reference and has direct and unrestricted access to the external and internal auditors. It may invite any Director, Management, officer or employee of the Company to attend its meetings. It is also authorised to engage any firm of accountants, lawyers or other professionals as it sees fit to provide independent counsel and advice to assist in the review or investigation on such matters within its terms of reference as it deems appropriate at the Company's expense.

The principal responsibility of the ARC is to assist the Board in maintaining a high standard of corporate governance, particularly by providing an independent review of the adequacy and effectiveness of the Group's financial reporting process (including reviewing the accounting policies and practices of the Company and the Group on a consolidated basis) and key internal controls, including financial, operational, compliance, IT and risk management controls. Other duties within its written terms of reference include:

- to review with Management and, where appropriate, with the external auditors the significant financial reporting issues and judgements to ensure the integrity of the half-year and full year financial statements of the Group to be issued by the Company before their submission to the Board and any other announcements relating to the Group's financial performance;

- to review the scope annually and results of the external audit and the independence and objectivity of the external auditors, and in this regard to also review the nature and extent of any non-audit services provided by the external auditors to the Group;
- to make recommendations to the Board on the nomination for the appointment, re-appointment and removal of external auditors, and to approve the remuneration and terms of engagement of the external auditors;
- to assess the role and effectiveness of the internal audit ("IA") function in the overall context of the Group's internal controls and risk management systems, and to consider the results of their review and evaluation of the Group's internal controls, including financial, operational, compliance and IT controls, and risk management policies and systems;
- to approve the appointment, resignation or dismissal of the Head of IA;
- to review interested person transactions falling within the scope of Chapter 9 of the Listing Manual; and
- to oversee the establishment and operation of the Company's whistle-blowing policy and arrangements put in place for raising concerns about possible improprieties on matters of financial reporting or any other matters.

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In the review of the financial statements for the year ended 31 December 2022, the ARC has discussed with both the Management and the external auditors the accounting principles that were applied and their judgement of items that might affect the integrity of the financial statements. The following significant matters impacting the financial statements were discussed with Management and the external auditors:

Significant Matters	How the ARC reviewed these matters and what decisions were made
Valuation of development properties	<p>The ARC considered the approach and methodology applied in assessing the net realisable values of development properties especially those with low margins. Where appropriate, the ARC had inquired of Management on its basis and its strategy to sell the unsold units.</p> <p>The ARC reviewed either Management's or the valuers' underlying assumptions on estimated future selling prices by comparing them to recently transacted price of comparable properties located in the vicinity of the Group's development projects. The ARC also noted the historical accuracy of Management's estimate of future selling prices in assessing the reasonableness of the estimated future selling prices.</p> <p>The ARC was satisfied with the approach and assessment adopted by Management in arriving at the net realisable values of the development properties as at 31 December 2022.</p> <p>The valuation of the development properties was also an area of focus for the external auditors. The external auditors have included this item as a key audit matter in their audit report for the financial year ended 31 December 2022. Refer to page 111 of the AR.</p>
Valuation of hotel assets classified as property, plant and equipment	<p>The ARC considered the approach and methodology applied in assessing the valuation of the hotel assets.</p> <p>The ARC reviewed the Management's approach and methodology in respect of the valuations of the hotel properties conducted by both internal and external valuers, including the review of the methodologies and key assumptions applied in the valuation of hotel properties such as forecasted cashflows, future market growth, occupancy rates, average room rate growth, discount rates, terminal rates and capitalisation rates in the valuation model.</p> <p>The ARC was satisfied with the valuation process and the valuers are members of recognised professional bodies for valuers and have considered their independence in carrying out their work. The valuation methodologies used are in line with generally accepted market practices and the key assumptions used are generally comparable to currently observable market data.</p> <p>The valuation of the hotel assets was also an area of focus for the external auditors. The external auditors have included this item as a key audit matter in their audit report for the financial year ended 31 December 2022. Refer to pages 110 to 111 of the AR.</p>

Internal Audit (Provisions 10.4 and 10.5)

The Internal Audit ("IA") function is independent of the activities it audits. The Head of IA's primary reporting line is to the ARC. The appointment, resignation and dismissal of the Head of IA is reviewed and/or approved by the ARC. The ARC also provides input on the annual performance appraisal of the Head of IA and reviews his compensation within the compensation policies of the Company. The ARC meets the Head of IA at least once annually without the presence of Management. The Head of IA has unfettered access to the ARC, the Board and Management as well as the Group's documents, records, properties and personnel relevant for the performance of audits.

IA operates within the framework stated in its IA Charter which is approved and reviewed by the ARC on an annual basis. The standards of the IA Charter are consistent with the International Standards for the Professional Practice of Internal Auditing set by the Institute of Internal Auditors (IIA), an international professional association with global headquarters in the United States of America.

The Head of IA, Mr Benson Seah, is a Certified Internal Auditor and a member of various professional bodies, with over 20 years of experience. He has been with the Company since June 2019. All his team members have the relevant qualifications and experience and are members of The Institute of Internal Auditors of Singapore (IIAS) and/or members of other relevant professional bodies. The IA function is a corporate member of IIAS, an affiliate of the IIA. Processes are in place to ensure that the professional competence of IA staff is maintained and upgraded through continuing professional education programmes which comprised technical and non-technical training for the development of the IA staff.

Role and Activities of IA

The primary role of IA is to assist the Board to evaluate the reliability, adequacy and effectiveness of the internal controls and risk management processes of the Company, reviewing the internal controls of the Company to ensure prompt and accurate recording of transactions and proper safeguarding of assets and reviewing the Company's compliance with the relevant laws, regulations and policies of the Company.

The ARC approved the annual IA plan and received regular reports during 2022 on the progress of the audit work under the IA plan. All IA reports are given to the ARC, the KMP and the Heads of the relevant business divisions, with a summary report of IA results presented at the ARC meetings. IA observations on internal control, operational and control lapses and recommendations to address them were also reviewed and discussed at ARC meetings. The ARC was satisfied that recommendations made were dealt with by the Management in a timely and appropriate manner, with outstanding exceptions or recommendations being closely monitored and reported back to the ARC.

The ARC reviewed the effectiveness and adequacy of the IA function including its resources through a review of the IA activities on a regular basis as well as its annual assessment of the IA function. The assessment was facilitated through the use of an evaluation framework which covers IA organisation, resources and continuing professional development, audit plans, work scope, quality of reports and recommendations, IA Charter and IA self-assessment. Based on the assessment conducted for 2022, the ARC is satisfied with the quality and effectiveness of the IA function and that the IA function is currently adequately resourced and has appropriate independent standing within the Group to perform its functions effectively.

Provision 10.5

The ARC held five meetings during the year and carried out its duties as set out within its terms of reference. The Company Secretaries maintain records of all ARC meetings including records of discussions on key deliberations and decisions taken. The ARC meets with the internal and external auditors, each separately without the presence of Management, at least once annually.

The ARC members continually keep themselves abreast of changes to accounting standards, risks and other issues which may have a material impact on financial statements.

For the financial year under review, the ARC conducted a self-assessment of its own effectiveness in the discharge of its roles and responsibilities, which was facilitated through the use of a self-assessment checklist ("ARC Self-Assessment Checklist").

The ARC Self-Assessment Checklist covered, *inter alia*, the responsibilities of the ARC under its terms of reference, and considered the contribution of the ARC members to the ARC's deliberation and decision-making process.

Based on the self-assessment, the ARC is of the view that it has fulfilled its responsibilities and discharged its duties as set out in its terms of reference.

EXTERNAL AUDITORS (Provisions 10.1(d) and 10.1(e))

Cognisant that the external auditors should be free from any business or other relationships with the Group that could materially interfere with their ability to act with integrity and objectivity, the ARC undertook a review of the independence of KPMG and gave careful consideration to the Group's relationships with them during 2022. In determining the independence of KPMG, the ARC reviewed all aspects of the Group's relationships

CORPORATE GOVERNANCE

with them including the policies, processes and safeguards adopted by the Group and KPMG to protect and preserve audit independence.

The ARC had considered the guidance from the International Ethics Standards Board for Accountants and adopted a Non-Assurance Services Pre-approval Policy to safeguard auditor independence. All non-prohibited non-assurance services require the approval of the ARC with the exception of non-prohibited pre-approved services below certain fee thresholds.

The ARC also considered the nature and volume of the provision of the non-audit services by KPMG in 2022 and the corresponding fees and noted that the fees for non-audit services had not exceeded 50% of the aggregate amount of all fees paid/payable to KPMG in 2022. Based on the review, the ARC is of the opinion that KPMG is, and is perceived to be, independent for the purpose of the Group's statutory financial audit.

Details of the fees paid and/or payable by the Group in respect of audit and non-audit services for FY 2022 are set out below:

	\$'million
Audit fees paid to:	
- auditors of the Company	3.5
- other auditors	3.6
Non-audit fees paid to:	
- auditors of the Company	1.2
- other auditors	2.0

In reviewing the nomination of KPMG for re-appointment for the financial year ending 31 December 2023, the ARC had considered the adequacy of the resources and experience of KPMG and the audit engagement partners assigned to the audit, the size and complexity of the audit engagement for the Group, and the number and experience of the supervisory and professional staff assigned to the Group's audit through a review of the curriculum vitae of the KPMG audit team. The ARC also considered the quality of

discussions with the findings raised by KPMG, including the Audit Quality Indicators presented.

KPMG has confirmed that they are registered with ACRA. The Company is thus in compliance with Rule 712 and Rule 715 (read with Rule 716) of the Listing Manual in relation to the appointment of its auditors.

Based on the above, the ARC has recommended to the Board the nomination of KPMG for re-appointment as external auditors at the 2023 AGM.

Whistle-blowing Policy (Provision 10.1(f))

CDL has in place a whistle-blowing policy and procedure where employees of the Company can in confidence, whether anonymously or otherwise, raise concerns on possible improprieties relating to accounting, financial reporting, internal controls and auditing matters or other matters without fear of reprisals in any form. The ARC has the responsibility of overseeing this policy to ensure that it is properly administered with the assistance of the Head of IA. Under these procedures, arrangements are in place for independent investigation of such matters raised and for appropriate follow-up action to be taken.

The Company is committed to maintaining procedures for the confidential submission of reports and the identity of the whistle-blower concerned will not be disclosed if so requested by the whistle-blower who lodged the report. Investigations of such reports will be handled on a confidential basis to the extent permissible or deemed appropriate under the circumstances and involve persons who need to be involved in order to properly carry out the investigation and will, on a best-efforts basis, be carried out in a timely manner.

To facilitate and encourage the reporting of such matters, the whistle-blowing policy, together with the dedicated whistle-blowing communication channels

(email and postal address as well as toll-free telephone contact numbers in various countries) are available on the Company's corporate website and intranet and are easily accessible by all employees.

The whistle-blowing policy and procedures are reviewed by the ARC from time to time to ensure that they remain current.

For more information on the said policy and procedures, please refer to the Company's corporate website at www.cdl.com.sg.

INTERESTED PERSON TRANSACTIONS

The Company had obtained shareholders' approval at its Annual General Meeting held on 28 April 2022 ("2022 AGM") for the Company, its subsidiaries and its associated companies not listed on SGX-ST or an approved exchange, over which the Company, its subsidiaries and/or interested persons have control, to enter into transactions within the categories of Interested Person Transactions set out in the Company's Letter to Shareholders dated 30 March 2022 ("Letter to Shareholders"), with such persons within the class or classes of Interested Persons as described in the Letter to Shareholders, provided that such transactions are entered into in accordance with the review procedures set out in the Letter to Shareholders (the "IPT Mandate"). The IPT Mandate is subject to annual renewal by the shareholders. Given that such Interested Person Transactions are expected to occur with some degree of frequency and may arise at any time, and to allow the Group to undertake such transactions in an expeditious manner, shareholders' approval will be sought at the 2023 AGM for the renewal of the IPT Mandate.

The ARC has confirmed that an independent financial adviser's opinion is not required for the renewal of the IPT Mandate as the methods or procedures for determining the transaction prices of the IPTs conducted under the IPT

Mandate have remained appropriate since shareholders approved the renewal of the IPT Mandate at the 2022 AGM, and the methods or procedures continue to be sufficient to ensure that these IPTs will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority shareholders.

Particulars of interested person transactions required to be disclosed under Rule 907 of the Listing Manual are as follows:

Name of Interested Person	Nature of relationship	Aggregate value of all interested person transactions in FY 2022 (excluding transactions less than \$100,000 and transactions conducted under the IPT Mandate pursuant to Rule 920)		Aggregate value of all interested person transactions conducted in FY 2022 under the IPT Mandate pursuant to Rule 920 (excluding transactions less than \$100,000)	
			\$'000		\$'000
Subsidiaries of Hong Leong Investment Holdings Pte. Ltd.	Hong Leong Investment Holdings Pte. Ltd. is a controlling shareholder of the Company. Its subsidiaries are interested persons being associates of a controlling shareholder.	Joint Venture Shareholders' Loans	10,504*	Property-related Transactions:	887
		Provision of corporate secretarial services to interested persons	1,369	(a) Provision of housekeeping services to interested persons; and (b) Lease of premises to interested persons	
				Management and Support Services: Provision of management and consultancy services by interested persons	269
Directors and their immediate family members and relatives			Nil		Nil

Note:

* The figure comprises the aggregate value of shareholders' loans extended to joint venture companies involving interested persons, and where applicable, interest accrued on shareholders' loans, in FY 2022, which were announced on 23 February 2023 pursuant to Rule 916(3) of the Listing Manual. The shareholders' loans referred herein have been extended by all the joint venture parties or shareholders in proportion to their respective equity interest in the joint venture and on the same terms and conditions, including the interest rate, if any, accrued or to be accrued on the shareholders' loans.

The above interested person transactions were carried out on normal commercial terms and were not prejudicial to the interests of the Company and its minority shareholders.

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SHAREHOLDER RIGHTS AND ENGAGEMENT

Principle 11: Shareholder Rights and Conduct of General Meetings

Being committed to good corporate practices, the Company treats all shareholders fairly and equitably. To facilitate the exercise of shareholders' rights, the Company ensures that all material information relating to the Company and its financial performance is disclosed in an accurate and timely manner via SGXNET and uploaded at the Company's corporate website.

General Meetings (Provisions 11.1, 11.2 and 11.3)

Shareholders are informed of general meetings through notice sent to them. All shareholders are entitled to attend and vote at general meetings in person or by proxy or in the case of a corporate shareholder, through its appointed representative. At general meetings of the Company, shareholders are given the opportunity to communicate their views and are encouraged to ask the Directors and the Management questions regarding matters affecting the Company.

The rules for the appointment of proxies, including information that voting will be conducted by way of poll, are set out in the notice of general meetings. In accordance with the Constitution of the Company, shareholders who are not relevant intermediaries may appoint not more than two proxies to attend, speak and vote at general meetings in their absence, and shareholders who are relevant intermediaries may appoint more than two proxies to attend, speak and vote at general meetings. The proxy forms must be deposited at such place or places specified in the notice or document accompanying the notice convening the general meetings at least seventy-two hours before the time set for the general meetings.

The Company provides for separate resolutions at general meetings on each substantial issue, including treating the re-election of each Director as a separate resolution. Detailed information on each item in the AGM agenda is provided in the explanatory notes to the notice of AGM in the AR.

All Directors, including the Lead ID, the chairmen of the respective Committees, the Management, the external auditors and legal advisors (where necessary) are present at general meetings to address queries from the shareholders. At each AGM, the Group CEO and the Group CFO deliver presentations to update shareholders on the Company's operations and financial performance in the preceding year.

However, due to the COVID-19 situation in Singapore, the 2020, 2021 and 2022 AGMs were convened and held by 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 ("Temporary Order") and the checklist issued by ACRA, MAS and SGX RegCo ("Checklist"). For more details on the 2022 AGM and the forthcoming 2023 AGM, see sections below on the '2022 AGM and 2023 AGM'.

2022 AGM and 2023 AGM

In view of the COVID-19 situation, the 2022 AGM was convened and held by electronic means on 28 April 2022 pursuant to the Temporary Order.

The alternative arrangements under the Temporary Order and the Checklist put in place for 2022 AGM included making available the Annual Report, the Notice of AGM, accompanying proxy form and other related AGM documents on the SGX website and the Company's

corporate website. Attendance at the 2022 AGM was via electronic means where shareholders could observe and/or listen to the 2022 AGM proceedings via 'live' audio-visual webcast or 'live' audio only stream, submit questions to the Chairman of the Meeting in advance of the 2022 AGM as well as 'live' during the AGM. Substantial and relevant questions submitted were addressed prior to and at the AGM and live voting on the resolutions were put in place for the 2022 AGM.

The Board Chairman and the chairmen of the ARC, NC, RC and BSC, together with the KMP (who are not Directors) were present on site at the 2022 AGM. The other Directors and the external auditors attended the 2022 AGM virtually.

The forthcoming 2023 AGM will be held in a hybrid mode pursuant to the Temporary Order, with physical attendance of shareholders at Orchard Hotel on 26 April 2023 and via electronic means. Shareholders will be informed of the 2023 AGM through a notification sent by post.

As part of the Company's commitment towards environmental sustainability, the Notice of AGM, accompanying proxy form and other AGM related documents will only be made available on the SGX website and the Company's corporate website. Arrangements relating to attendance at the 2023 AGM, either physically or via electronic means, submission of questions in advance of, or at the 2023 AGM and voting at the 2023 AGM by shareholders or their duly appointed proxy(ies) or representative(s) in the case of corporate shareholder(s), are set out in a separate announcement to be released by the Company on SGXNET.

Voting at General Meetings (Provision 11.4)

Shareholders are given the opportunity to vote at general meetings either in person or in absentia by way of appointed proxy (proxies). However, as the authentication of shareholder identity information and other related integrity issues still remain a concern, the Company has decided, for the time being, not to implement voting in absentia by electronic means.

Pursuant to Listing Rule 730A(2), all resolutions to be proposed at general meetings and at any adjournment thereof shall be put to the vote by way of poll.

In support of greater transparency and to allow for a more efficient voting system, the Company has been conducting electronic poll voting instead of voting by show of hands since the 2012 AGM up to the 2019 AGM. With electronic poll voting, shareholders present in person or represented by proxy at the meeting will be entitled to vote on a 'one-share, one-vote' basis. The voting results of all votes cast in respect of each resolution will also be instantaneously displayed on screen at the meeting. The detailed results setting out the number of votes cast for and against each resolution and the respective percentages will be announced via SGXNET after the AGM. An external firm is appointed as scrutineers for the AGM voting process, which is independent of the firm appointed to undertake the electronic poll voting process.

For the 2022 AGM which was held by electronic means, shareholders were able to vote 'live'. Proxy forms submitted by shareholders were also independently verified by the independent scrutineers. Results of the valid votes submitted, showing the number of votes cast for and against each resolution and the respective percentages, were announced by the Chairman at the AGM and thereafter, via SGXNET.

The Company will resume electronic poll voting at the 2023 AGM as well as 'live' voting for shareholders attending the 2023 AGM via electronic means.

Minutes of General Meetings (Provision 11.5)

The Company also maintains minutes of its general meetings, which include the key comments and queries raised by shareholders and the responses from the Board, Management and/or the external auditors. The minutes of the general meetings are available on the Company's corporate website and the SGX website as soon as practicable after the meetings.

Dividend Policy (Provision 11.6)

The Company has formalised its dividend policy which aims to provide a return to shareholders at least once a year through the payment of dividends, after taking into account the Group's financial performance, short and long-term capital requirements, future investment plans, general global and business economic conditions and any regulatory factors. The Board endeavours to maintain a balance between meeting shareholders' expectations and prudent capital management with a sustainable dividend policy. The Board will review the dividend policy from time to time and reserves the right to modify, amend and update the policy.

In line with the Company's dividend policy, the Board has recommended a final ordinary dividend of \$0.08 and a special final ordinary dividend of \$0.08. This will bring the total dividend for FY 2022 to \$0.28 per share. The dividend payouts in the current and past four years are set out in the '5-Year Financial Highlights' section of the AR.

Principle 12: Engagement with Shareholders

The Company notifies its investors in advance of the date of release of its financial results via SGXNET. In 2022, results for the half-year were released via SGXNET within 45 days of the end of 30 June 2022 whilst the full year results were released within 60 days from the financial year end. In presenting the Group's financial results, the Board aims to provide investors with a balanced and understandable assessment of the Group's performance and financial position with a commentary at the date of the announcement of the significant trends and competitive conditions of the industries in which it operates.

For the financial year under review, the Group CEO and the Group CFO provided assurance to the ARC and the Board on the integrity of the half-year unaudited financial statements and the Board in turn provided a negative assurance confirmation in respect of the unaudited financial statements for the half-year in accordance with the regulatory requirements.

The Company ensures that investors are notified of all material information in an accurate and timely manner. Should there be an inadvertent disclosure made to a select group, the Company will release the same information as promptly as possible via SGXNET. The financial statements and other presentation materials presented at the Company's general meetings, including material and price-sensitive information, are disseminated and publicly released via SGXNET on a timely basis. All shareholders are notified of general meetings and the documents relating thereto which are made available on the Company's corporate website and SGX website.

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In 2022, the following documents were made available to shareholders solely by electronic means via publication on the (i) Company's corporate website and (ii) SGXNET:

- Notice of the Company's 2022 AGM;
- Proxy Form for 2022 AGM;
- Annual Report 2021 (and updated shareholding statistics as at 3 March 2022); and
- Letter to Shareholders dated 30 March 2022, in relation to the (a) proposed renewal of the share purchase mandate; (b) proposed renewal of the IPT mandate for interested person transactions; and (c) proposed distribution *in specie* of 144,300,000 stapled securities of CDL Hospitality Trusts to entitled shareholders.

Shareholder Communication (Provision 12.1)

Shareholders and investors can contact the Company or access information on the Company at its corporate website at www.cdl.com.sg which has a dedicated 'Investor Relations' link that provides, *inter alia*, information on the Board of Directors, Management team, the Company's Corporate Governance Reports, Sustainability Reports, Annual Reports, Corporate Policies, Announcements, Press Releases and Financial Results as released by the Company on SGXNET, and other information which may be relevant to investors. In addition, the Company leverages on other communication platforms such as its online newsroom (www.cdl.com.sg/citynews) and social media channels (LinkedIn, Twitter and Instagram) to provide the latest updates on the Group's business and performance milestones. Investors can subscribe to email alerts on the CDL corporate website or follow its social media channels to receive updates on its latest news.

From time to time, the Board Chairman and the Company's Management hold briefings with analysts and the media

to coincide with the release of the Group's half-year and full year financial results. Media presentation slides are also released on SGXNET and on the Company's corporate website. A live video webcast was arranged for investors at the analysts/media briefing for the full year 2022 results in February 2023. In addition, the Management takes an active role in investor relations, meeting local and foreign fund managers regularly as well as participating in investor roadshows and conferences both locally and overseas. The Head, Investor Relations & Corporate Communications, is responsible for managing the Group's investor relations programmes, including the communications with the financial community, research analysts and relevant stakeholders.

Investor Relations Policy (Provisions 12.2 and 12.3)

The Company is committed to building investor confidence and trust through effective open, two-way communication with shareholders and the investment community. The Company's Investor Relations (IR) Policy, available on the CDL corporate website (www.cdl.com.sg), sets out the process and mechanism to engage its stakeholders, including the channel of communication through which shareholders and investors may pose queries and through which the Company may respond. The IR Policy outlines the principles and framework in which the Company communicates and engages with investors, analysts and other IR stakeholders to provide balanced, clear and pertinent information. To provide investors with a better understanding of the Group's business and growth drivers, regular updates on the Group's strategies, operations and financial performance are available across multiple platforms.

Further information on the Company's investor relations policy and activities can be found on pages 67 to 68 of the AR.

Principle 13: Engagement with Stakeholders

Sustainability

Since 2014, the Company started conducting materiality assessments annually, which is facilitated by a third party, to determine the key economic, environmental, social and governance ("EESG") issues that are important to the Company's stakeholders. These issues are foundational to the Company's annual sustainability reporting. Corresponding EESG targets, metrics, initiatives, and progress are reviewed by the Management team, reported to the BSC and the Board for approval, before they are published annually in the Company's Integrated Sustainability Report ("ISR").

Learning from the unprecedented disruptions caused by the COVID-19 pandemic, the Company adopted a more dynamic approach to the assessment of key ESG issues from 2020 to 2022, addressing the fast-changing landscape and supply chain issues. The exercise determined the actual and potential impacts of these issues on CDL's long-term value creation, and conversely, CDL's impact on them.

The process started with an extensive macro scanning exercise to determine the list of material risks and opportunities relevant to CDL's stakeholders and business for sustained growth. Engagement with internal and external stakeholders, including the BSC, was then conducted through online surveys or interviews. Through interviews with selected management staff of headquarters and key subsidiaries, regulators, industry and sustainability experts, tenants and suppliers, the Company obtained additional insights into working towards its net zero carbon commitment and strategically addressing risks and opportunities for its businesses, while continuing to deliver long-term value for its stakeholders. The preliminary material issues were

validated by the Company's Senior Management and approved by the BSC thereafter.

With the ever-evolving business landscape and externalities, the annual validation of CDL's key material issues is critical to help the Company sharpen its sustainability strategy and focus resources on areas that are deemed most material to its business and future growth using a forward-looking lens.

On a quarterly basis, CDL publishes an online Sustainability Report on its microsite at www.cdl.sustainability.com. This voluntary initiative that started in July 2017 updates stakeholders of CDL's progress towards key goals and targets set under its Future Value 2030 Sustainability Blueprint, and sets benchmarks for the transparency and timeliness of ESG disclosures to investors and stakeholders.

The BSC assists the Board in the review and consideration of the Company's sustainability issues and approach to sustainability reporting, complementing the Company's corporate business strategy. The BSC comprises four Directors, with the Group CEO in the chair and three other IDs. The BSC's terms of reference sets out, *inter alia*, the objectives, roles and responsibilities of the BSC. It also includes the BSC's purview over matters relating to the Company's ESG strategy, ESG targets, the sustainability reporting framework and also the Company's policies, practices and performance on its material ESG factors which are significant and contribute to the Company's performance, business activities, and/or reputation as a global corporate citizen.

The annual ISR is dedicated to reporting on CDL's sustainability efforts and performance that addresses the social and environmental impacts pertinent to the Company's stakeholders and business. Over the years, CDL's robust sustainability reporting has evolved into a unique blended model using the Global Reporting Initiative ("GRI") Standards as its core since 2008. To address the diverse expectations of stakeholders, CDL embraced CDP since 2010, Global Real Estate Sustainability Benchmark since 2013, the Integrated Reporting Framework since 2015, Sustainable Development Goals ("SDG") Reporting since 2016, Task Force on Climate-related Financial Disclosures ("TCFD") framework since 2017, Sustainability Accounting Standards Board ("SASB") Standards for Real Estate Sector and the Climate Disclosure Standards Board ("CDSB") Framework since 2020. CDL's ISRs are available on both its corporate website and the dedicated sustainability microsite. To enhance data credibility and instill confidence in readers, external assurance of its report started since 2009. ISR 2022 and ISR 2023's external audit has been further elevated in its scope against the GRI Standards, SASB Standards, as well as the TCFD and CDSB frameworks.

Further information on the Company's approach to stakeholder engagement and its materiality assessment can be found on pages 69 to 83 of the AR.

CORPORATE VALUES AND CONDUCT OF BUSINESS

The Board and Management are committed to conducting business with integrity and consistent with high standards of business ethics, and in

compliance with all applicable laws and regulatory requirements. The Company has in place an internal code of business and ethical conduct crystallising the Company's business principles and practices with respect to matters which may have ethical implications.

The code, which provides a communicable and understandable framework for employees to observe the Company's principles such as honesty, integrity, responsibility and accountability at all levels of the organisation and in the conduct of the Company's business in their relationships with customers, suppliers and amongst employees, is available on the Company's intranet and is easily accessible by all employees.

The code provides guidance on issues such as:

- conflicts of interest and the appropriate disclosures to be made;
- the Company's zero tolerance stance against corruption and bribery;
- compliance with applicable laws and regulations including those relating to the protection of the environment and the conservation of energy and natural resources;
- compliance with the Company's policies and procedures, including those on internal controls and accounting;
- safeguarding and proper use of the Company's assets, confidential information and intellectual property rights, including the respect of the intellectual property rights of third parties; and
- competition and fair dealing in the conduct of the Company's business, in its relationships with customers, suppliers, competitors and towards its employees.

CORPORATE GOVERNANCE

In line with the Board's commitment to maintain high ethical standards which are integral to its corporate identity and business, the Company has the following three key corporate policies in place:

- (i) Anti-Corruption Policy & Guidelines which sets out the responsibilities of the Group companies and of each employee in observing and upholding CDL's 'zero-tolerance' position against all forms of corruption, bribery and extortion and provides information and guidance to employees on how to recognise, address, resolve, avoid and prevent instances of corruption, bribery and extortion which may arise in the course of their work.
- (ii) Fraud Policy & Guidelines which provides guidance on actions which may constitute fraudulent conduct and highlights the importance of the implementation, maintenance and compliance with the internal controls framework of the Group and its policies and procedures.
- (iii) Competition Policy & Guidelines which states the Company's policy to compete fairly and ethically in the conduct of business in all its markets and provides direction and guidance to employees in their relationships and communications with competitors and customers.

These policies are available on the Company's corporate website, intranet and have also been disseminated to officers and employees of the Group's key subsidiaries. These policies have been translated into Mandarin and Thai for dissemination to employees of the Group in the People's Republic of China and in Thailand.

The Company's policy on how it manages and protects personal data in accordance with the applicable regulatory requirements are set out in the CDL Personal Data Policy.

The Company has also set out the following sustainability policies which are available on the Company's corporate website:

- *Environmental, Health & Safety (EHS) Policy* – Established in 2003, the EHS Policy sets the strategic direction for all departments and employees towards creating a "Safe & Green" corporate culture by adhering to regulatory compliance, reducing environmental impact, and ensuring a safe, fair and inclusive workplace.
- *Human Rights Policy* – Sets out the Company's commitment in upholding fundamental principles of human and workplace rights in places where the Company operates. Beyond compliance to the local government's policies and regulations in protecting human rights, CDL is committed to respecting human rights in all aspects of its stakeholder engagement such as equitable employment practices, non-discrimination, welfare and fair compensation, as well as workplace health and safety within its developments.
- *Climate Change Policy* – In line with CDL's sustainability strategy and commitment to its ethos of "Conserving as We Construct" since 1995, the Company is dedicated to climate action and achieving low carbon operations. CDL became the first real estate conglomerate in Southeast Asia to sign the World Green Building Council's

("WorldGBC") Net Zero Carbon Buildings Commitment in February 2021. This is a global pledge to achieve net zero operational carbon by 2030, covering new and existing wholly-owned assets under CDL's direct management and operational control. In November 2021, during COP26, CDL extended its pledge towards a net zero whole life carbon emissions approach. Through this expanded commitment, the Company pledged to achieve maximum reduction of embodied carbon in new developments, compensating for any remaining residual operational and upfront embodied emissions via offsetting for new developments by 2030 and advocating for all buildings to be net zero carbon by 2050. In 2018, CDL was the first real estate company in Singapore to set Science Based Targets initiative ("SBTi")-validated carbon reduction targets based on a 2°C warmer scenario with 2007 baseline year. CDL renewed its SBTi-validated targets in December 2021 by aligning with a more stringent 1.5°C warmer scenario and 2016 baseline year.

- *Green Building Policy* – CDL is committed to incorporating decarbonisation, innovation, inclusivity, health and well-being into the design and operation of its buildings. To provide a safe, healthy and inclusive environment for its employees, customers and workers, it is crucial to proactively adopt smart and sustainable building technologies. The 3S Framework built on the three thrusts - Smart, Sustainable and Super Low Carbon will drive CDL's commitment to reduce its carbon footprint and environmental impact in line with CDL's net zero whole life carbon buildings commitment and the Singapore Green Plan 2030.

- *Biodiversity Policy* – CDL supports Singapore's "City in Nature" vision towards higher living standards while co-existing with flora and fauna. The Company aims to minimise and mitigate the impacts of its developments on natural habitats and to protect wildlife biodiversity. The policy complements Singapore's "City in Nature" vision and takes reference from national frameworks, such as the new Biodiversity Impact Assessment guidelines set by URA and NParks.
- *Sustainable Investment Principles ("SIP")* – As a responsible developer with a longstanding ESG commitment, the Company is focused on taking proactive action in assessing potential portfolio risks and opportunities for

sustainable investment decisions via globally aligned principles set out in the policy. The SIP is formulated in line with the Glasgow Climate Pact, and aligned with the global best practices laid out in the UN SDGs, UN Principles for Responsible Investment, TCFD and UN Environment Programme Finance Initiative. It also complements CDL's existing ESG policies and guidelines, including the Climate Change Policy, EHS Policy, Green Building Policy, Biodiversity Policy and Human Rights Policy.

INTERNAL CODE ON DEALINGS IN SECURITIES

The Company has in place an internal code on securities trading which sets out the implications of insider trading and

provides guidance and internal regulation with regard to dealings in the Company's securities by its Directors and employees. These guidelines prohibit dealing in the Company's securities (a) on short-term considerations, (b) while in possession of unpublished material price-sensitive information in relation to such securities, and (c) during the "closed period", which will be one month before the date of announcement of the Company's half-year and full year financial results, and ending on the date of the announcement of the relevant results. The Directors and employees of the Company are notified in advance of the commencement of each "closed period" relating to dealing in the Company's securities. The internal code on securities trading is available on the Company's intranet and is easily accessible by all employees.