

# CORPORATE GOVERNANCE

The Board and management of Keppel Corporation Limited (“KCL”, or the “Company”) firmly believe that a genuine commitment to good corporate governance is essential to the sustainability of the Company’s business and performance, and directors must at all times act objectively in the best interests of the Company.

This report sets out an overview of our corporate governance practices and adheres to the principles of the Code of Corporate Governance 2018 (the “2018 CG Code”), with references to the accompanying Practice Guidance.

## BOARD’S CONDUCT OF AFFAIRS

### PRINCIPLE 1:

*The Company is headed by an effective Board which is collectively responsible and works with management for the long-term success of the Company.*

### PRINCIPLE 3:

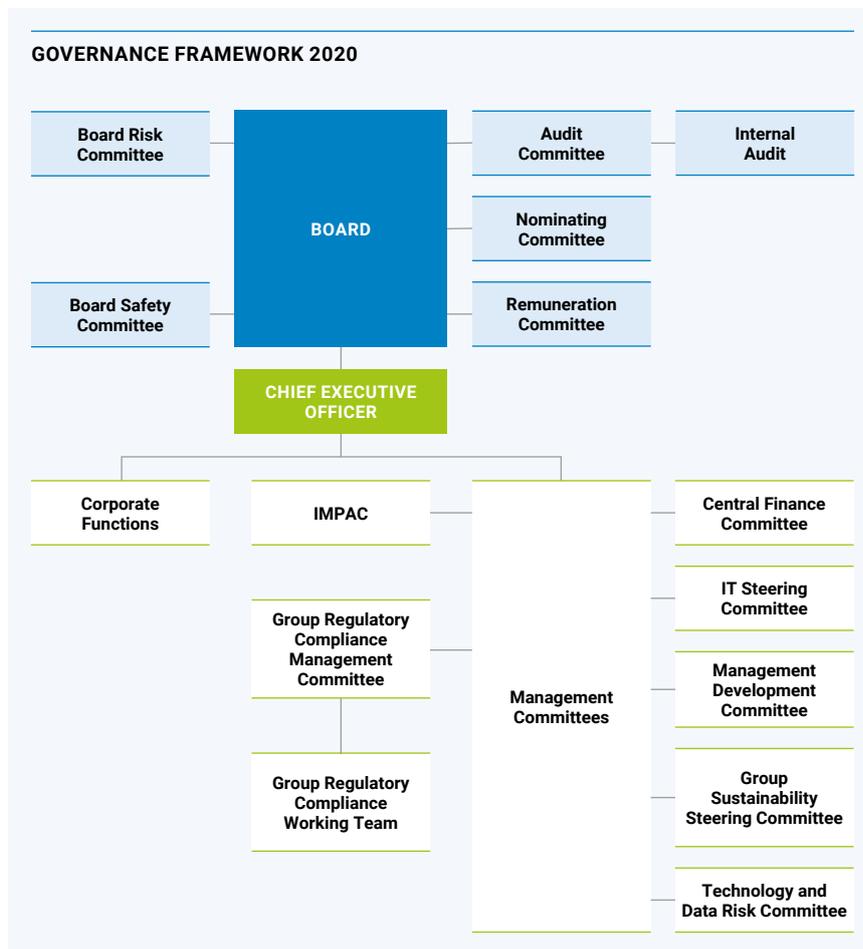
*There is a clear division of responsibilities between the leadership of the Board and management, and no one individual has unfettered powers of decision-making.*

Dr Lee Boon Yang is the non-executive and independent Chairman of the Company. Mr Loh Chin Hua is the Chief Executive Officer (“CEO”) of the Company.

The Chairman, with the assistance of the Company Secretaries, schedules meetings and prepares meeting agenda to enable the Board to perform its duties responsibly, having regard to the flow of the Company’s operations. He sets guidelines on and monitors the flow of information from management to the Board to ensure that all material information are provided in a timely manner to the Board for the Board to make good decisions. He also encourages constructive relations between the Board and management, and between the executive and non-executive directors (“NEDs”). At board meetings, the Chairman encourages a full and frank exchange of views, drawing out contributions from all directors so that the debate benefits from the full diversity of views, in a robust yet collegiate setting. At annual general meetings and other shareholders’ meetings, the Chairman ensures constructive dialogue between shareholders, the Board and management. The Chairman sets the right ethical and behavioural tone and takes a leading role in the Company’s drive to achieve and maintain a high standard of corporate governance with the full support of the directors, Company Secretaries and management.

To assist the Board in the discharge of its oversight function, various board committees, namely the Audit, Board Risk, Nominating, Remuneration and Board Safety Committees, have been constituted with clear written terms of reference. All the Board committees

**Governance Framework:** KCL’s governance structure is as follows:



are actively engaged and play an important role in ensuring good corporate governance in the Company and within the Group, and the Board is kept updated on discussions of the committees via circulation of minutes and regular updates by the respective chairmen of the committees at Board meetings. The terms of reference are reviewed on an annual basis, along with the board committees’ structures and membership, to ensure their continued relevance and effectiveness. The composition and terms of reference of the respective board committees setting out their responsibilities and authority are in Appendix 1.

The CEO, assisted by the management team, makes strategic proposals to the Board and after robust and constructive board discussion, executes the agreed strategy, manages and develops the Group’s businesses and implements the Board’s decisions. He is supported by management committees that direct and guide management on operational policies and activities, which include:

1. *Investments & Major Projects Action Committee (“IMPAC”), which guides the*

Group in exercising a spirit of enterprise as well as prudence to earn optimal risk adjusted returns on invested capital for its chosen lines of business, taking into consideration the relevant risks in a controlled manner;

2. *Management Development Committee (“MDC”), which nominates candidates as nominee directors to the boards of each unlisted company or entity that the Company is invested in (“Investee Company”) so as to safeguard the Company’s investment. In respect of Investee Companies that are (a) listed on a stock exchange, (b) managers or trustee managers of any collective investment schemes, business trusts or any other trusts which are listed on a stock exchange, or (c) parent companies of the Company’s core businesses, the Committee recommends the candidates for the approval of the Nominating Committee (“NC”). The MDC also provides inputs, guidance and direction on operational policies and human resources/organisational matters;*

3. *Central Finance Committee*, which reviews, guides and monitors financial policies and activities of Group companies;
  4. *Group Regulatory Compliance Management Committee ("Group RCMC")*, which articulates the Group's commitment to regulatory compliance, directs and supports the development of overarching compliance policies and guidelines, and facilitates the implementation and sharing of policies and procedures across the Group;
  5. *Group Regulatory Compliance Working Team ("Group RCWT")*, which supports the Group RCMC and oversees the development and review of overarching compliance policies and guidelines for the Group, as well as review training and communication programmes;
  6. *Keppel IT Steering Committee*, which provides strategic information technology ("IT") leadership and ensures IT strategy alignment in achieving business strategies;
  7. *Group Sustainability Steering Committee*, which sets sustainability strategy and leads performance in key focus areas; and
  8. *Technology and Data Risk Committee*, which operationalises the Technology and Data Risk Management operating standards programme that enhances the Group's safeguards, resilience and responses to cyberthreats.
- BOARD MATTERS**
- Each Board member has equal responsibility to oversee the business and affairs of the Company. Management, on the other hand, is responsible for the day-to-day operation and administration of the Company in accordance with the policies and strategy set by the Board.

The Company has adopted internal guidelines setting forth matters that require Board approval. Material items that require Board approval include strategic directions, annual budget, financial results and dividend declaration. Further, all transactions exceeding \$150 million by any Group company (not separately listed) require the approval of the Board. For transactions between \$30 million and \$150 million, IMPAC will determine if Board approval is required, depending on the individual considerations for each case.

**Role:** The principal functions of the Board are to:

- provide entrepreneurial leadership and decide on matters in relation to the Group activities which are of a significant nature, including decisions on strategic directions and guidelines and

the approval of periodic plans and major investments and divestments;

- oversee the business and affairs of the Company, establish, with management, the strategies and financial objectives to be implemented by management (including appropriate focus on value creation, innovation and sustainability), monitor the performance of management and ensure that the Company has the necessary resources to meet its strategic objectives;
- set the Company's values, standards (including ethical standards), appropriate tone-from-the-top and desired organisational culture, and put in place policies, structures and mechanism to ensure such values, standards and culture are complied with;
- constructively challenge management and hold them accountable for performance and ensure proper accountability within the Group;
- oversee processes for evaluating the adequacy and effectiveness of internal controls, risk management, financial reporting and compliance, and satisfy itself as to the adequacy and effectiveness of such processes;
- be responsible for the governance of risk and ensure that management maintains a sound system of risk management and internal controls, to effectively monitor and manage risks so as to safeguard the interests of the Company and its stakeholders, and achieve an appropriate balance between risks and company performance; and
- assume responsibility for corporate governance and ensure transparency and accountability to key stakeholder groups.

**Independent Judgment:** All directors are expected to exercise independent judgment in the best interests of the Company. This is one of the performance criteria for the peer assessment of the individual directors. Based on the result of the peer assessment carried out by the directors for FY 2020, all directors have discharged this duty well.

**Conflicts of Interest:** Each director must promptly disclose conflicts of interest, whether direct or indirect, in relation to any transaction or proposed transaction. In this connection, the Company has in place a "Keppel Group – Directors' Conflict of Interest Policy" to guide directors in identifying, disclosing and managing situations of actual or potential conflicts, as well as situations which may be perceived to be conflicts of interest. Every director is required to

promptly disclose any conflict of interest, whether direct or indirect, in relation to a transaction or proposed transaction with the Company as soon as is practicable after the relevant facts have come to his/her knowledge, and recuse himself/herself when the conflict-related matter is discussed unless the Board is of the opinion that his/her presence and participation is necessary to enhance the efficacy of such discussions, and abstain from voting in relation to conflict-related matters. On an annual basis, each director is also required to submit details of his/her associates for the purpose of monitoring interested persons transactions.

**Board Strategic Review:** The Board periodically reviews and approves the Group's strategic plans.

A two-day off-site board strategy meeting is organised annually for in-depth discussion on strategic issues and the direction of the Group, to give the NEDs a better understanding of the Group and its business, and to provide an opportunity for the NEDs to familiarise themselves with the management team so as to facilitate the Board's review of the Group's succession planning and leadership development programme.

In FY 2020, the focus of the strategy meeting was on Vision 2030, a long-term roadmap to guide the Group's strategy and transformation, which was announced via SGXNet in May 2020. From a conglomerate of diverse parts, the Company will refocus its portfolio to be an integrated business, providing end-to-end solutions for sustainable urbanisation, with sustainability placed at the core of its strategy. Building on the Group's strengths in engineering, developing and operating specialised assets, as well as capital and asset management, the Company will focus on four key business areas, namely Energy & Environment, Urban Development, Connectivity and Asset Management – all part of a connected value chain. As part of the Group's sharpened business focus and asset-light model, the Company is also taking a disciplined approach to capital allocation, to deploy more capital to its growth platforms and unlock value from more integration and synergies within the Group, while continuing to recycle capital to enhance the Group's overall return.

In September 2020, the Group embarked on further steps in the Vision 2030 roadmap, including the strategic review of the offshore & marine business, and a \$3–5 billion asset monetisation programme over three years to free up the Group's balance sheet to pursue new growth opportunities. To this end, a transformation office was established to drive the implementation of Vision 2030 and create sustainable value for all stakeholders. The Transformation Office provides regular updates to the Board.

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**Meetings:** The Board meets six times a year and as warranted by particular circumstances. Board meetings are scheduled and the schedule is circulated to the directors prior to the start of the financial year to allow directors to plan ahead to attend such meetings, so as to maximise participation. Telephonic attendance and conference via audio-visual communication at board meetings are allowed under the Company's constitution ("Constitution"). Further, the NEDs meet without the presence of management from time to time and on a needs basis, and any relevant feedback would be shared and discussed with the executive director. The attendance of each Board member at the annual general meeting and the board and board committee meetings held in FY 2020, are disclosed in the table below:

## ATTENDANCE

	2020 annual general meeting <sup>4</sup>	Board Meetings	Board Committee Meetings				
			Audit	Nominating	Remuneration	Safety	Risk
Lee Boon Yang	1	10	–	4	4	4	–
Loh Chin Hua	1	10	–	–	–	4	–
Alvin Yeo Khirn Hai	1	9	6	4	–	–	–
Tan Ek Kia	1	9	6	–	–	4	4
Danny Teoh	1	10	6	–	4	–	4
Till Vestring	1	10	–	4	4	–	–
Veronica Eng	1	10	6	–	–	–	4
Jean-François Manzoni	1	10	–	4	–	–	4
Teo Siong Seng <sup>1</sup>	1	10	–	–	3	–	–
Tham Sai Choy <sup>2</sup>	1	10	5	–	–	3	3
Penny Goh <sup>3</sup>	1	10	5	–	–	–	3
<b>No. of Meetings Held</b>	<b>1</b>	<b>10</b>	<b>6</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>4</b>

## Notes:

<sup>1</sup> Mr Teo Siong Seng was appointed as a member of the Remuneration Committee and Board Safety Committee with effect from 1 February 2020.

<sup>2</sup> Mr Tham Sai Choy was appointed as a member of the Audit Committee and Board Risk Committee with effect from 1 February 2020.

<sup>3</sup> Mrs Penny Goh was appointed to the Board as a non-executive and independent director with effect from 2 January 2020, and was appointed as a member of the Audit Committee and Board Risk Committee with effect from 1 February 2020.

<sup>4</sup> Refers to the annual general meeting held on 2 June 2020.

If a director was unable to attend a board or board committee meeting, he/she would still receive all the papers and materials for discussion at that meeting. He/she would review them and advise the Chairman or board committee chairman of his/her views and comments on the matters to be discussed so that they may be conveyed to other members at the meeting.

**Non-executive Directors' Meetings:** The NEDs meet as needed at the end of each scheduled quarterly meeting without the presence of management to discuss matters such as board processes, risk and compliance matters, succession planning and leadership development, and performance management and remuneration matters.

**Company Secretaries:** The Company Secretaries administer, attend and prepare minutes of board proceedings. They assist the Chairman to ensure that board procedures (including but not limited to assisting the Chairman to ensure timely and good information flow to the Board and board committees, and between senior management and the NEDs, and facilitating orientation and assisting in the professional development of the directors) are followed and regularly reviewed to ensure effective functioning of

the Board, and that the Constitution and relevant rules and regulations, including requirements of the Companies Act, Securities & Futures Act and Listing Manual of the Singapore Exchange Securities Trading Limited ("SGX") are complied with. They also assist the Chairman and the Board to implement and strengthen corporate governance practices and processes with a view to enhancing long-term shareholder value. They are also the primary channel of communication between the Company and the SGX.

The appointment and removal of the Company Secretaries are subject to the approval of the Board.

**Access to Information:** The Board and management fully appreciate that fundamental to good corporate governance is an effective and robust Board whose members engage in open and constructive debate and challenge management on its assumptions and proposals, and that for this to happen, the Board must be kept well informed of the Company's business and affairs, and be knowledgeable about the industry in which the business units operate. The Company has therefore adopted initiatives to put in place processes to ensure that the NEDs are well supported

by accurate, complete and timely information, have unrestricted access to management, and have sufficient time and resources to discharge their oversight function effectively. Subject to the approval of the Chairman, the directors, whether as a group or individually, may seek and obtain independent professional advice to assist them in their duties, at the expense of the Company.

As a general rule, board papers are required to be distributed to the directors at least seven days before the board meeting so that the members may better understand the matters prior to the board meeting and discussion may be focused on questions that the directors may have. Directors are provided with tablet devices to facilitate their access to and review of board materials. However, sensitive matters may be tabled at the meeting itself and discussed. Managers who can provide additional insights into the matters at hand would be present at the relevant time during the board meeting. The directors are also provided with the names and contact details of the Company's senior management and the Company Secretaries to facilitate direct access.

Regular informal meetings are held for management to brief the directors on prospective deals and potential developments

at an early stage before formal board approval is sought, and relevant information on business initiatives, industry developments and analyst and press commentaries on matters in relation to the Company or the industries in which it operates is circulated to the directors from time to time. Management is also expected to provide the Board with accurate information in a timely manner concerning the Company's progress or shortcomings in meeting its strategic business objectives or financial targets and other information relevant to the strategic issues facing the Company.

The Board also reviews the budget on an annual basis, and any material variance between the projections and actual results would be disclosed and explained. Management also provides the Board members with management accounts on a monthly basis and as the Board may require from time to time, to keep the Board informed, on a balanced and understandable basis, of the Group's performance, financial position and prospects.

**Orientation:** A formal letter is sent to newly-appointed directors upon their appointment explaining their roles, duties, obligations and responsibilities as a board director. All newly-appointed directors receive a director tool-kit and undergo a comprehensive orientation programme which includes site visits and management presentations on the Group's business, strategic plans and objectives.

**Training:** Directors are provided with continuing education in areas such as directors' duties and responsibilities, corporate governance, changes in financial reporting standards, changes in the Companies Act, continuing listing obligations and industry-related matters, so as to update and refresh them on matters that may affect or enhance their performance as Board or board committee members. A training programme is also in place for directors in areas such as accounting, finance, corporate social responsibility, risk governance and management, the roles and responsibilities of a director of a listed company and industry-specific matters. In FY 2020, some KCL directors attended talks on topics relating to the digital economy, macroeconomic trends, sustainable urbanisation, energy transition, innovation investments, and corporate governance. E-training was also conducted on the Group's policies on anti-corruption, personal data protection, competition law and cyber security. Site visits are also conducted periodically to familiarise directors with the operations of the various business units so as to enhance their performance as board or board committee members. All induction, training and development costs are at the Company's expense.

## BOARD COMPOSITION AND SUCCESSION PLANNING

### PRINCIPLE 2:

*The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the Company.*

### PRINCIPLE 4:

*The Board has a formal and transparent process for the appointment and re-appointment of directors, taking into account the need for progressive renewal of the Board.*

### NOMINATING COMMITTEE

The NC comprises entirely non-executive and independent directors, namely:

- Prof Jean-François Manzoni  
Independent Chairman
- Dr Lee Boon Yang  
Independent Member
- Mr Alvin Yeo  
Independent Member
- Mr Till Vestring  
Independent Member

The NC is responsible for making recommendations to the Board on board appointments, overseeing the Board and senior management's succession and leadership development plans and conducting annual review of board diversity, board size, board independence and directors' commitment.

The detailed terms of reference of this Committee are disclosed on page 100 herein.

### BOARD SUCCESSION PLANNING

The Board believes that orderly succession and renewal are achieved as a result of careful planning, where the appropriate composition of the Board is continually under review. In this regard, the Board has put in place a formal process for the renewal of the Board and the selection of new directors so that the experience of longer serving directors can be drawn upon while tapping into the new external perspectives and insights which more recent appointees bring to the Board's deliberation. The NC leads the process and makes recommendations to the Board on the appointment of new directors and re-nomination of directors.

As announced on 24 February 2021, Dr Lee Boon Yang will retire as non-executive

#### Process for appointment of new directors

- a. The NC reviews annually the balance and mix of skills, knowledge, experience, and other aspects of diversity such as gender and age, and the size of the Board which would facilitate decision-making. In this review, the NC would also take into account the needs of the Group, the collective skills and competencies of the Board and service tenure spread of the directors.
- b. In the light of such review and in consultation with management, the NC assesses if there is any inadequate representation in respect of any of those attributes and if so, determines the role and the desirable competencies for a particular appointment.
- c. The NC will, in all cases, take into consideration the following objective criteria identified as necessary for the Board and board committees to be effective:
  - i. Integrity
  - ii. Independent mindedness
  - iii. Ability to commit time and effort to carry out duties and responsibilities effectively
  - iv. Track record of making good decisions
  - v. Experience in high-performing companies
  - vi. Financial literacy
- d. External help (for example, Singapore Institute of Directors and search consultants) may be used to source for potential candidates if need be. Directors and management may also make recommendations.
- e. The NC meets with the short-listed candidate(s) to assess suitability and to ensure that the candidate(s) is/are aware of the expectations and the level of commitment required.
- f. The NC makes recommendations to the Board for approval.

#### Process for re-nomination of retiring directors

- a. Pursuant to the Constitution, one-third of the directors shall retire from office at the Company's annual general meeting every year, and a director appointed after the last annual general meeting shall only hold office until the next annual general meeting. If eligible, these directors may submit themselves for re-election.
- b. The NC reviews each director's eligibility, contribution and performance (such as attendance, preparedness, participation and candour), with reference to the results of the assessment of the performance of the individual director by his/her peers and his/her tenure.
- c. NC makes recommendations to the Board for approval.

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and independent Chairman and Director of the Company at the conclusion of the upcoming annual general meeting. Mr Danny Teoh, who is currently the Chairman of the Audit Committee and a member of the Remuneration and Board Risk Committees, will succeed Dr Lee Boon Yang as non-executive and independent Chairman.

In addition to Dr Lee Boon Yang, Mr Alvin Yeo and Mr Tan Ek Kia, who have both similarly served for more than nine years on the Board, have indicated their intention to retire at the conclusion of the upcoming annual general meeting. Dr Lee Boon Yang, Mr Alvin Yeo and Mr Tan Ek Kia will therefore be retiring by rotation pursuant to the Constitution, and although eligible, will not be seeking re-election.

Prof Jean-François Manzoni will also be retiring by rotation pursuant to the Constitution but being eligible, will be seeking re-election. The NC has reviewed his eligibility, contribution and performance, and taking into account the results of his recent peer assessment, is of the view that Prof Jean-François Manzoni has given sufficient time and attention to the affairs of the Company and has been able to discharge his duties as director effectively. The Board, at the recommendation of NC, had therefore approved the re-nomination of Prof Jean-François Manzoni at the upcoming annual general meeting.

**ALTERNATE DIRECTOR**

The Company has no alternate directors on the Board.

**ANNUAL REVIEW OF BOARD DIVERSITY**

The Company recognises that diversity in relation to composition of the Board provides a range of perspectives and insights needed to support good decision-making for the benefit of the Group, and is committed to ensuring that the Board comprises directors who, as a group, provide an appropriate balance and mix of skills, knowledge, experience, and other aspects of diversity (such as gender and age) so as to promote the inclusion of different perspectives and ideas, mitigate against groupthink and ensure that the Company has the opportunity to benefit from all available talent. In identifying suitable candidates for new appointments to the Board, the NC would ensure that female candidates were included for consideration. The final decision on the appointment of directors would be based on and driven by merits against the objective criteria set by the Board from time to time on the recommendation of the NC, after having regards to the benefits of diversity and the needs of the Board.

The Company has in place a Board Diversity Policy that sets out the framework and approach for the Board to set its qualitative and measurable quantitative objectives for achieving diversity, and to annually assess the progress in achieving these objectives.

**Objectives identified under Board Diversity Policy**

The objectives identified in FY 2019 to be fulfilled by the end of FY 2021, and the progress towards achieving such objectives, are set out below:

Objectives	Progress
Appoint at least two additional independent directors with some of the core competencies already present on the Board, by end-FY 2020 for succession planning purposes.	Mr Tham Sai Choy was appointed as a non-executive and independent director with effect from 1 November 2019. Mr Tham was Managing Partner of KPMG Singapore and then Chairman of KPMG Asia Pacific before he retired in 2017. He was a member of KPMG’s global board, and had served on its executive committee and risk committee, and chaired its compensation and nominations committee. As a member of the executive committee, Mr Tham was responsible for KPMG’s global strategies and planning, including developing the firm’s capabilities in cyber security, data analytics and digital transformation. Mr Tham also worked with many of Singapore’s listed companies in their audits and other consultancy work over his 36 years of practice. He was appointed as a board member with a view of being the successor to Mr Danny Teoh in the roles of Audit Committee Chairman and Board Risk Committee member.
Broaden the skill set of directors on the Board by appointing at least one director with the relevant expertise and experience that would complement those already on the Board and which would help drive the Group’s strategy.	Mrs Penny Goh was appointed as a non-executive and independent director with effect from 2 January 2020. Mrs Goh was Co-Chairman and Senior Partner of Allen & Gledhill LLP, where she had, for many years, headed the firm’s corporate real estate practice. She advises listed corporations, private equity property funds, sovereign wealth funds and real estate investment trusts, and has extensive experience in a broad range of corporate real estate transactions for commercial, industrial and logistics projects in Singapore and the Asia Pacific, involving investment, joint development and profit participation structures. Mrs Goh was appointed with a view to succeeding Mr Alvin Yeo as a board member with legal expertise and to enhance the gender diversity of the Board.
Improve gender diversity over a 3-year period by ensuring that at least 20% of the Board will comprise female directors by the end of FY 2021.	Mr Teo Siong Seng was appointed as a non-executive and independent director with effect from 1 November 2019 (and subsequently re-designated as non-executive and non-independent director with effect from 3 February 2021). His strong background, knowledge and experience in the China market, experience in growing businesses in frontier countries such as East and West Africa, and his knowledge and experience from serving as Chairman of the Singapore Business Federation, Honorary President of the Singapore Chinese Chamber of Commerce & Industry and as director of Business China, would enhance the balance and breadth of skills of the Board, and help drive the Group’s strategy.
	The female representation on the Board is currently 18%. This objective will be met with the appointment of an additional female director by the end of FY 2021.

The annual assessment is led by the NC as part of the process for appointment of new directors and board succession planning. To help the NC identify gaps (if any) in skills, knowledge, experience and other aspects of diversity in the board composition in any given year of assessment, each member of the Board is required to complete a Board Diversity Matrix to indicate which of the list of skills, knowledge, experience and other aspects of diversity (identified by the NC, and set out in the Board Diversity Matrix, as being able to contribute to the Company’s strategy and business) the board member possesses. The returns from the board members are then consolidated into a single Board Diversity Matrix to highlight the Board’s current mix of skills, knowledge, experience and other aspects of diversity and gaps therein if any. The Board will, taking into consideration the recommendations of the

NC, review and agree annually the qualitative and measurable quantitative objectives for achieving diversity on the Board.

The NC conducted an assessment in January 2021 and is satisfied that the Board and the board committees comprise directors who as a group provide an appropriate balance and mix of skills, knowledge, experience and other aspects of diversity. The NC is also satisfied that the directors, as a group, possess core competencies required for the Board and the board committees to be effective, taking into account the Company’s strategy and business.

**Board Diversity Matrix (as of 31 December 2020)**  
*Directors’ Skills, Knowledge and Experience*

- Accounting/finance
- Business or management experience

- Human resource
- Risk management
- Policy/economics
- Mergers and acquisitions
- Legal
- International perspective
- Industry knowledge
- Strategic planning experience
- Customer-based experience or knowledge
- China experience

Nevertheless, the NC noted the need for new appointment of directors for succession planning purposes, given the retirement of three non-executive and independent directors at the upcoming annual general meeting. Post annual general meeting, there will be one independent director who would have served for more than nine years on the Board, and two more who would have served more than nine years in 2024. Taking into account feedback from the recent board assessment exercise, the NC was of the view that the Board could benefit from directors with strong knowledge, experience and expertise in (i) digital economy/technology, (ii) renewable energy, (iii) regional market experience, (iv) sustainability, (v) mergers and acquisitions and (vi) corporate finance. The NC will also continue to work towards fulfilling the objective of increasing female representation on the Board to at least 20% by end-FY 2021.

The Board, at the recommendation of the NC, had therefore set a new objective under the Board Diversity Policy, which was to appoint at least three to four additional independent directors by end-FY 2023, with relevant expertise and experience that would complement those already on the Board and which would help drive the Group's Vision 2030 strategy, and for succession planning.

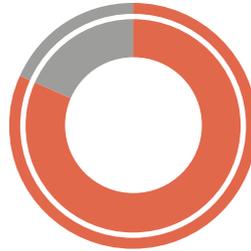
#### ANNUAL REVIEW OF BOARD INDEPENDENCE

**Board Independence:** The NC determines on an annual basis whether or not a director is independent. In January 2021, the NC carried out the review on the independence of each director based on the respective directors' self-declaration in the Directors' Independence Checklist and their actual performance on the Board and board committees, taking into account the listing rules on the circumstances in which a director will not be deemed independent and guidance in the 2018 CG Code as to the circumstances in which a director should not be deemed independent.

In this connection, the NC noted that Ms Veronica Eng had declared that she was a member of the Investment Committee of Temasek Trust, which was established by Temasek Holdings (Private) Limited ("Temasek") (a controlling shareholder of the Company) to provide financial oversight and governance

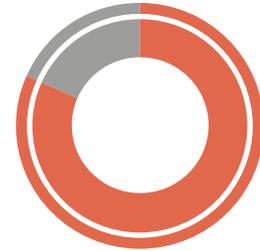
#### Other Aspects of Diversity

##### GENDER (%)



Male	81.8
Female	18.2
<b>Total</b>	<b>100.0</b>

##### RACE OR ETHNICITY (%)



Chinese	81.8
Caucasian	18.2
<b>Total</b>	<b>100.0</b>

##### AGE (%)



55-60	36.4
61-65	18.2
66-70	27.2
71-75	18.2
<b>Total</b>	<b>100.0</b>

##### LENGTH OF SERVICE (%)

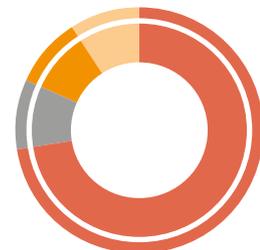


1-4 years	36.4
5-8 years	27.2
9 years and above	36.4
<b>Total</b>	<b>100.0</b>

of philanthropic endowments and gifts from Temasek and other donors. NC noted that Ms Eng did not hold any executive or management role in Temasek Trustee, which administered Temasek Trust, and would recuse herself in the event of a potential of conflict of interest. Taking these factors into consideration, along with her invaluable contributions to the Board and board committees, and the outcome of the recent peer Individual Director Performance assessment, the NC unanimously agreed that Ms Eng has at all times exercised independent judgment in the best interests of the Company in the discharge of her director's duties and should therefore continue to be deemed an independent director.

The NC also noted that Mr Teo Siong Seng had declared that he was the Executive Chairman and Managing Director of Pacific International Lines (Private) Limited ("PIL") which is in the process of implementing a restructuring. Under the restructuring, Heliconia Capital Management Pte Ltd ("Heliconia"),

##### COUNTRY OF ORIGIN, NATIONALITY OR CULTURAL BACKGROUND (%)



Singaporean	72.7
German	9.1
Malaysian	9.1
Canadian	9.1
<b>Total</b>	<b>100.0</b>

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a subsidiary of Temasek, has offered a comprehensive financing package of up to US\$600 million to PIL. If the restructuring is successful, Heliconia will hold a majority interest in PIL. Although all the NC members were confident that Mr Teo would be able to continue to exercise independent judgment in the best interests of the Company, market perception might be different and the NC was therefore of the view that the prudent approach would be to re-designate Mr Teo as a non-executive and non-independent director.

The NC noted that Mr Tham Sai Choy had declared his directorship on DBS Group Holdings and DBS Bank which provided services to the Group. The NC considered that such interests had already been declared to the Board, and that Mr Tham would abstain from voting whenever there was potential conflict of interest. The NC further considered that, as DBS is a leading bank in Singapore and Southeast Asia, it was not unexpected that its services would be sought by the Group from time to time. Taking these factors into consideration, along with his invaluable contributions to the Board and board committees, and the outcome of the recent peer Individual Director Performance assessment, the NC unanimously agreed that Mr Tham has at all times exercised independent judgment in the best interests of the Company in the discharge of his director's duties and should therefore continue to be deemed an independent director.

The NC noted that Mrs Penny Goh is a Senior Advisor of Allen & Gledhill LLP ("A&G") which provided legal services to the Group. She had declared that she did not hold a partnership interest in A&G and is not involved in the selection and appointment of legal advisors of the Group and did not regard the business relationship with A&G as something that could affect her independent judgment. The NC further considered that, as A&G was one of the top law firms in Singapore, it was not unexpected that its services would be sought by the Group from time to time. Taking these factors into consideration, along with her invaluable contributions to the Board and board committees, and the outcome of the recent peer Individual Director Performance assessment, the NC unanimously agreed that Mrs Goh has at all times exercised independent judgment in the best interests of the Company in the discharge of her director's duties and should therefore continue to be deemed an independent director.

The NC further noted that the following directors had served beyond nine years and their independence should therefore be subject to rigorous review.

Mr Alvin Yeo is Senior Partner of WongPartnership LLP, which is one of the law firms providing legal services to the Group. Mr Yeo had declared to the NC

that although he is a partner with a 5% or more stake in WongPartnership LLP, he did not involve himself in the selection and appointment of the legal advisor for the Group, and that he supported the selection of legal advisor based on objective criteria. In addition, the NC noted that, WongPartnership LLP being one of the top law firms in Singapore, it was not unexpected that its services would be sought by the Group from time to time. Taking these factors into consideration, along with his invaluable contributions on the Board and board committees, and the outcome of the recent peer Individual Director Performance assessment, the NC (save for Mr Yeo who abstained from deliberation on this matter) unanimously agreed that Mr Yeo has at all times exercised independent judgment in the best interests of the Company in the discharge of his director's duties and should therefore continue to be deemed an independent director.

Mr Tan Ek Kia is a non-executive and independent director on the board of TransOcean Ltd and Chairman of KrisEnergy Ltd, both of which have business dealings with the Keppel Offshore & Marine ("Keppel O&M") Group from time to time. Mr Tan had declared to the NC that he recused himself whenever there was potential conflict of interest and continued to exercise independent judgment. The NC also took into account Mr Tan's invaluable contributions on the Board and board committees and the outcome of the recent peer Individual Director Performance assessment, and unanimously agreed that Mr Tan has at all times exercised independent judgment in the best interests of the Company in the discharge of his director's duties and should therefore continue to be deemed an independent director.

Mr Danny Teoh had declared his interest in Workflow International Limited and XM Studios Pte Ltd., which could be suppliers of services to M1 Limited ("M1"). The NC considered that both the interests had already been declared to the Board and Mr Teoh has abstained from voting whenever there was potential conflict of interest. The NC further noted that Mr Teoh was a director of DBS Group Holdings which provided services to the Group, a role from which he had stepped down from on 31 March 2020. The NC nevertheless considered that, as DBS is a leading bank in Singapore and Southeast Asia, it was not unexpected that its services would be sought by the Group from time to time. Taking into account his invaluable contributions on the Board and board committees and the outcome of the recent peer Individual Director Performance assessment, the NC unanimously agreed that Mr Teoh has at all times exercised independent judgment in the best interests of

the Company in the discharge of his director's duties and should therefore continue to be deemed an independent director.

Dr Lee Boon Yang has served on the Board beyond nine years. Taking into consideration, among other things, his invaluable contributions to the Board and board committees, his outstanding rating in respect of his performance as Board Chairman and director in the recent Chairman and peer Individual Director Performance assessment exercise, and that there were no other circumstances that would deem him non-independent, the NC (save for Dr Lee who abstained from deliberation on this matter) agreed unanimously that Dr Lee has at all times exercised independent judgment in the best interests of the Company in the discharge of his director's duties and should therefore continue to be deemed an independent director.

Following the review, the NC was of the view that Dr Lee Boon Yang, Mr Alvin Yeo, Mr Tan Ek Kia, Mr Danny Teoh, Mr Till Vestring, Ms Veronica Eng, Prof Jean-François Manzoni, Mr Tham Sai Choy and Mrs Penny Goh should be deemed independent, while Mr Teo Siong Seng should be re-designated as a non-executive and non-independent director. The Board has reviewed the basis of the NC's recommendations, and concurred with the assessment of independence in respect of the above-mentioned directors. The re-designation of Mr Teo Siong Seng was with effect from 3 February 2021.

In view of the above, the Board currently comprises majority independent directors, with a total of 11 directors of whom nine are independent.

**Lead Independent Director:** The NC has deliberated and decided that it was not necessary to appoint a Lead Independent Director given the majority independence of the Board and that the Chairman was independent. Further, matters affecting the Chairman such as succession and remuneration were deliberated by the board committees where the majority of the members (including the Chairman) were independent directors, and where the Chairman was conflicted, he would recuse himself and abstain from voting.

Taking into account the independence and diversity of the Board, the NC is of the view that the Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the Company.

**ANNUAL REVIEW OF BOARD SIZE**

The Board, in concurrence with the NC, was of the view that a Board size of 11 to 12 directors would be appropriate to facilitate effective decision-making, taking into account

the nature and scope of the operations of the Company, the requirements of the Company's business and the need to avoid undue disruptions from changes to the composition of the Board and board committees. With the retirement of three directors at the upcoming annual general meeting, the NC will continue to search for additional directors to be appointed to enhance diversity and for succession planning purposes. No individual or small group of individuals dominate the Board's decision-making.

#### **ANNUAL REVIEW OF DIRECTORS' COMMITMENTS**

The NC assesses annually whether a director with other listed company board representations and/or other principal commitments is able to and has been adequately carrying out his/her duties as a director of the Company. Instead of fixing a maximum number of listed company board representations and/or other principal commitments that a director may have, the NC assesses holistically whether a director is able to and has been adequately carrying out his/her duties as a director of the Company, taking into account the results of the assessment of the effectiveness of the individual director, the level of commitment required of the director's listed company board representations and/or other principal commitments, and the director's actual conduct and participation on the Board and board committees, including availability and attendance at regular scheduled meetings and ad hoc meetings. The NC is of the view that such an assessment is sufficiently robust to detect and address, on a timely basis, any time commitment issues that may hinder the effectiveness of the directors.

The NC conducted an assessment in January 2021 and is of the view that each director has given sufficient time and attention to the affairs of the Company and has been able to discharge his/her duties as director effectively. The NC noted that based on the attendance of board and board committee meetings during the year, the directors were able to participate in at least a substantial number of such meetings to carry out their duties. The NC also noted that, based on the Independent Co-ordinator's Report on individual director assessment for FY 2020, all the directors performed well. The NC was therefore satisfied that in FY 2020, where a director had other listed company board representations and/or other principal commitments, the director was able and had been adequately carrying out his/her duties as director of the Company.

#### **NOMINEE DIRECTOR POLICY**

At the recommendation of the NC, the Board approved the adoption of the KCL Nominee Director Policy in January 2009. For the purposes of the policy, a "Nominee Director"

is a person who, at the request of the Company, acts as director (whether executive or non-executive) on the board of another company or entity ("Investee Company") to oversee and monitor the activities of the relevant Investee Company so as to safeguard the Company's investment in the company.

The purpose of the policy is to highlight certain obligations of a person while acting in his/her capacity as a Nominee Director. The policy also sets out the internal process for the appointment and resignation of a Nominee Director. The policy would be reviewed and amended as required to take into account current best practices and changes in the law and stock exchange requirements.

#### **KEY INFORMATION REGARDING DIRECTORS**

The following key information regarding directors is set out in the following pages of this Annual Report:

Pages 28 to 31: Academic and professional qualifications, board committees served on (as a member or Chairman), date of first appointment as director, date of last re-election as director, directorships or chairmanships both present and past held over the preceding five years in other listed companies and other major appointments, whether appointment is executive or non-executive, whether considered by the NC to be independent, and details of their membership on board committees; and

Page 119: Shareholding in the Company and its subsidiaries.

#### **BOARD PERFORMANCE**

##### **PRINCIPLE 5:**

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*The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its board committees and individual directors.*

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The Board has implemented formal processes for assessing the effectiveness of the Board as a whole, each of its board committees, the contribution by the Chairman and peer and self-assessment of the individual directors to the effectiveness of the Board.

**Independent Co-ordinator:** To ensure that the assessments are done promptly and fairly, the Board has appointed an independent third party (the "Independent Co-ordinator") to assist in collating and analysing the returns of the board members. Mr Michael Lim, former Chairman of PricewaterhouseCoopers and Land Transport Authority, and currently Chairman of Nomura Singapore Limited, was appointed for this role. Mr Michael Lim does not have business relationships or any other connections with the Company or its directors which may affect his independent judgment.

## CORPORATE GOVERNANCE

**Formal Process and Performance Criteria:**

The evaluation processes and performance criteria are disclosed in Appendix 1 to this report. The performance criteria were substantially similar to that adopted in the previous years.

**Objectives and Benefits:**

The board assessment exercise provides an opportunity to obtain constructive feedback from each director on whether the Board's procedures and processes allowed him/her to discharge his/her duties effectively and the changes which should be made to enhance the effectiveness of the Board and/or board committees. The assessment exercise also helped the directors to focus on their key responsibilities. The individual director assessment exercise allows for peer review with a view to raising the quality of board members. It also assisted the NC in determining whether to re-nominate directors who are due for retirement at the next annual general meeting, and in determining whether directors with multiple board representations were nevertheless able to and had adequately discharged their duties as directors of the Company.

Based on feedback from the directors, the Board and board committees continued to perform and fulfil its duties and responsibilities.

**REMUNERATION REPORT****PRINCIPLE 6:**

*The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his/her own remuneration.*

**PRINCIPLE 7:**

*The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the Company, taking into account the strategic objectives of the Company.*

**PRINCIPLE 8:**

*The Company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.*

**REMUNERATION COMMITTEE**

For FY 2020, the Remuneration Committee ("RC") comprised entirely non-executive and independent directors, namely:

- Mr Till Vestring  
Independent Chairman
- Dr Lee Boon Yang  
Independent Member
- Mr Danny Teoh  
Independent Member
- Mr Teo Siong Seng  
(from 1 February 2020)  
Independent Member (re-designated as Non-Executive and Non-Independent Member with effect from 3 February 2021)

With Mr Teo's re-designation as a non-executive and non-independent director with effect from 3 February 2021, the RC currently comprises entirely non-executive directors, three out of four of whom (including the Chairman) are independent.

The RC is responsible for ensuring a formal and transparent procedure for developing policy on executive remuneration and for determining the remuneration packages of individual directors and senior management. The RC assists the Board to ensure that remuneration policies and practices are sound in that they are able to attract, retain and motivate without being excessive, thereby maximising shareholder value. The RC recommends to the Board, for endorsement, a framework of remuneration (which covers all aspects of remuneration including directors' fees, salaries, allowances, bonuses, share-based incentives and awards, benefits-in-kind and termination payments) and the specific

remuneration packages for each director and the key management personnel. The RC also reviews the remuneration of senior management and administers the KCL Share Option Scheme in respect of the outstanding options granted prior to the termination of the KCL Share Option Scheme in end-2010, the KCL Restricted Share Plan (the "KCL RSP") and the KCL Performance Share Plan (the "KCL PSP"). In addition, the RC reviews the Company's obligations arising in the event of termination of the executive directors' and key management personnel's contract of service, to ensure that such contracts of service contain fair and reasonable termination clauses which are not overly generous.

The detailed terms of reference of this Committee are disclosed on page 101 herein.

**Access to Expert Advice:** The RC has access to expert advice from external remuneration consultants where required. In FY 2020, the RC sought views from external remuneration consultants, Aon Hewitt, on market practice and trends, and benchmarks against comparable organisations. The RC undertook a review of the independence and objectivity of the external remuneration consultants through discussions with the external remuneration consultants, and has confirmed that the external remuneration consultants had no relationships with the Company which would affect their independence and objectivity.

**POLICY IN RESPECT OF NON-EXECUTIVE DIRECTORS' REMUNERATION**

Each NED's remuneration comprises a basic fee and an additional fee for services performed on board committees. The Chairman of each board committee is also paid a higher fee compared with the members of the respective committees in view of the greater responsibility carried by that office. The directors' fee structure is regularly benchmarked with comparable listed companies to ensure that their remuneration is fair and appropriate.

The directors' fee structure, which remained unchanged from FY 2017, is set out in the table below.

**DIRECTORS' FEE STRUCTURE**

	<b>Basic Fee (per annum)</b>	
Board Chairman	\$750,000 (all-in)	
Board Member	\$108,000	
	<b>Additional Fees for Membership in Board Committees (per annum)</b>	
	<b>Chairman</b>	<b>Member</b>
Audit Committee	\$67,000	\$36,000
Board Risk Committee	\$67,000	\$36,000
Remuneration Committee	\$47,000	\$31,000
Board Safety Committee	\$47,000	\$31,000
Nominating Committee	\$40,000	\$24,000

The NEDs participated in additional ad hoc meetings with management during the year and are not paid for attending such meetings. Executive directors are not paid directors' fees.

Shareholders' approval for the payment of directors' fees will be sought at each annual general meeting. If approved, each of the NEDs (including the Chairman) will receive 70% of his/her total directors' fees in cash ("Cash Component") and 30% in the form of shares in the Company ("Remuneration Shares") (both amounts are subject to adjustment as described below). The Cash Component is paid half-yearly in arrears. The Remuneration Shares are paid after the next annual general meeting has been held. The actual number of Remuneration Shares, to be purchased from the market on the first trading day immediately after the date of the next annual general meeting provided that it does not fall within any applicable restricted period of trading ("Trading Day") for delivery to the respective NEDs, will be based on the market price of the Company's shares on the SGX on the Trading Day. In the event that the first trading day after the date of the next annual general meeting falls within a restricted period of trading, the Remuneration Shares will be purchased on the first trading day immediately after the end of the restricted period of trading. The actual number of Remuneration Shares will be rounded down to the nearest thousand and any residual balance will be paid in cash. Such incorporation of an equity component in the total remuneration of the NEDs is intended to align the interests of the NEDs with those of the shareholders' and the long-term interests of the Company. An NED who steps down before the payment of the Remuneration Shares will receive all of his/her directors' fees for FY 2021 (calculated on a pro-rated basis, where applicable) in cash.

The aggregate directors' fees for NEDs for FY 2021 are subject to shareholders' approval at the upcoming annual general meeting. The amount of directors' fees has been computed taking into consideration the number of board committee representations by the NEDs and also caters for additional fees (if any) which may be payable due to the formation of additional Board Committees, or additional Board or Board Committee members being appointed in the course of FY 2021. In the event that the amount proposed is insufficient, approval will be sought at the next annual general meeting before payments are made to the NEDs for the shortfall amount. The Chairman and the NEDs will abstain from voting and will procure their respective associates to abstain from voting in respect of this resolution.

The RC is of the view that the remuneration of NEDs is appropriate to their level of contribution, taking into account factors such

as effort, time spent and responsibilities, and to attract, retain and motivate the directors to provide good stewardship of the Company.

#### **REMUNERATION POLICY IN RESPECT OF EXECUTIVE DIRECTOR AND OTHER KEY MANAGEMENT PERSONNEL**

The Company advocates a performance-based remuneration system that is highly flexible and responsive to the market, the Company's, business unit's and individual employee's performance, and is aligned with shareholders' and other stakeholders' interests.

The RC periodically reviews the Company's scorecard and remuneration structure to ensure that it supports the Group's vision and long-term strategy. In designing the remuneration structure, the RC seeks to ensure that the level and mix of remuneration is competitive, relevant and appropriate in finding a balance between current versus long-term remuneration, and between cash versus equity incentive remuneration, and appropriate to attract, retain and motivate key management personnel to successfully manage the Company for the longer term.

The total remuneration structure reflects the following four key objectives:

- a. **Shareholder Alignment:** To incorporate performance measures that are aligned to shareholders' interests;
- b. **Long-term Orientation:** To motivate employees to drive sustainable long-term growth;
- c. **Simplicity:** To ensure that the remuneration structure is easy to understand and communicate to stakeholders; and
- d. **Synergy:** To facilitate talent mobility and enhance collaboration across business units.

The total remuneration structure comprises three components; that is, annual fixed cash, annual performance bonus and the KCL Share Plans. The annual fixed cash component comprises the annual basic salary plus any other fixed allowances, which the Company benchmarks with the relevant industry market median. The size of the Company's annual performance bonus pot is determined by the Group's financial and non-financial performance and is distributed to employees based on their individual performance. The KCL Share Plans are in the form of two share plans approved by shareholders, the KCL RSP and the KCL PSP. A portion of the annual performance bonus is granted in the form of deferred shares that are awarded under the KCL RSP. The KCL PSP comprises performance targets determined on an annual basis. The KCL RSP and KCL PSP are long-term incentive plans which vest

over a longer-term horizon. Executives who have a greater ability to influence Group outcomes have a greater proportion of their overall remuneration at risk. The Company performs regular benchmarking reviews on employees' total remuneration to ensure market competitiveness.

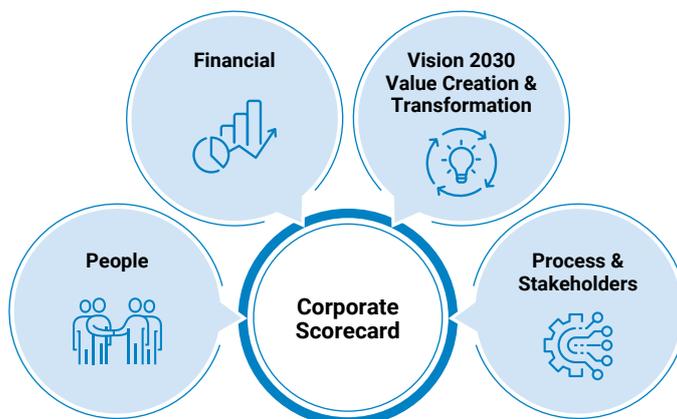
The RC exercises broad discretion and independent judgment in ensuring that the amount and mix of remuneration is aligned with the interests of shareholders and promotes the long-term success of the Company. The mix of fixed and variable reward is considered appropriate for the Group and for each individual role.

The remuneration structure is directly linked to corporate and individual performance, both in terms of financial and non-financial performance. This link is achieved in the following ways:

- a. by placing a significant portion of executives' remuneration at risk ("At Risk component") and subject to a vesting schedule;
- b. by incorporating appropriate key performance indicators ("KPIs") for awarding of annual performance bonus:
  - i. For FY 2020, there were four scorecard areas that the Company has identified as key to measuring the performance of the Group – (i) Financial and Business Drivers; (ii) Process; (iii) Stakeholders; and (iv) People. Some of the key sub-targets within each of the scorecard areas include key financial indicators, safety goals, risk management, compliance and controls measures, environmental sustainability, employee engagement, talent development and succession planning;
  - ii. To more closely align the annual scorecard targets with the Company's Vision 2030 goals, the FY 2021 scorecard has been further finetuned to reflect the following key focus areas– (i) Financial; (ii) Vision 2030 Value Creation and Transformation; (iii) Process and Stakeholders; and (iv) People. The emphasis on the Company's Vision 2030 targets in the annual scorecard ensures the longer-term targets are cascaded in the form of annual KPIs;
  - iii. The scorecard areas have been chosen because they support how the Group achieves its strategic objectives. The framework provides a link for employees to understand how they contribute to each area of the scorecard, and therefore

**CORPORATE GOVERNANCE**

to the Company's overall strategic goals. This is designed to achieve a consistent approach and understanding across the Group. The RC reviews and approves the scorecard each year and the annual performance bonus is determined thereafter based on the scorecard achievement. The annual performance bonus comprises both cash bonus and deferred shares awards that vest equally over three years, thereby aligning employees with shareholders' interests;



- c. by selecting performance conditions for the KCL PSP awards, namely Total Shareholder Return, Return on Capital Employed and Net Profit that are aligned with shareholders' interests;
- d. by requiring those conditions to be met in order for the At Risk components of remuneration to be awarded or vested; and
- e. by forfeiting the At Risk components of remuneration when those conditions are not met at a satisfactory level.

The RC also recognises the need for a reasonable alignment between risk and remuneration to discourage excessive risk-taking. Therefore, in determining the remuneration structure, the RC takes into account the risk policies and risk tolerance of the Group as well as the time horizon of risks, and incorporates risk-adjustments into the remuneration structure through several initiatives, including but not limited to:

- a. prudent funding of annual performance bonus;
- b. granting a portion of the annual performance bonus in the form of deferred shares, to be awarded under the KCL RSP;
- c. vesting of contingent share awards under the KCL PSP being subject to performance conditions being met;
- d. potential forfeiture of variable incentives in any year due to misconduct;
- e. requiring the executive director and key management personnel to hold a minimum number of shares under the share ownership guideline; and
- f. exercising discretion to ensure that remuneration decisions are aligned to the Company's long-term strategy and performance and discourage excessive risk-taking.

The RC is of the view that the overall level of remuneration is not considered to be at a level which is likely to promote behaviours contrary to the Group's risk profile.

In determining the actual quantum of variable component of remuneration, the RC had taken into account the extent to which the performance conditions, set forth above, has been met. The RC is therefore of the view that remuneration is aligned to performance during FY 2020.

In order to align the interests of the executive director and key management personnel with that of shareholders, the executive director and key management personnel are remunerated partially in the form of shares in the Company and are encouraged to hold such shares while they remain in the employment of the Company. The executive director and key management personnel are required to hold at least two times of their annual fixed pay in the form of shares in the Company, while other key senior

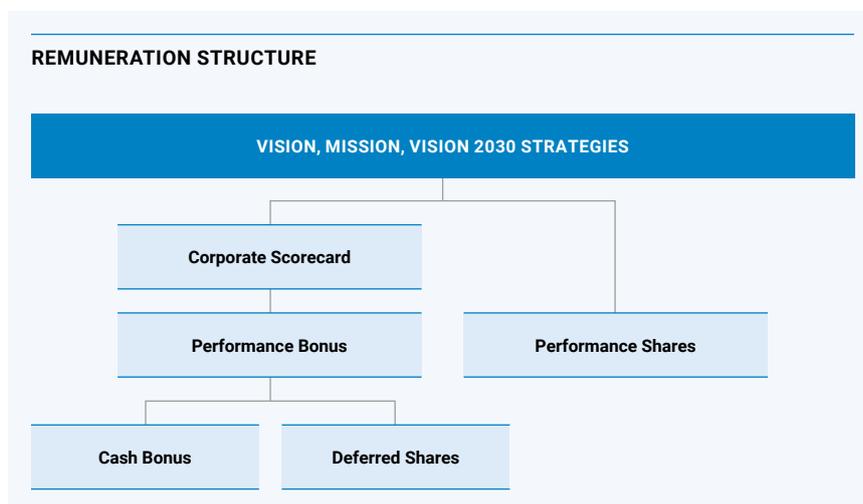
management are required to hold at least 1.5 times of their annual fixed pay under the share ownership guideline so as to maintain a beneficial ownership stake in the Company, thus further aligning their interests with shareholders.

The directors, the CEO and the key management personnel (who are not directors or the CEO) are remunerated on an earned basis and there are no termination, retirement and post-employment benefits that are granted over and above what has been disclosed.

**LONG-TERM INCENTIVE PLANS**

**KCL Share Plans**

The KCL Share Plans are put in place to reward, retain and motivate employees to achieve superior performance and to motivate them to continue to strive for long-term shareholder value. The KCL Share Plans also aim to strengthen the Group's competitiveness in attracting and retaining talented key senior management and employees. The KCL RSP applies to



a broader base of employees while the KCL PSP applies to a selected group of key management personnel. The range of performance targets to be set under the KCL PSP emphasises stretched or strategic targets aimed at sustaining longer-term growth.

The RC has the discretion not to award variable incentives in any year if an executive is directly involved in a material restatement of financial statements, in misconduct resulting in restatement of financial statements, or in misconduct resulting in financial loss to the Company. Outstanding performance bonuses, KCL RSP and KCL PSP are also subject to the RC's discretion before further payment or vesting can occur.

Details of the KCL Share Plans are set out on page 161.

#### LEVEL AND MIX OF REMUNERATION OF DIRECTORS AND KEY MANAGEMENT PERSONNEL (WHO ARE NOT ALSO DIRECTORS OR THE CEO) FOR THE YEAR ENDED 31 DECEMBER 2020

In March 2020, the Company announced a COVID-19 package to help the Singapore community weather COVID-19. The CEO and senior executive management of the Company contributed one month of their base salaries to the package to support national efforts to combat COVID-19, while other members of the Company's senior management contributed half a month of their salaries. All NEDs contributed 8% of their total fees to support this effort.

In recognition of the required rightsizing of Keppel O&M, the CEO, senior executive management of the Company and

management of Keppel O&M volunteered to take a base salary reduction of between 5% and 10% with effect from 1 September 2020 as a demonstration of collective resolve and to set the tone from the top. Mr Loh Chin Hua volunteered to adjust his monthly base salary down by 10% with effect from 1 September 2020. In solidarity with the management team, the directors of the Company and Keppel O&M volunteered for an additional 10% reduction in their FY 2020 annual fees.

Based on the NEDs' fee structure set out earlier, the total FY 2020 fees would have amounted to \$2,473,258. However, after excluding the voluntary 8% contribution to the COVID-19 package and the 10% NEDs' voluntary fee reduction, the resulting directors' total fees for FY 2020 are \$2,028,071.

The level and mix of each of the directors' remuneration are set out below:

Remuneration & Name of Director	Base/Fixed Salary (\$)	Performance-Related Cash Bonuses Earned <sup>1</sup> (\$)	Directors' Total Fees <sup>2</sup> (\$)		Benefits- in-Kind (\$)	Contingent Awards of Shares <sup>3</sup> (\$)		Total Remuneration (\$)
			Cash component <sup>4</sup>	Shares component <sup>4</sup>		PSP	RSP	
Loh Chin Hua	1,123,360	1,404,298	–	–	n.m. <sup>5</sup>	1,346,850	1,299,133	5,173,641 <sup>6</sup>
Lee Boon Yang	–	–	430,500	184,500	–	–	–	615,000
Alvin Yeo Khirn Hai	–	–	96,432	41,328	–	–	–	137,760
Tan Ek Kia	–	–	130,298	55,842	–	–	–	186,140
Danny Teoh	–	–	138,908	59,532	–	–	–	198,440
Till Vestring	–	–	102,746	44,034	–	–	–	146,780
Veronica Eng	–	–	121,114	51,906	–	–	–	173,020
Jean-François Manzoni	–	–	105,616	45,264	–	–	–	150,880
Teo Siong Seng <sup>7</sup>	–	–	94,566	40,528	–	–	–	135,094
Tham Sai Choy <sup>8</sup>	–	–	99,820	42,780	–	–	–	142,600
Penny Goh <sup>9</sup>	–	–	99,650	42,707	–	–	–	142,357

#### Notes:

- The RC is satisfied that the quantum of performance-related cash bonuses earned by the executive director was fair and appropriate taking into account the extent to which his KPIs for FY 2020 were met.
- Based on the NEDs' fee structure set out earlier, the total fees amount to \$2,473,258. After excluding the voluntary contribution to the COVID-19 package and the 10% NEDs' fee reduction, the resulting directors' total fees is \$2,028,071. This amount is within the sum of up to \$2,480,000 approved at the annual general meeting held on 2 June 2020.
- Shares awarded under the KCL PSP are subject to pre-determined performance targets over a three-year performance period. As at 31 March 2020, being the grant date for the contingent awards under the KCL PSP, the estimated value of each share was \$3.69. As at 15 February 2021, being the grant date for the contingent deferred shares award under the KCL RSP, the estimated value of each share was \$4.98. For the KCL PSP, the figures are based on the value of the PSP shares at 100% of the award and the figures may not be indicative of the actual value at vesting which can range from 0% to 150% of the award.
- The amounts stated may be adjusted as indicated on page 87 of this report.
- n.m. – not material
- Total remuneration shown above for Mr Loh Chin Hua does not include vested share of carried interests for funds created during the time he was Managing Director at Alpha Investment Partners. These carried interests are only earned at the end of the fund life and depends entirely on the actual performance of the funds after they have been liquidated.
- Mr Teo Siong Seng was appointed as a member of the Remuneration and Board Safety Committees with effect from 1 February 2020. Fees are prorated accordingly.
- Mr Tham Sai Choy was appointed as a member of the Audit and Board Risk Committees with effect from 1 February 2020. Fees are prorated accordingly.
- Mrs Penny Goh was appointed to the Board with effect from 2 January 2020 and as a member of the Audit and Board Risk Committees with effect from 1 February 2020. Fees are prorated accordingly.

## CORPORATE GOVERNANCE

PSP and RSP Shares granted and vested for the Executive Director are shown below:

Name of Executive Director	PSP Awards	Vesting Date	Contingent Awards of PSP Shares	Number of PSP Shares Vested	Value of PSP Shares Vested (\$) <sup>1</sup>	RSP Awards	Vesting Date	Contingent Awards of RSP Shares	Number of RSP Shares Vested	Value of RSP Shares Vested (\$) <sup>1</sup>
Loh Chin Hua	2016 Awards	28 Feb 2022	0 to 1,125,000 <sup>2</sup>	–	–	2018 Awards	28 Feb 2018	272,352	90,784	714,470
							28 Feb 2019		90,784	565,584
	2017 Awards	28 Feb 2020	0 to 495,000	201,300	1,287,434		28 Feb 2020		90,784	580,618
	2018 Awards <sup>3</sup>	26 Feb 2021	0 to 480,000	–	–	2019 Awards	28 Feb 2019	262,403	87,467	544,919
							28 Feb 2020		87,467	559,404
							26 Feb 2021		–	–
2019 Awards	28 Feb 2022	0 to 547,500	–	–	2020 Awards	28 Feb 2020	301,887	100,629	643,583	
						26 Feb 2021		–	–	
						28 Feb 2022		–	–	
2020 Awards	28 Feb 2023	0 to 547,500	–	–	2021 Awards	26 Feb 2021	260,870	–	–	
						28 Feb 2022		–	–	
						28 Feb 2023		–	–	

Notes:

- <sup>1</sup> The value of the shares vested under KCL PSP and RSP is computed based on the market price of the shares when the shares are credited to the employee's CDP account. The RC is satisfied that the value of the shares vested under the KCL PSP and RSP to the executive director was fair and appropriate taking into account the extent to which his KPIs and performance conditions for FY 2020 were met.
- <sup>2</sup> Refers to one-time contingent shares awarded under the KCL PSP – Transformation Incentive Plan.
- <sup>3</sup> As the targets of the 2018 PSP award were set before the onset of the COVID-19 pandemic, the RC decided to extend the performance period of the award for one more year. The achievements in Year 2018, 2019 and 2021 will be used to determine the vesting level of the award at the end of the extended performance period.

The total remuneration paid to the key management personnel (who are not directors or the CEO) in FY 2020 was \$13,424,874. The level and mix of each of the key management personnel (who are not also directors or the CEO) in bands of \$250,000 are set out below:

Remuneration Band & Name of Key Management Personnel	Base/Fixed Salary (%)	Performance-Related Cash Bonuses Earned <sup>1</sup> (%)	Benefits-in-Kind (%)	Contingent Awards of Shares	
				PSP (%)	RSP (%)
<b>Above \$2,500,000 to \$2,750,000</b>					
Chan Hon Chew	25	29	n.m. <sup>3</sup>	20	26
Ong Tiong Guan	22	31	n.m. <sup>3</sup>	19	28
<b>Above \$2,000,000 to \$2,250,000</b>					
Tan Hua Mui, Christina <sup>2</sup>	26	27	n.m. <sup>3</sup>	22	25
<b>Above \$1,500,000 to \$1,750,000</b>					
Tan Swee Yiow	35	24	n.m. <sup>3</sup>	20	21
<b>Above \$1,250,000 to \$1,500,000</b>					
Ong Leng Yeow, Chris	36	–	n.m. <sup>3</sup>	29	35
Pang Thieng Hwi, Thomas	32	27	n.m. <sup>3</sup>	17	24
Manjot Singh Mann	44	21	6	14	15

Notes:

- <sup>1</sup> The RC is satisfied that the quantum of performance-related bonuses earned by the key management personnel was fair and appropriate taking into account the extent to which their KPIs for FY 2020 were met.
- <sup>2</sup> Total remuneration shown above for Ms Tan Hua Mui, Christina does not include vested share of carried interests for funds created during the time she was Managing Director at Alpha Investment Partners. These carried interests are only earned at the end of the fund life and depend entirely on the actual performance of the funds after they have been liquidated.
- <sup>3</sup> n.m. – not material

**REMUNERATION OF EMPLOYEES WHO ARE SUBSTANTIAL SHAREHOLDERS OF THE COMPANY OR ARE IMMEDIATE FAMILY MEMBERS OF A DIRECTOR OR THE CHIEF EXECUTIVE OFFICER OR A SUBSTANTIAL SHAREHOLDER OF THE COMPANY**

No employee of the Company and its subsidiaries is a substantial shareholder of the Company or an immediate family member of a director, the CEO or a substantial shareholder of the Company and whose remuneration exceeded \$100,000 during the financial year ended 31 December 2020. "Immediate family member" means the spouse, child, adopted child, step-child, brother, sister and parent.

**AUDIT COMMITTEE**

**PRINCIPLE 10:**

*The Board has an Audit Committee which discharges its duties objectively.*

The Audit Committee ("AC") comprises entirely non-executive and independent directors, namely:

- Mr Danny Teoh  
Independent Chairman
- Mr Alvin Yeo  
Independent Member
- Ms Veronica Eng  
Independent Member
- Mr Tan Ek Kia  
Independent Member
- Mr Tham Sai Choy  
(from 1 February 2020)  
Independent Member
- Mrs Penny Goh  
(from 1 February 2020)  
Independent Member

The AC's primary role is to assist the Board with ensuring the integrity of financial reporting and the adequacy and effectiveness of the system of internal controls and risk management. The AC has explicit authority to investigate any matter within its responsibilities, full access to and co-operation by management, full discretion to invite any director or executive officer to attend its meetings, and reasonable resources (including access to external consultants) to enable it to properly discharge its responsibilities.

Mr Danny Teoh, Ms Veronica Eng and Mr Tham Sai Choy have recent, relevant and in-depth experience in accounting and related financial management. Mr Alvin Yeo has in-depth knowledge of the responsibilities of the AC, and practical experience and knowledge of the issues and considerations affecting the Committee gained from serving on audit committee(s) of other listed companies. Mr Tan Ek Kia has significant experience in the oil and gas

and petrochemicals businesses, having held senior positions in an industry leading organisation, and has sufficient financial management knowledge and experience to discharge his responsibilities as a member of the Committee. Mrs Penny Goh has extensive experience in a broad range of corporate real estate transactions for commercial, industrial and logistics projects in Singapore and Asia Pacific, involving investment, joint development and profit participation structures, and has the practical knowledge of the issues and considerations affecting the Committee to discharge her responsibilities as a member of the Committee. Mr Danny Teoh, Mr Tan Ek Kia, Ms Veronica Eng, Mr Tham Sai Choy and Mrs Penny Goh are also members of the Board Risk Committee ("BRC"), with Ms Veronica Eng being the Chairperson. None of the members of the AC were partners or directors of the Company's current external auditors within the last two years and none of the members of the AC hold any financial interest in the auditing firm.

The detailed terms of reference of the Committee are set out on page 99 herein.

**AUDIT**

The AC met with the external auditors five times during the year and at least one of these meetings was without the presence of management and the internal auditors. The AC also met with the internal auditors five times during the year, and at least one of these meetings was conducted without the presence of management and the external auditors.

The AC reviewed and approved the Group external auditor's audit plan for the year and assessed the quality of the work carried out by the external auditors in accordance with the Audit Quality Indicators Disclosure Framework published by the Accounting and Corporate Regulatory Authority ("ACRA") and is satisfied with the performance. Taking into account the requirements under the Accountants Act (Chapter 2) of Singapore, the AC undertook a review of the independence and objectivity of the external auditors through discussions with the external auditors as well as reviewing the audit and non-audit fees awarded to them and has confirmed that the non-audit services performed by the external auditors would not affect their independence. For details of fees payable to the auditors in respect of audit and non-audit services, please refer to Note 26 of the Notes to the Financial Statements on page 188.

The Company has complied with Rule 712, and Rule 715 read with Rule 716 of the SGX Listing Manual in relation to its auditing firms.

The Company also has an in-house internal audit function ("Group Internal Audit"), which together with the external auditors, report their findings and recommendations to the AC independently. The role of Group Internal Audit is to provide independent assurance to the AC to ensure that the Company maintains a sound system of internal controls. In this aspect, Group Internal Audit conducts regular reviews of the adequacy and effectiveness of the Group's key internal controls, including financial, operational, compliance and IT controls, and risk management. Any significant non-compliance or failures in internal controls together with recommendations for improvements are reported to the AC. Group Internal Audit also undertakes investigations as directed by the AC.

Group Internal Audit has direct access to the AC and unfettered access to all the documents, records, properties and personnel of the Group. The AC approves the hiring, removal, evaluation and compensation of the Head of Group Internal Audit, whose primary line of reporting is to the Chairman of the AC, with an administrative reporting line to the CEO of the Company. The AC reviewed the adequacy and effectiveness of Group Internal Audit and is satisfied that the team is independent, effective and adequately resourced with persons with relevant qualifications and experience, and has appropriate standing within the Company. Group Internal Audit attends the Company's and the Group's key strategy sessions and executive meetings, and is staffed with professionals with sufficient expertise in corporate governance, risk management, internal controls, and other relevant disciplines. The AC also reviewed the training costs and programmes attended by Group Internal Audit to ensure that their technical knowledge and skill sets remain current and relevant.

As a member of the Institute of Internal Auditors ("IIA"), Group Internal Audit is guided by the International Professional Practices Framework set out by the IIA. External quality assessment reviews are carried out at least once every five years by qualified professionals, with the last assessment conducted in 2016 and the next to be conducted in 2021. The results re-affirmed that the internal audit activity conforms to the International Standards for the Professional Practice of Internal Auditing. Group Internal Audit staff perform a yearly declaration of independence and confirm their adherence to the Keppel Group Code of Conduct as well as the Code of Ethics established by the IIA, from which the principles of objectivity, competence, confidentiality and integrity are based.

## CORPORATE GOVERNANCE

The purpose, authority and responsibility of Group Internal Audit are formally defined in an internal audit charter, which is approved by the AC. The internal audit charter establishes Group Internal Audit's position within the organisation, including the nature of its functional reporting relationship with the AC; authorises access to records, personnel, and physical properties relevant to the performance of engagements; and defines the scope of internal audit activities. The Charter mandates Group Internal Audit to maintain a quality assurance and improvement programme that covers all aspects of the internal audit activity, including the evaluation of its conformance with the Standards, and an evaluation of whether internal auditors apply the IIA's Code of Ethics.

During the year, Group Internal Audit adopted a risk-based auditing approach that focuses on key risks, including financial, operational, compliance and IT risks. An annual audit plan is developed using a structured risk and control assessment framework, and this plan is reviewed and approved by the AC to ensure that the risk-based plan sufficiently covered the effectiveness of controls to mitigate the significant financial, operational, compliance and IT risks of the Company. Audits are planned based on the results of the assessment, with priority given to auditing the areas of highest risk within the Company. All Group Internal Audit's reports are submitted to the AC for deliberation with copies of these reports extended to the Chairman, CEO and relevant senior management personnel. In addition, significant audit findings and recommendations put up by the internal and the external auditors are reported to the AC and discussed at AC meetings. To ensure timely and adequate closure of audit findings, the status of implementation of the actions agreed by management is tracked and discussed with the AC. The AC also reviews the effectiveness of the actions taken by management on the recommendations made by Group Internal Audit and the external auditors.

#### FINANCIAL MATTERS

Changes to accounting standards and accounting issues which have a direct impact on the financial statements were reported to the AC, and highlighted by the external auditors in their quarterly meetings with the AC. In addition, the AC members are also invited to the Company's finance seminars held from time to time where relevant changes to the accounting standards that will impact the Keppel Group of Companies are shared by and discussed with accounting practitioners from one of the leading accounting firms.

During the year, the AC performed an independent review of the financial statements of the Company before the announcement

of the Company's first quarter, second quarter and full-year results. In the process, the Committee reviewed the key areas of management judgment applied for adequate provisioning and disclosure, critical accounting policies and any significant changes made that would have a material impact on the financials.

In its review of the financial statements of the Group and the Company for FY 2020, the AC reviewed the key areas of management's judgment and estimates applied for key financial issues, including valuation of investment properties and development properties held for sale, assessment of impairment of investments in KrisEnergy Limited and Floatel International Limited, recoverability of contract assets, material receivables and stocks, financial exposure in relation to contracts with Sete Brasil, global resolution with criminal authorities in relation to corrupt payments, revenue recognition, and the impairment assessment of goodwill arising from the acquisition of M1, that might affect the integrity of the financial statements. The AC also considered the report from the external auditors, including their findings on the key audit matters as set out in the independent auditor's report for the financial year ended 31 December 2020.

In addition to the findings of the external auditors, the AC took into consideration the methodology applied in determining the valuation and value-in-use of different asset classes, including the reasonableness of the estimates and key assumptions used. The AC also reviewed management's assessment of recoverability of contract assets, material receivables and stocks, as well as financial exposure in relation to contracts with Sete Brasil, including cash flow estimates relating to the settlement agreement between the Group and Sete Brasil as well as a proposal by Magni Partners (Bermuda) Ltd, assessment on whether there was a potential for any additional provision in relation to the corrupt payments, as well as estimates of the total costs and physical proportion of work completed in determining the stage of completion. Furthermore, external independent valuations as well as opinions from internal and external legal counsel, where applicable, were considered when reviewing management's assessment.

The AC concurs with the methodology, accounting treatment and estimates adopted, as well as the disclosures made in the financial statements for each of the key audit matters set out by the external auditors in their report.

#### WHISTLE-BLOWER POLICY

The AC has reviewed the Keppel Whistle-Blower Policy (the "Policy") which provides for the mechanisms by which employees and other persons may, in confidence, raise

concerns about possible improprieties in business conduct, and was satisfied that arrangements are in place for the independent investigation of such matters and for appropriate follow-up action. To facilitate the management of incidences of alleged fraud or other misconduct, the AC is guided by a set of guidelines to ensure proper conduct of investigations and appropriate closure actions following completion of the investigations, including administrative, disciplinary, civil and/or criminal actions, and remediation of control weaknesses that perpetrated the fraud or misconduct so as to prevent a recurrence. Significant matters raised through the whistle-blowing channel are reported to the Board.

The details of the Policy are set out on page 104 hereto. The AC reviews the Policy yearly to ensure that it remains current.

#### INTERESTED PERSON TRANSACTION

The Company has established policies and procedures for reviewing and approving interested person transactions ("IPTs") in accordance with the general mandate from shareholders that such transactions are made on normal commercial terms and will not be prejudicial to the interests of the Company and its minority shareholders. Management reported the IPTs to the AC in accordance with the mandate. These IPTs were reviewed by the internal auditors, and all findings were reported during AC meetings.

Details of IPTs entered into by the Group in FY 2020 are set out on page 217 of this Annual Report.

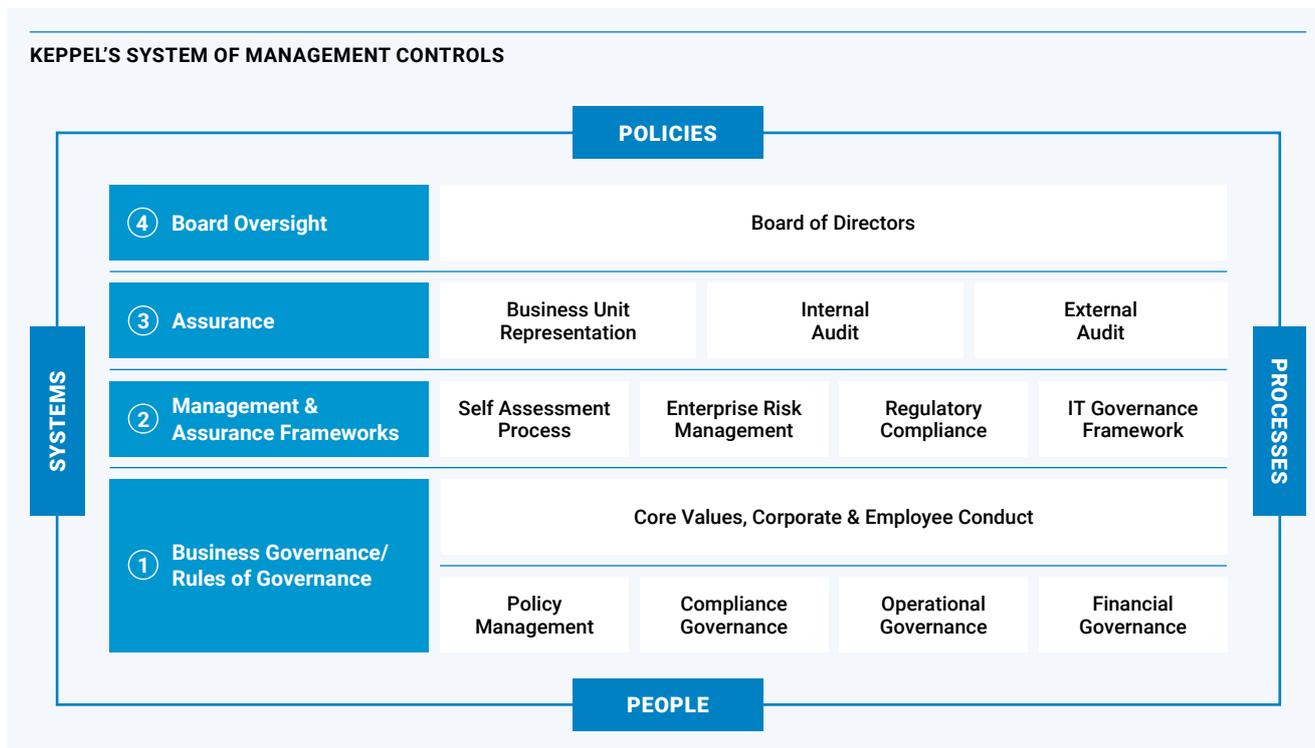
#### RISK MANAGEMENT AND INTERNAL CONTROLS

##### PRINCIPLE 9:

*The Board is responsible for the governance of risk and ensures that management maintains a sound system of risk management and internal controls, to safeguard the interests of the Company and its shareholders.*

The BRC comprises entirely non-executive and independent directors, namely:

- Ms Veronica Eng  
Independent Chairperson
- Mr Danny Teoh  
Independent Member
- Mr Tan Ek Kia  
Independent Member
- Prof Jean-François Manzoni  
Independent Member
- Mr Tham Sai Choy  
(from 1 February 2020)  
Independent Member
- Mrs Penny Goh  
(from 1 February 2020)  
Independent Member



The BRC considers the nature and extent of the significant risks which the Company may take in achieving its strategic objectives and value creation; and reviews and guides management in the formulation of risk policies and processes to effectively identify, evaluate and manage significant risks, to safeguard shareholders’ interests, the Group’s assets and ensure corporate sustainability. The Committee reports to the Board on critical risk issues, material matters, findings and recommendations.

The detailed terms of reference of this Committee are disclosed on page 99 herein.

The Group Risk and Compliance department, working in conjunction with the business teams, has supported management in applying the Enterprise Risk Management (“ERM”) Framework to ensure significant risks across the Group are assessed and adequately mitigated. This is performed through the monitoring of risk matters across the Group, conduct of training, site visits, participation at IMPAC meetings, and implementation of risk related policies and standards. The ERM Framework was established to guide Group entities in managing risks and also facilitate the Board’s assessment of the adequacy and effectiveness of the Group’s system and processes in managing risks. It lays out the governance mechanisms and principles, policies and processes, and system pertaining to how Group entities should identify, assess, mitigate, communicate and monitor or escalate significant risk matters.

Risk assessments are performed at each business unit and agreed with senior management before being consolidated to form the Group Risk Assessment. Further assessments are performed at the Group and articulation of each key risk area, grouped by sub-groups within Strategic, Operational, Compliance and Financial risk, and the mitigation plans where applicable, are provided to the Board and BRC at quarterly meetings. This is complemented by education and awareness, resources and expertise, and assessment or feedback, which are ongoing in nature.

The Group’s approach to risk management and the key risks of the Group are set out in the “Risk Management” section on page 110 of this Annual Report. The Group is guided by a set of Risk Tolerance Guiding Principles, as disclosed on page 110.

The Group also has in place the Keppel’s System of Management Controls Framework (the “Framework”) outlining the Group’s internal control and risk management processes and procedures. The Framework comprises the Three-Lines Model towards ensuring the adequacy and effectiveness of the Group’s system of internal controls and risk management.

Under the First Line, management is required to ensure good corporate governance through the implementation and management of policies and procedures relevant to the Group’s business scope and environment. Such policies

and procedures govern financial, operational (including IT) and regulatory compliance matters and are reviewed and updated periodically. Compliance governance is governed by the respective regulatory compliance management committees and working teams. Employees are also guided by the Group’s Core Values and expected to comply strictly with the Keppel Group Code of Conduct.

Under the Second Line, significant business units and entities scoped in for control self assessment (“CSA entities”) are required to conduct a self-assessment exercise on an annual basis (“CSA”). This exercise requires such business units and CSA entities to assess the status of their respective risk management processes and internal controls via self-assessment. Where required, action plans are developed to remedy identified control gaps. The CSA programme was enhanced in FY 2020 through the refresh of group baseline controls, optimisation of controls automation, continuous monitoring and digitisation of CSA. As described under the Group’s ERM Framework, relevant and material risk areas of the Group are also identified and assessed, with systems, policies and processes put in place to manage and mitigate identified risk areas should they exceed beyond internal thresholds of appetite. It includes the reporting and oversight structure involving both boards and management of the Group and business divisions and seeks to embed sound risk management practice in business decisions and operations across Group entities. Regulatory Compliance

## CORPORATE GOVERNANCE

supports and works alongside business management to ensure relevant policies, processes and controls are effectively designed, managed and implemented to ensure compliance risks and controls are effectively managed. The IT Governance Framework aims to strengthen IT controls and manage IT risks by providing the necessary security and resilience towards effective business continuity. The framework was further strengthened in January 2021 through the formalisation of a Keppel Cybersecurity governance structure and the establishment of a Keppel Cybersecurity Service Centre.

Under the Third Line, to assist the Group to ascertain the adequacy and effectiveness of the Group's internal controls, business units' CEOs and Chief Financial Officers ("CFO") are required to provide the Group with written assurances as to the adequacy and effectiveness of their system of internal controls and risk management. Such assurances are also sought from the Group's internal and external auditors based on their independent assessments.

#### ENHANCEMENTS TO COMPLIANCE PROGRAMME IN FY 2020

At Keppel, accountability is a core value. As our Keppel Group Code of Conduct states, "we care how results are achieved, not just that they are attained." Implementing that core value through enhancing our regulatory compliance process and by reminding every Keppelite of that value is a focus of attention for us, our boards, and officers and line managers across the globe.

This section provides an overview of the improvements and enhancements that have been made to strengthen Keppel's compliance programme over the past year. Further details of our compliance initiatives are set out on pages 114 to 116 of this Annual Report. The Company is committed to a continuous review and, where necessary and appropriate, further improvements and enhancements to the Group's compliance programme will be made.

The Group has taken the following steps over the past year to further enhance its internal controls, policies and procedures:

- i. introducing a Group-wide Sanctions Compliance Policy in accordance with The US Department of the Treasury's Office of Foreign Assets Control's compliance guidelines including tailor-made compliance procedures calibrated based on each business unit's risk profile, and conducting training sessions by external counsel to provide business units with more clarity and appreciation of sanctions risk and enhance their ability to identify and escalate sanctions issues in the course of carrying out business;
- ii. updating and adopting several standard operating procedures ("SOP") and guidance at Keppel O&M, including: updating guidance on controls for commercial agents; standardising its ISO 37001 Anti-Bribery Management Systems controls; enhanced due diligence procedures with regard to false positives; issuing an SOP requiring due diligence on potential clients prior to initial meetings; and adopting enhanced controls assurance processes, including enhanced procedures for dealing with scrap at Keppel O&M's business units;
- iii. conducting training – primarily by video conference or internet-based training including: new hire training, anti-bribery and corruption refresher training, diligence and screening training, third-party risk training for commercial functions, supplier training, compliance training for agents, internal audit training, gifts and hospitality training, business associate training, and other training programmes in Singapore, USA, Brazil, Philippines, China, Bulgaria, India, UAE, and elsewhere;
- iv. conducting due diligence upon and reviewing all potential third-party associates, declining or removing them where appropriate, and revalidating third-party associates in accordance with prescribed periodic risk-cycles;
- v. enhancing monitoring of gifts and hospitality with a dashboard and instituting local currency limits for Keppel O&M's overseas operations;
- vi. digitalisation of due diligence processes through a Group-wide internet sharepoint, facilitating a centralised repository, as well as better information sharing and access across the Group;
- vii. enhancing processes and procedures for the declaration of conflicts of interest in key projects and tenders, implementing contemporaneous declarations as part of the project workflow (in addition to the annual certification);
- viii. strengthening processes and procedures for oversight of commercial agents and intermediaries. These include a more systematic and continual oversight over the activities and work of commercial agents and intermediaries on an ongoing basis with regular activity reports, including those relating to proper books and records keeping, and training on ethical expectations and interactions with end-customers and other end-parties;
- ix. improving screening databases through reputable specialist database screening tools and generally available public domain sources of entities, including state-owned enterprises ("SOE"), to assist employees in identifying higher-risk entities;
- x. instituting Group-wide information sharing and lessons learned at Regulatory and Compliance Management Committee ("RCMC") and Regulatory and Compliance Working Team ("RCWT") sessions;
- xi. producing in-house videos on compliance topics for use in training programmes; and
- xii. making the Keppel Group Code of Conduct and Anti-Bribery Policy publicly available across the Group's websites, including <https://www.keppcorp.com/en/sustainability/our-focus-areas/#tab-corporate-governance>.

In 2019, Keppel O&M also completed the ISO 37001 (Anti-Bribery Management System) certification for its global operations in the USA, Brazil, Middle East, China, the Philippines, India and Bulgaria, thus completing the attainment of ISO 37001 certification at all Keppel O&M operating entities in Singapore and globally. In 2020, Keppel Land and Keppel Data Centres also obtained ISO 37001 (Anti-Bribery Management System) certification of its operating entities in Singapore.

#### THE GROUP'S COMPLIANCE PROGRAMME

The Group's compliance programme also includes the following:

- i. a compliance governance structure that is overseen by RCMC and RCWT, bringing together senior management, compliance personnel, and other core function leads to discuss compliance enhancements and address compliance issues as they arise;
- ii. a Supplier Code of Conduct, to integrate Keppel's sustainability principles across our supply chain, and positively influence the environmental, social and governance performance of our suppliers. Suppliers of the Group are expected to abide by the Supplier Code of Conduct, which covers areas pertaining to business conduct (including specific anti-bribery provisions), labour practices, safety and health, and environmental management;
- iii. risk-based due diligence process for all third-party associates who represent the Group in business dealings, including our joint venture partners, to assess the compliance risk of the business partner; and
- iv. the dedicated independent Group-wide compliance function has reporting lines independent of business divisions. The

Head of the Group's compliance function has a primary line of reporting to the Chairman of the BRC, with an administrative reporting line to the CFO of the Company.

The Group's compliance programme is and will be subjected to a periodic review to ensure it meets the following standards, i.e. that:

#### 1. Board and Senior Management Commitment

The Group's senior management, including members of the Board, provide continuous, clear and explicit support to the compliance programme.

#### 2. Policies and Procedures

The Group continuously implements and communicates its corporate policy against violations of any anti-corruption laws. This policy has been and will continue to be documented in writing, include appropriate measures to reduce the prospect of violations of anti-corruption laws, and encourage and support the observance of compliance policies and procedures by personnel at all levels of the Group. These anti-corruption policies and procedures apply to all directors, officers and employees and, where necessary and appropriate, outside parties acting on behalf of Keppel, including but not limited to, agents and intermediaries, consultants, representatives, partners and suppliers.

Individuals at all levels of Keppel comply with the Keppel Group Code of Conduct and its compliance policies and procedures. Such policies and procedures address, among other areas:

- a. gifts;
- b. hospitality, entertainment and expenses;
- c. agent fees;
- d. political contributions;
- e. donations and sponsorships;
- f. facilitation payments; and
- g. solicitation and extortion.

The Group ensures that:

- a. books, records and accounts are in reasonable detail, and accurately and fairly reflect the transactions and disposition of assets; and
- b. the Group develops and maintains a system of internal accounting controls, sufficient to provide reasonable assurance that:
  - i. transactions are performed in accordance with the Group's general guidelines or specific authorisation;
  - ii. transactions are recorded as necessary to permit preparation

of financial statements in conformity with generally accepted accounting principles or any other criteria applicable to such statements, and to maintain accountability for assets;

- iii. access to assets shall only be permitted in accordance with the Group's general guidelines or specific authorisation; and
- iv. the recorded accountability for assets shall be compared with the existing assets at reasonable intervals and appropriate action be taken with respect to any differences.

#### 3. Periodic Risk-based Review

The Group continues to enhance its compliance policies and procedures on the basis of a periodic risk assessment to ensure their continued effectiveness, taking into account relevant developments such as international and industry standards, and addressing the individual circumstances of the Group, and in particular corruption risks, including but not limited to its geographical organisation and sectors of industrial operation.

#### 4. Training and Orientation

The Group continuously ensures that its compliance policies and procedures are communicated effectively to all employees, including officers, directors, and where necessary and appropriate, agents and business partners. These mechanisms include:

- a. periodic focused 'gate-keeper' training for senior management members (including directors), employees in positions of leadership, and targeted training for employees in positions otherwise exposed to corruption risks, and where necessary and appropriate, compliance training for agents and business partners; and annual e-training for directors, officers and employees; and
- b. corresponding certifications by such senior management members (including directors), employees, agents and business partners, acknowledging their understanding of policies and conformity with training requirements.

#### 5. Internal Reporting, Communications and Investigation

The Group maintains a system for the internal reporting/communication of potential violations of compliance policies and procedures and applicable laws, that ensures as far as possible

confidentiality to the whistle-blower and investigation subjects.

The Group maintains a process for receiving internal reports/communications with sufficient resources to respond and document allegations of violations of compliance policies and procedures and applicable law. When necessary, the Group undertakes independent investigations of the alleged violations. Due to travel restrictions imposed in light of COVID-19, in 2020, key investigations into whistle-blower complaints alleging misconduct (of any kind) have been conducted by local third-party forensic and investigations specialists.

#### 6. Enforcement and Discipline

The Group maintains and, where necessary, improves its mechanisms designed to effectively enforce its compliance policies and procedures including, where appropriate, the imposition of disciplinary measures in the case of violations.

The Group institutes disciplinary measures with reference to, among other things, violations of compliance policies and procedures and applicable law by its senior management (including directors) and employees. Such procedures are applied consistently and fairly, regardless of the position held by, or the perceived importance of the senior management member (including directors) or employee. Where misconduct is discovered, measures are taken promptly to cease the misconduct or irregularities, and remedy the harm resulting from such misconduct.

#### 7. Third-party Relationships

The Group continues to implement the following procedures with reference to its agents and business partners:

- a. due diligence relating to the hiring of third-parties;
- b. appropriate oversight of third-parties; and
- c. seeking reciprocal commitments regarding ethical conduct from third-parties, associates and business partners.

When necessary, the Group includes in contracts with third-parties, agents and business partners, anti-corruption provisions, which may include the following:

- a. commitment to act in accordance with applicable laws;
- b. right to conduct audits of the books and records of third-parties, agents or business partners; and

## CORPORATE GOVERNANCE

- c. right to terminate a contract due to violations of compliance policies and procedures or any applicable anti-corruption law by any third-party, agent or business partner.

The Group also communicates its Sanctions Compliance Policy to all counterparties of the Group as relevant, to ensure that in all dealings with such counterparties, they are made aware of, and agree to comply with, all applicable sanctions and export control laws and regulations.

In addition, risk-based screening of counterparties to identify sanctions-related risks is also conducted. Where appropriate on a risk-based consideration, contracts with such counterparties would contain sanctions and export control compliance clauses.

#### 8. Mergers, Acquisitions and Corporate Restructuring

The Group implemented a Mergers and Acquisitions Compliance Due Diligence process which gives guidance and sets out requirements for compliance due diligence checks and steps to be performed on potential merger and acquisition target entities.

The Group applies its compliance codes, policies and procedures in a speedy and efficient manner to newly acquired businesses or entities, and conducts training for new employees, senior management (including directors), agents and business partners.

#### 9. Monitoring and Developments

The Group conducts continuous monitoring of its compliance programme to enhance its effectiveness in preventing and detecting violations of its compliance policies.

#### ANNUAL ASSURANCE

The Board has received assurance:

- a. from the CEOs and CFOs of each of the Group's business divisions and the CEO and CFO of the Company that, as of 31 December 2020, the financial records of the Group have been properly maintained and the financial statements for the year ended 31 December 2020 give a true and fair view of the Group's operations and finances; and
- b. from the CEO and CFO of the Company, CEOs and CFOs of each of the Group's business divisions, and other key management personnel responsible for risk management and internal control systems that, as of 31 December 2020, the Group's internal controls (including

financial, operational, compliance and IT controls) and risk management systems were adequate and effective to address the risks which the Group considers relevant and material to its operations.

Based on the internal controls and enterprise-wide risk management framework established and maintained by the Group, work performed by internal and external auditors, and reviews performed by management, the AC and BRC, as well as the assurances set out above, the Board is of the view that, as of 31 December 2020, the Group's internal controls (including financial, operational, compliance and IT controls) and risk management systems were adequate and effective to address the risks which the Group considers relevant and material to its operations.

The Board notes that the system of internal controls and risk management established by the Group provides reasonable, but not absolute, assurance that the Group will not be adversely affected by any event that could be reasonably foreseen as it strives to achieve its business objectives. In this regard, the Board also notes that no system of internal controls and risk management can provide absolute assurance against the occurrence of material errors, poor judgment in decision-making, human error, losses, fraud and other irregularities.

The AC and BRC concur with the Board's view that, as of 31 December 2020, the Group's internal controls (including financial, operational, compliance and IT controls) and risk management systems were adequate and effective to address the risks which the Group considers relevant and material to its operations.

#### SHAREHOLDER RIGHTS AND COMMUNICATION WITH SHAREHOLDERS

##### PRINCIPLE 11:

*The Company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the Company. The Company gives shareholders a balanced and understandable assessment of its performance, position and prospects.*

##### PRINCIPLE 12:

*The Company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the Company.*

##### PRINCIPLE 13:

*The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the Company are served.*

The Board is responsible for providing a balanced and understandable assessment of the Company's and Group's performance, position and prospects, including interim and other price sensitive public reports, and reports to regulators (if required).

The Board has embraced openness and transparency in the conduct of the Company's affairs, whilst preserving the commercial interests of the Company. Financial reports and other price sensitive information are disseminated to shareholders through announcements via SGXNet, press releases, the Company's website, public webcast and media and analyst briefings. The Company's Annual Report is accessible on the Company's website, and can be viewed at or downloaded from <https://www.kepcorp.com/en/investors/annual-general-meeting>, and shareholders are encouraged to read the Annual Report on the Company's website. Shareholders may, however, request for a physical copy at no cost.

The Company adopts a stakeholder engagement framework developed in accordance with the AA1000 Accountability Stakeholder Engagement Standard, whereby stakeholders are defined to be individuals, groups of individuals or organisations that affect and/or could be affected by Keppel's activities, products or services and associated performance. The Company engages its stakeholders regularly in the determination of its material areas of focus. Materiality assessments are important components of the Company's sustainability strategy and reporting. The Company's materiality assessments are based on the AA1000 Accountability Principles of Inclusivity and Materiality, as well as the Global Reporting Initiative ("GRI") Principles for Defining Report Content – stakeholder inclusiveness, sustainability context, materiality and completeness. Materiality with respect to sustainability reporting, as defined by GRI Standards, includes topics and indicators that reflect the organisation's significant economic, environmental and social impacts; and would substantively influence the assessments and decisions of stakeholders.

The Company has identified and prioritised its material environmental, social and governance issues. An overview of the Company's approach to sustainability management can be found on page 22 of this report. More details of the Company's



Senior management of Keppel addressed questions from media and the investment community at the Company's 2H & FY 2020 results webcast.

management approach, priorities, targets and performance reviews in key areas will be made available through its externally audited Sustainability Report, prepared in accordance with the GRI Standards, published annually in May.

The Company's Corporate Communications department (with assistance from other departments as required) regularly communicates with shareholders and receives and attends to their queries and concerns.

The Company treats all its shareholders fairly and equitably and keeps all its shareholders and other stakeholders informed of its corporate activities, including changes in the Company or its business, which would be likely to materially affect the price or value of its shares, on a timely basis.

The Company has in place an Investor Relations Policy which sets out the principles and practices that the Company applies to provide shareholders and prospective investors with information necessary to make well-informed investment decisions and to ensure a level playing field. The Investor Relations Policy is published on the Company's website at [www.keppcorp.com](http://www.keppcorp.com), and sets out the mechanism through which shareholders may contact the Company with questions and through which the Company may respond to such questions. This is to allow for an ongoing exchange of views so as to actively engage and promote regular, effective and fair communication with shareholders.

On 7 February 2020, the SGX's regulation on risk-based quarterly reporting came into effect, whereby listed companies may, unless otherwise required by the SGX, report their results semi-annually. The Company has moved to semi-annual reporting in FY 2020, but continues to provide voluntary business updates in between its half-yearly financial reports. The Company stands committed to engaging shareholders and the investment community through clear, timely and consistent communications.

The Company employs various platforms to effectively engage the investment community and other stakeholders, with an emphasis on timely, accurate, fair and transparent disclosure of information. Engagement with stakeholders takes many forms, including "live" webcasts of financial results and presentations, email communications, publications and content on the Company's corporate website, as well as through facility visits when possible, where shareholders may raise any queries or concerns that they may have. Presentation materials of the Company's half-yearly financial statements and voluntary business updates are made available on its website on the same day they are released on SGXNet, while a transcript of the questions and answers session held with media and analysts is also released on SGXNet and posted on the Company's website before the start of the next trading day.

The Company's mobile-responsive website is regularly updated with the latest information. These include latest

updates on business and operations, half-yearly financial statements, voluntary business updates and dividend information, materials provided at analysts and media briefings, annual reports, as well as information on general meetings including presentations and minutes. Contact details of the Investor Relations department (email: [investor.relations@keppcorp.com](mailto:investor.relations@keppcorp.com)) are also set out on the website to facilitate any queries from investors.

In addition to shareholder meetings, senior management engages investors, analysts and the media, as well as attends roadshows and industry conferences organised by major brokerage firms to solicit and understand the views of the investment community. In FY 2020, most physical roadshows and meetings were replaced by virtual engagements due to COVID-19 related safe management measures. The Company hosted about 210 virtual meetings and conference calls with institutional investors, including virtual non-deal roadshows with investors from Hong Kong, Malaysia, Singapore, the UK and the US, and participated in an online conference organised by SGX and Credit Suisse. In 2020, the Company organised briefings for media and analysts, as well as calls with investors, to help the media and investment community better understand the Company's performance, including how Keppel was responding to the pandemic, the Company's Vision 2030, as well as the subsequent 100-day plan to accelerate the execution of the Vision.

The Company has, since 2017, been collaborating with the Securities Investors Association (Singapore) to hold briefings for retail shareholders. In FY 2020's virtual session, the Company's CEO and CFO engaged about 120 retail shareholders on the Company's strategy and performance.

All materials presented on these occasions are also made available on the SGXNet and the Company's website in a timely manner, to ensure fair disclosure of information for the benefit of all shareholders.

#### **ANNUAL GENERAL MEETING**

In view of the COVID-19 situation, the Company's annual general meeting in 2020 was 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 ("COVID-19 (Temporary Measures)"). Alternative arrangements relating to attendance at the annual general meeting via electronic means (including arrangements by which the meeting can be electronically accessed

## CORPORATE GOVERNANCE

via live audio-visual webcast or live audio-only stream), submission of questions to the Chairman of the Meeting in advance of the annual general meeting, addressing of substantial and relevant questions at, or prior to, the annual general meeting and voting by appointing the Chairman of the Meeting as proxy at the annual general meeting, were put in place for the annual general meeting. The notice of meeting and documents relating to the business of the annual general meeting (which included the rules governing the annual general meeting) were circulated to shareholders by electronic means via publication on SGXNet and the Company's website. Further, responses to questions submitted by shareholders prior to the meeting were uploaded to SGXNet and the Company's website prior to the event and addressed at the annual general meeting itself.

The COVID-19 (Temporary Measures) will continue to apply to the Company at the upcoming annual general meeting to be held in respect of FY 2020.

Prior to the pandemic and the COVID-19 (Temporary Measures) coming into effect, the Company's general meetings were generally held physically in central locations which are easily accessible by public transportation, ensuring that shareholders have the opportunity to participate effectively and vote at such meetings. Shareholders are informed of the meetings through notices published in the newspapers and via SGXNet, and reports or circulars sent or made available to all shareholders. If any shareholder is unable to participate at the physical meeting, he/she is allowed to appoint up to two proxies to vote on his/her behalf at the meeting through proxy forms sent in advance. Specified intermediaries, such as banks and capital markets services licence holders which provide custodial services, may appoint more than two proxies. This will enable indirect investors, including CPF investors, to be appointed as proxies to participate in the physical meetings. Such indirect investors, where so appointed, will have the same rights as direct investors to vote at the physical meeting.

To ensure transparency, the Company conducts electronic poll voting for shareholders/proxies present at the physical meeting for all the resolutions proposed at the general meeting. Shareholders are also informed of the rules, including voting procedures, governing such general meetings. Votes cast for and against and

the respective percentages, on each resolution will be displayed "live" to shareholders/proxies immediately after each poll conducted.

Regardless whether a general meeting is held physically or via electronic means, shareholders are invited to put forth any questions they may have on the motions to be debated and decided upon, and vote on the resolutions at general meetings. Each distinct issue is proposed as a separate resolution. Such resolutions include matters of significance to shareholders such as, where applicable, proposed amendments to the Constitution, the authorisation to issue additional shares, the transfer of significant assets, re-election of directors, and the remuneration of non-executive directors. The rationale for the resolutions to be proposed at the meeting is set out in the notices to the meeting or their accompanying appendices. However, where the issues are interdependent and linked so as to form one significant proposal, the Company may propose "bundled resolutions" and will set out the reasons and material implication in the notices to the meeting or its accompanying appendices. A scrutineer will be appointed to count and validate the votes cast at the meetings. The total number of votes cast for or against the resolutions and the respective percentages are also announced in a timely manner after the general meeting via SGXNet. Each share is entitled to one vote.

Where possible, all directors will attend the general meetings. The chairmen of the Board and each board committee are required to be present to address questions at general meetings. External auditors are also present at such meetings to assist the directors to address shareholders' queries, if necessary.

The Constitution of the Company allows for absentia voting at general meetings. However, the Company is not implementing absentia voting methods such as voting via mail, email or fax until security, integrity and other pertinent issues are satisfactorily resolved.

The Company Secretaries prepare minutes of general meetings, which incorporate substantial and relevant comments or queries from shareholders relating to the agenda of the meeting and responses from the Board and management. These minutes are available to shareholders upon their requests. All minutes of general meeting will be published on the Company's website as soon as practicable. Minutes of the annual general meeting held in 2020 were

published on both the Company's website and SGXNet within one month after the meeting.

The Company is committed to rewarding shareholders fairly and sustainably, while balancing the payment of dividends with its capital requirements to ensure that the best interests of the Company are served. While it does not have a formal dividend policy, the Company has a consistent track record for distributing about 40 to 50% of its annual net profit as dividends. Any payment of interim dividend or, upon receipt of shareholders' approval at annual general meetings, final dividend, will be paid to all shareholders in an equitable and timely manner. For FY 2020, the Company will be paying out a total cash dividend of 10.0 cents per share to shareholders.

### SECURITIES TRANSACTIONS INSIDER TRADING POLICY

The Company has a formal Insider Trading Policy and Guidelines on Disclosure of Dealings in Securities on dealings in the securities of the Company and its listed subsidiaries and associated companies, which sets out the implications of insider trading and guidance on such dealings, including the prohibition on dealings with the Company's securities on short-term considerations. The policy and guidelines have been distributed to the Group's directors and officers.

Pursuant to Rule 1207(19)(c) of the Listing Manual, the Company and its officers should not deal in the Company's securities during the period commencing two weeks before the announcement of the Company's financial statements for each of the first three quarters of its financial year and one month before the announcement of the Company's full year financial statements (if the Company announces its quarterly financial statements), or one month before the announcement of the Company's half year and full year financial statements (if the Company does not announce its quarterly financial statements) (the "Embargo Period(s)").

The Company had issued circulars to its directors and officers informing that the Company and its officers must not deal in listed securities of the Company during the Embargo Period(s), and if they are in possession of unpublished price-sensitive information. Directors and CEO are also required to report their dealings in the Company's securities within two business days.

## APPENDIX 1 BOARD COMMITTEES – RESPONSIBILITIES

### A. AUDIT COMMITTEE

- 1.1 Review financial statements and announcements relating to financial performance, and significant financial reporting issues and judgments contained in them, for better assurance of the integrity of such statements and announcements.
- 1.2 Review and report to the Board at least annually on the adequacy and effectiveness of the Group's internal controls, including financial, operational, compliance and information technology controls, and risk management in relation to financial reporting and other financial-related risks (such review can be carried out internally or with the assistance of any competent third parties).
- 1.3
  - a. Review the Board's comment on the adequacy and effectiveness of the Group's internal control systems, and state whether it concurs with the Board's comments.
  - b. Where there are material weaknesses identified in the Group's internal control systems, to consider and recommend the necessary steps to be taken to address them.
- 1.4 Review the assurance from the CEO and CFO on the financial records and financial statements and the assurance and steps taken by the CEO and other key management personnel who are responsible, regarding the adequacy and effectiveness of the Group's internal control systems.
- 1.5 Review audit plans and reports of the external auditors and internal auditors and consider the effectiveness of actions taken by management on the recommendations and observations.
- 1.6 Review the adequacy, effectiveness and independence of the external audit function and internal audit function, at least annually, and report the AC's assessment to the Board.
- 1.7 Review the scope and results of the external audit function and internal audit function, at least annually.
- 1.8 Review the nature and extent of non-audit services performed by the external auditors, to ensure their independence and objectivity.
- 1.9 Meet with external auditors (without the presence of management and internal auditors) and internal auditors (without the presence of management and external auditors), at least annually.
- 1.10 Make recommendations to the Board on the proposals to the shareholders on the appointment, re-appointment and removal of the external auditors, and approve the remuneration and terms of engagement of the external auditors.
- 1.11 Ensure that the internal audit function is adequately resourced and staffed with persons with the relevant qualifications and experience, and has appropriate standing within the Company, at least annually.
- 1.12 Decide on the appointment, termination, evaluation and remuneration of the Head of Internal Audit, or the accounting/auditing firm or corporation to which the internal audit function is outsourced.
- 1.13 Review the Whistle-Blower Policy and the Company's procedures for detecting and preventing fraud, and other arrangements for concerns about possible improprieties in financial reporting or other matters to be safely raised, independently investigated and appropriately followed up on.
- 1.14 Report significant matters raised through the whistle-blowing channel to the Board.
- 1.15 Review IPTs to ensure they are on normal commercial terms and are not prejudicial to the interests of the Company or its minority shareholders and determine methods or procedures for assessing that the transaction prices are adequate for transactions to be carried out on normal commercial terms, and that they will not prejudice the Company or its minority shareholders.
- 1.16 Investigate any matters within the AC's purview, whenever it deems necessary.
- 1.17 Report to the Board on material matters, findings and recommendations.
- 1.18 Review the AC's terms of reference annually and recommend any proposed changes to the Board for approval.
- 1.19 Perform such other functions as the Board may determine.
- 1.20 Ensure that the Head of Internal Audit and external auditors have direct and unrestricted access to the Chairman of the AC.
- 1.21 Sub-delegate any of its powers within its terms of reference as listed above from time to time as the AC may deem fit.

### B. BOARD RISK COMMITTEE

- 1.1 Obtain recommendations on risk tolerance and strategy from management, and where appropriate, report and recommend to the Board for its determination the nature and extent of significant risks which the Group overall may take in achieving its strategic objectives and the overall Group's levels of risk tolerance, risk parameters and risk policies.
- 1.2 Review and discuss, as and when appropriate, with management the Group's risk governance structure and framework including risk policies, risk strategy, risk culture, risk assessment, risk mitigation and monitoring processes and procedures.
- 1.3 Review the IT governance and cybersecurity framework to ascertain alignment with business strategy and Group risk tolerance including monitoring the adequacy of IT capability and capacity to ensure business objectives are well-supported with adequate measures to safeguard corporate information, operating assets, and effectively monitor the performance, quality and integrity of IT service delivery.
- 1.4 Receive and review quarterly reports from management on the Group's risk profile and major risk exposures, and the steps taken to monitor, control and mitigate such risks, to ensure that such risks are managed within acceptable levels.
- 1.5 Review the Group's risk management capabilities including capacity, resourcing, systems, training, communication channels as well as competencies in identifying and managing new risk types.

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- 1.6 Receive and review updates from management to assess the adequacy and effectiveness of the Group's compliance framework in line with relevant laws, regulations and best practices.
- 1.7 Through interactions with the Head of Group Risk and Compliance, review and oversee performance of the Group's implementation of compliance programmes.
- 1.8 Review and monitor the Group's approach to ensuring compliance with regulatory commitments, including progress of remedial actions where applicable.
- 1.9 Review the adequacy, effectiveness and independence of the Group's Risk and Compliance function, at least annually, and report the Committee's assessment to the Board.
- 1.10 Review and monitor management's responsiveness to the risks, matters identified and recommendations of the Group Risk and Compliance function.
- 1.11 Provide timely input to the Board on critical risk and compliance issues, material matters, findings and recommendations.
- 1.12 Review management's proposals in respect of strategic transactions and new risk focused products, focusing, in particular, on the risk and compliance aspects and implications of the proposed action for the risk tolerance of the Group, and make recommendations to the Board.
- 1.13 Review the assurance and steps taken by the CEO and other key management personnel for their relevant areas of responsibilities, regarding the adequacy and effectiveness of the Group's risk management system.
- 1.14 Review and report to the Board annually on the adequacy and effectiveness of the Group's risk management systems, including financial, operational, compliance and IT controls.
- 1.15 a. Review the Board's comment on the adequacy and effectiveness of the Group's risk management systems and state whether it concurs with the Board's comments.
- b. Where there are material weaknesses identified in the Group's risk management systems, to consider and recommend the necessary steps to be taken to address them.
- 1.16 Ensure that the Head of Group Risk and Compliance function has direct and unrestricted access to the Chairman of the Committee.
- 1.17 Perform such other functions as the Board may determine.
- 1.18 Review the Committee's terms of reference annually and recommend any proposed changes to the Board.
- 1.19 Sub-delegate any of its powers within its terms of reference as listed above from time to time as the Committee may deem fit.
- C. NOMINATING COMMITTEE**
- 1.1 Recommend to the Board the appointment and re-appointment of directors (including alternate directors, if any).
- 1.2 Annual review of the structure and size of the Board and board committees, and the balance and mix of skills, knowledge, experience and other aspects of diversity such as gender and age.
- 1.3 Recommend to the Board a Board Diversity Policy (including the qualitative, and measurable quantitative objectives (as appropriate) for achieving board diversity), and conduct an annual review of the progress towards achieving these objectives.
- 1.4 Annual review of the independence of each director, and to ensure that the Board comprises (a) majority NEDs, and (b) at least one-third, or (if Chairman is not independent) a majority of independent directors.
- 1.5 Assess, where a director has other listed company board representation and/or other principal commitments, whether the director is able to and has been adequately carrying out his/her duties as director of the Company.
- 1.6 Recommend to the Board the process for the evaluation of the performance of the Board, the board committees and individual directors, and propose objective performance criteria to assess the effectiveness of the Board as a whole, the board committees and the contribution of the Chairman and each director.
- 1.7 Annual assessment of the effectiveness of the Board as a whole, the board committees and the contribution of the Chairman and individual directors.
- 1.8 Review the succession plans for the Board (in particular, the Chairman), the CEO and other key management personnel.
- 1.9 Review talent development plans.
- 1.10 Review the training and professional development programmes for Board members.
- 1.11 Review and, if deemed fit, approve recommendations for nomination of candidates as nominee director (whether as chairman or member) to the board of directors of investee companies which are:
- listed on the SGX or any other stock exchange;
  - managers or trustee-managers of any collective investment schemes, business trusts, or any other trusts which are listed on the SGX or any other stock exchange; and
  - parent companies of the Company's core businesses which are unlisted.
- 1.12 Report to the Board on material matters and recommendations.

- 1.13 Review the NC's terms of reference annually and recommend any proposed changes to the Board for approval.
- 1.14 Perform such other functions as the Board may determine.
- 1.15 Sub-delegate any of its powers within its terms of reference as listed above, from time to time as this Committee may deem fit.
- D. REMUNERATION COMMITTEE**
- 1.1 Review and recommend to the Board a framework of remuneration for Board members and key management personnel, and the specific remuneration packages for each director as well as for the key management personnel, including review of all long-term and short-term incentive plans, with a view to aligning the level and structure of remuneration to the Group's long-term strategy and performance.
- 1.2 Consider all aspects of remuneration to ensure that they are fair, and review the Company's obligations arising in the event of termination of the executive directors' and key management personnel's contracts of service, to ensure that such clauses are fair and reasonable, and not overly generous.
- 1.3 Consider whether directors should be eligible for benefits under long-term incentive schemes (including weighing the use of share schemes against the other types of long-term incentive schemes).
- 1.4 Review the ongoing appropriateness and relevance of the remuneration policy to ensure that the level and structure of the remuneration are appropriate and proportionate to the sustained performance and value creation of the Company, taking into account the strategic objectives of the Group.
- 1.5 Monitor the level and structure of remuneration for directors and key management personnel relative to the internal and external peers and competitors, to ensure that the remuneration is appropriate to attract, retain and motivate the directors
- to provide good stewardship of the Company and key management personnel to successfully manage the Group for the long term.
- 1.6 Set performance measures and determine targets for any performance-related pay schemes.
- 1.7 Administer the Company's Restricted Share Plan and Performance Share Plan (collectively, the "KCL Share Plans"), in accordance with the rules of the KCL Share Plans.
- 1.8 Report to the Board on material matters and recommendations.
- 1.9 Review the RC's terms of reference annually and recommend any proposed changes to the Board.
- 1.10 Perform such other functions as the Board may determine.
- 1.11 Sub-delegate any of its powers within its terms of reference as listed above, from time to time as the RC may deem fit.
- Save that a member of this Committee shall not be involved in the deliberations in respect of any remuneration, compensation, award of shares or any form of benefits to be granted to him/her.
- E. BOARD SAFETY COMMITTEE**
- 1.1 Ensure there is a set of Group Health, Safety and Environment ("HSE") policies and standards to guide HSE operations and performance across the Group.
- 1.2 Monitor HSE performance of the Group and its business units, analyse trends and accident root causes, and recommend or propose Group-wide initiatives for improvement where appropriate to ensure a robust HSE management system is maintained.
- 1.3 Structure an audit of business units' HSE management programmes to verify effectiveness and use its resources to lead the execution of such audits, drawing additional resources from the line where needed.
- 1.4 Ensure a process is in place to have fatalities and other major incidents investigated by an independent and competent team.
- 1.5 Review serious accident and near miss incident investigation reports in a timely manner to understand underlying root causes and introduce Group-wide initiatives or remedial measures where appropriate.
- 1.6 Ensure that each Group company complies with HSE legislation in the country in which it operates as a minimum and review any emerging or new legislation that may potentially impact the Group company.
- 1.7 Keep abreast of developments in the HSE world, discuss such developments and best practices and consider the desirability of implementation in the Group.
- 1.8 Introduce actions to enhance safety awareness and culture within the Group.
- 1.9 Ensure that the safety functions in Group companies are adequately resourced (in terms of number, qualification and budget) and have appropriate standing within the organisation.
- 1.10 Review the major changes to HSE risk profile of each Group company that has changed or will change as a result of new business, new market, new product, etc. and the steps taken to monitor, control and mitigate such risks.
- 1.11 Consider management's proposals on safety-related matters.
- 1.12 Carry out such investigations into safety-related matters as the Committee deems fit.
- 1.13 Report to the Board on material matters, findings and recommendations.
- 1.14 Perform such other functions as the Board may determine.
- 1.15 Sub-delegate any of its powers within its terms of reference as listed above from time to time as the Committee may deem fit.

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## NATURE OF DIRECTORS' APPOINTMENTS AND MEMBERSHIP ON BOARD COMMITTEES

The current composition of the Board Committees are as follows:

Director	Committee Membership				
	Audit Committee	Nominating Committee	Remuneration Committee	Board Risk Committee	Board Safety Committee
<b>Lee Boon Yang</b> Non-Executive and Independent Chairman and Director	–	Member	Member	–	Member
<b>Loh Chin Hua</b> Executive Director	–	–	–	–	Member
<b>Alvin Yeo</b> Non-Executive and Independent Director	Member	Member	–	–	–
<b>Tan Ek Kia</b> Non-Executive and Independent Director	Member	–	–	Member	Chairman
<b>Danny Teoh</b> Non-Executive and Independent Director	Chairman	–	Member	Member	–
<b>Till Vestring</b> Non-Executive and Independent Director	–	Member	Chairman	–	–
<b>Veronica Eng</b> Non-Executive and Independent Director	Member	–	–	Chairman	–
<b>Jean-Francois Manzoni</b> Non-Executive and Independent Director	–	Chairman	–	Member	–
<b>Teo Siong Seng</b> Non-Executive and Non-Independent Director	–	–	Member	–	Member
<b>Tham Sai Choy</b> Non-Executive and Independent Director	Member	–	–	Member	–
<b>Penny Goh</b> Non-Executive and Independent Director	Member	–	–	Member	–

Following the retirement of three non-executive and independent directors with effect from 23 April 2021, immediately after the conclusion of the upcoming annual general meeting, and assuming that there is no appointment of new directors, the Board will have eight members, the majority of whom are non-executive and independent and the board committees will continue to comprise majority non-executive and independent directors (including the Chairman).

### BOARD ASSESSMENT EVALUATION PROCESSES

#### Board

Each board member is required to complete a Board Evaluation Questionnaire and send the Questionnaire directly to the Independent Co-ordinator ("IC") within five working days. An "Explanatory Note" is attached to the Questionnaire to clarify the background, rationale and objectives of the various performance criteria used in the Board Evaluation Questionnaire with the aim of achieving consistency in the understanding and interpretation of the questions. Based

on the returns from each of the directors, the IC prepares a consolidated report and briefs the Chairman of the NC and the Board Chairman on the report. Thereafter, the IC presents the report to the Board for discussion on the changes which should be made to help the Board discharge its duties more effectively.

#### Board Committees

Each member of a board committee is required to complete a Board Committee Questionnaire and send the Questionnaire direct to the IC within five working days. Based on the returns from each of the members of a board committee, the IC prepares a consolidated report and briefs the Chairmen of the respective board committees.

#### Individual Directors

The Board differentiates the assessment of an executive director from that of an NED.

In the case of the assessment of the individual executive director, each NED is required to complete the executive

director's assessment form and send the form directly to the IC within five working days. It is emphasised that the purpose of the assessment is to assess the executive director on his/her performance on the Board (as opposed to his executive performance). The executive director is not required to perform a self, nor a peer, assessment. Based on the returns from each of the NEDs, the IC prepares a consolidated report and briefs the NC Chairman and Board Chairman on the report. Thereafter, the IC presents the report to the Board for discussion. The NC Chairman will in consultation with the Board Chairman thereafter meet with the executive director, where necessary, to provide feedback to the executive director on his/her board performance with a view to improving his/her board performance and shareholder value.

As for the assessment of the performance of the NEDs, each director (both NEDs and executive director) is required to complete the NED's assessment form and send the form directly to the IC within five working

days. Based on the returns, the IC prepares a consolidated report and briefs the NC Chairman and Board Chairman on the report. Thereafter, the IC presents the report to the Board for discussion at a meeting of the NEDs. The NC Chairman will in consultation with the Board Chairman, thereafter meet with the NEDs individually where necessary, to provide feedback to the NEDs on their respective board performance with a view to improving their board performance and shareholder value.

#### Chairman

The Chairman Evaluation Form is completed by each director (both non-executive and executive) and sent directly to the IC within five working days. Based on the returns, the IC prepares a consolidated report and briefs the NC Chairman and Board Chairman on the report. Thereafter, the IC presents the report to the Board for discussion.

#### PERFORMANCE CRITERIA

The performance criteria for the board evaluation are in respect of the board size, board and board committee composition, board independence, board processes, board information and accountability, standards of conduct, board performance in relation to discharging its principal functions and ensuring the integrity and quality of financial reporting to stakeholders and board committee performance in relation to discharging their responsibilities set out in their respective terms of reference.

The performance criteria for the board committee evaluation are in respect of the committee size and composition, meeting frequency and procedures, training and resources, and board committee performance in relation to discharging their responsibilities set out in their respective terms of reference.

The executive director's performance criteria are categorised into four segments; namely, (1) interactive skills (under which factors as to whether the director works well with other directors, and is responsive to comments raised by the board are taken into account); (2) knowledge (under which factors as to the director's industry and business knowledge, whether he/she provides valuable inputs, his/her understanding of finance and accounts, and his/her knowledge of the Company and its strategies are taken into consideration); (3) director's duties (under which factors as to whether the director provides insights on the Company's

day-to-day operation, whether the director takes his/her role of director seriously and works to further improve his/her own performance, whether the director listens and discusses objectively, whether the director provides management's view without undermining management accountability and whether he/she assists to inform NEDs of pertinent issues or developments are taken into consideration); and (4) availability (under which the director's attendance at Board and board committee meetings, whether he/she is available when needed, and his/her informal contribution via email, telephone, written notes etc are considered).

The NED's performance criteria are categorised into four segments; namely, (1) interactive skills (under which factors as to whether the director works well with other directors, and participates actively are taken into account); (2) knowledge (under which factors as to the director's industry and business knowledge, functional expertise, whether he/she provides valuable inputs, his/her ability to analyse, communicate and contribute to the productivity of meetings, and his/her understanding of finance and accounts, are taken into consideration); (3) director's duties (under which factors as to the director's board committee work contribution, whether the director takes his/her role of director seriously and works to further improve his/her own performance, whether he/she listens and discusses objectively and exercises independent judgment, meeting preparation and whether he/she constructively challenges management and helps develop proposals on strategy are taken into consideration); and (4) availability (under which the director's attendance at board and board committee meetings, whether he/she is available when needed, and his/her informal contribution via email, telephone, written notes etc are considered).

The assessment of the Chairman of the Board is based on, among others, his leadership, whether he established proper procedures to ensure the effective functioning of the Board, whether he ensured that the time devoted to board meetings were appropriate for effective discussion and decision-making by the Board, whether he ensured that information provided to the Board was adequate (in terms of adequacy and timeliness) for the Board to make informed and considered decisions, whether he guided discussions effectively so that there was timely resolution of issues,

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whether he ensured that meetings were conducted in a manner that facilitated open communication and meaningful participation, whether he encouraged constructive relations between Board and management and between directors, whether he ensured constructive dialogue with shareholders and other stakeholders, whether he promoted high standards of corporate governance, and set the right ethical and behavioural tone, and whether he ensured that board committees were formed where appropriate, with clear terms of reference, to assist the Board in the discharge of its duties and responsibilities.

**KEPPEL WHISTLE-BLOWER POLICY**

The Keppel Whistle-Blower Policy (the "Policy") took effect on 1 September 2004 and was enhanced on 15 February 2017 and 1 May 2019 to encourage reporting in good faith of suspected Reportable Conduct (as defined below) by establishing clearly defined and centralised processes through which such reports may be made with confidence that employees and other persons making such reports will be treated fairly and, to the extent possible, protected from reprisal.

Reportable Conduct refers to any act or omission by an employee of the Group

or contract worker appointed by a company within the Group, which occurred in the course of his/her work (whether or not the act is within the scope of his/her employment) which in the view of a whistle-blower acting in good faith, is:

- a. dishonest, including but not limited to theft or misuse of resources within the Group;
- b. fraudulent;
- c. corrupt;
- d. illegal;
- e. other serious improper conduct;
- f. an unsafe work practice; or
- g. any other conduct which may cause financial or non-financial loss to the Group or damage to the Group's reputation.

A person who files a report or provides evidence which he/she knows to be false, or without a reasonable belief in the truth and accuracy of such information, will not be protected by the Policy and may be subject to administrative and/or disciplinary action.

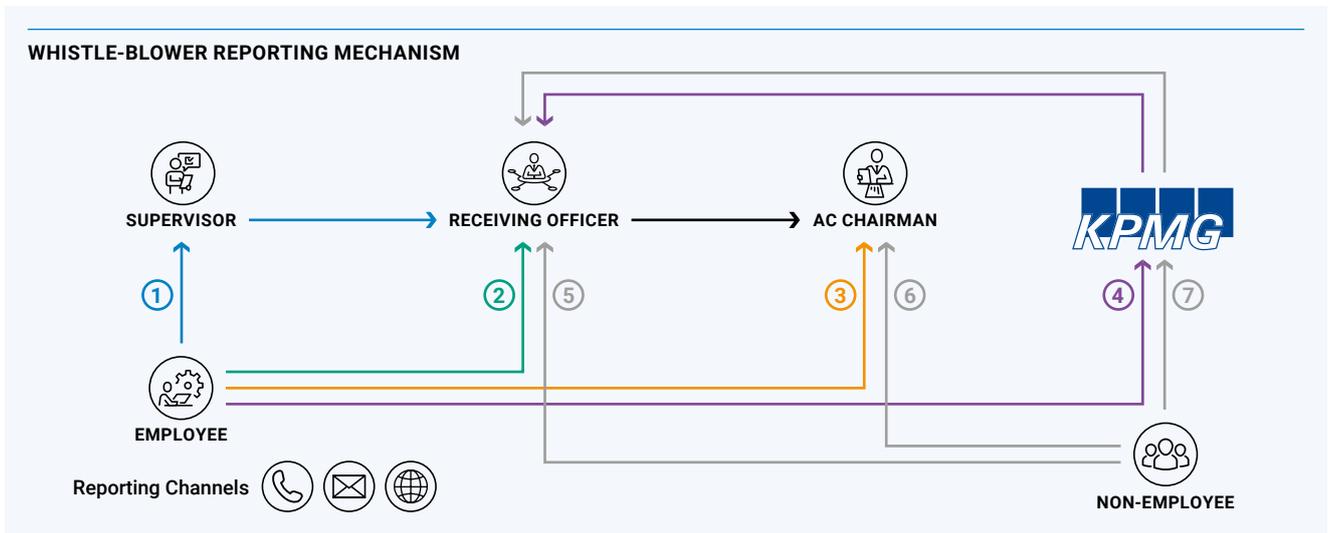
Similarly, a person may be subject to administrative and/or disciplinary action if he/she subjects (i) a person who has made or intends to make a report in

accordance with the Policy, or (ii) a person who was called or may be called as a witness, to any form of reprisal which would not have occurred if he/she did not intend to or had not made the report or be a witness.

The General Manager (Group Internal Audit) is the Receiving Officer for the purposes of the Policy and is responsible for the administration, implementation and oversight of ongoing compliance with the Policy. She reports directly to the AC Chairman on all matters arising under the Policy.

**REPORTING MECHANISM**

The Policy emphasises that the role of the whistle-blower is as a reporting party, and that whistle-blowers are not to investigate, or determine the appropriate corrective or remedial actions that may be warranted. Employees are encouraged to report suspected Reportable Conduct to their respective supervisors who are responsible for promptly informing the Receiving Officer, who in turn is required to promptly report to the AC Chairman of any such report. The supervisor must not start any investigation in any event. If any of the persons in the reporting line prefers not to disclose the matter to the supervisor and/or Receiving Officer (as the case may be),



he/she may make the report directly to the Receiving Officer or the AC Chairman.

Other whistle-blowers may report a suspected Reportable Conduct directly to the Receiving Officer or the AC Chairman, or via the whistle-blower reporting channels that the Group has established. There is an email hotline (kpmgethicsline@kpmg.com) and local toll-free numbers in Singapore, Brazil, China, USA, Vietnam, Indonesia, the Philippines, Australia, the UK and Germany. Manning of the whistle-blower hotline has been outsourced to a third party ("KPMG") and provides for reporting in the languages listed above. KPMG also maintains the aforementioned email hotline and an on-line portal, the link to which is available on the "Contact Us" section of the Company's website at www.keppcorp.com.

All reports and related communications made will be documented by the person first receiving the report. The information disclosed should be as precise as possible to allow for proper assessment of the nature, extent and urgency of preliminary investigative procedures to be undertaken.

## **INVESTIGATION**

Every Protected Report (referring to a report made in good faith that discloses suspected Reportable Conduct) received will be assessed by the Receiving Officer, who will review the information disclosed, interview the whistle-blower(s) when required and if contactable and, either exercising his/her own discretion or in consultation with the Investigation Advisory Committee, make recommendations to the AC Chairman as to whether the circumstances warrant an investigation. If the AC Chairman or the AC (if the AC Chairman consults the other AC members), determines that an investigation should be carried out, the AC Chairman or the AC (as the case may be) shall determine the appropriate investigative process to be employed and the corrective or remedial actions (if any) to be taken. The AC Chairman and the Investigation Advisory Committee (if consulted) will use their respective best endeavours to ensure that there is no conflict of interests on the part of any person involved in the

investigations. The Investigation Advisory Committee (comprising representatives from each of the Group Human Resources, Group Legal and Group Risk & Compliance departments, or such other representatives as the AC may determine) assists the AC Chairman with overseeing the investigation process and any matters arising therefrom.

All employees have a duty to cooperate with investigations initiated under the Policy. An employee may be placed on administrative leave or investigatory leave when it is determined by the AC Chairman that it would be in the best interests of the employee, the Company or both. Such leave is not to be interpreted as an accusation or a conclusion of guilt or innocence of any employee, including the employee on leave. All participants in the investigation must also refrain from discussing or disclosing the investigation or their testimony with anyone not connected to the investigation. Under no circumstance should such person(s) discuss matters relating to the investigation with the person(s) who is/are subject(s) of the investigation ("Investigation Subject(s)").

Identities of whistle-blowers, participants of the investigations and the Investigation Subject(s) will be kept confidential to the extent possible.

## **NO REPRISAL**

No person will be subject to any reprisal for having made a report in good faith in accordance with the Policy or having participated in an investigation.

Any reprisal suffered may be reported to the Receiving Officer (who shall refer the matter to the AC Chairman) or directly to the AC Chairman. The AC Chairman shall review the matter and determine the appropriate actions to be taken. Any protection does not extend to situations where the whistle-blower or witness has committed or abetted the Reportable Conduct that is the subject of allegation. However, the AC Chairman will take into account the fact that he/she has cooperated as a whistle-blower or a witness in determining the suitable disciplinary measure to be taken against him/her.

## CORPORATE GOVERNANCE

## APPENDIX 2

## Rule 720(6) of the Listing Manual of the SGX-ST

The information required under Rule 720(6) read with Appendix 7.4.1 of the Listing Manual in respect of the Director whom the Company is seeking re-election by shareholders at the upcoming annual general meeting to be held in 2021 is set out below.

<b>Name of Director</b>	<b>Jean-François Manzoni</b>
Date of Appointment	1 October 2018
Date of last re-appointment (if applicable)	23 April 2019
Age	59
Country of principal residence	Switzerland
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The process for the re-nomination of director to the Board, is set out in page 81 of this Annual Report.
Whether the appointment is executive, and if so, the area of responsibility	Non-executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Non-executive and Independent Director; Nominating Committee (Chairman); Board Risk Committee (Member)
Professional qualifications	DBA, Harvard Business School, Boston; MBA, McGill University, Montreal; Bachelor, Business Administration, l'Ecole des Hautes Etudes Commerciales de Montréal; Fellow of the Singapore Institute of Directors
Working experience and occupation(s) during the past 10 years	2016 to Present: President and Nestlé Professor, International Institute for Management Development (IMD)  2011 to 2016: Shell Chair in Human Resources and Organisational Development, and Professor of Management Practice, INSEAD Singapore
Shareholding interest in the listed issuer and its subsidiaries	108,000 (direct interests)
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	No
Conflict of interest (including any competing business)	No
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	Yes
Other Principal Commitments including Directorships – Past (for the last 5 years)	Singapore Civil Service College; Association to Advance Collegiate Schools of Business (AACSB) International
Other Principal Commitments including Directorships – Present	President and Nestlé Professor, International Institute for Management Development (IMD), Switzerland; Member of several International Advisory panels, including Digital Switzerland and Russian Presidential Academy of National Economy and Public Administration
a. Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No
b. Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No
c. Whether there is any unsatisfied judgment against him?	No
d. Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No

Name of Director	Jean-François Manzoni
e. Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No
f. Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No
g. Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No
h. Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No
i. Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No
j. Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of: –	No
i. any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No
ii. any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No
iii. any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No
iv. any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No
k. Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No
Any prior experience as a director of an issuer listed on the Exchange?	Yes
If yes, please provide details of prior experience.	Professor Manzoni has been a director on the Board of the Company since 2018.
If no, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange.	N.A.
Please provide details of relevant experience and the nominating committee's reasons for not requiring the director to undergo training as prescribed by the Exchange (if applicable).	

**APPENDIX 3****Summary of Disclosures of 2018 CG Code**

Rule 710 of the SGX Listing Manual requires Singapore listed companies to describe their corporate governance practices with specific reference to the 2018 CG Code in their annual reports for financial years commencing on or after 1 January 2019. This summary of disclosures describes our corporate governance practices with specific reference to the disclosure requirement under the 2018 CG Code.

<b>Principles</b>	<b>Page Reference in this Report</b>
<b>BOARD MATTERS</b>	
<b>The Board's Conduct of Affairs</b>	
<b>Principle 1</b>	
Provision 1.1	Page 79
Provision 1.2	Page 81
Provision 1.3	Page 79
Provision 1.4	Pages 81 to 96 and 99 to 101
Provision 1.5	Pages 80 and 85
Provision 1.6	Pages 80 and 81
Provision 1.7	Page 80
<b>Board Composition and Guidance</b>	
<b>Principle 2</b>	
Provision 2.1	Pages 83 and 84
Provision 2.2	Pages 83 and 84
Provision 2.3	Pages 83 and 84
Provision 2.4	Pages 82 and 83
Provision 2.5	Page 80
<b>Chairman and Chief Executive Officer</b>	
<b>Principle 3</b>	
Provision 3.1	Page 78
Provision 3.2	Page 78
Provision 3.3	Page 84
<b>Board Membership</b>	
<b>Principle 4</b>	
Provision 4.1	Pages 81 to 85 and 100
Provision 4.2	Page 81
Provision 4.3	Page 81
Provision 4.4	Pages 83 and 84
Provision 4.5	Pages 28 to 31 and 85
<b>Board Performance</b>	
<b>Principle 5</b>	
Provision 5.1	Pages 85 to 86 and 102 to 104
Provision 5.2	Pages 85 to 86 and 102 to 104
<b>REMUNERATION MATTERS</b>	
<b>Procedures for Developing Remuneration Policies</b>	
<b>Principle 6</b>	
Provision 6.1	Pages 86 and 101
Provision 6.2	Page 86
Provision 6.3	Pages 86 and 101
Provision 6.4	Page 86
<b>Level and Mix of Remuneration</b>	
<b>Principle 7</b>	
Provision 7.1	Pages 86 to 91
Provision 7.2	Pages 86 to 91
Provision 7.3	Pages 86 to 91

	<b>Page Reference in this Report</b>
<b>Disclosure on Remuneration</b>	
<b>Principle 8</b>	
Provision 8.1	Pages 89 and 90
Provision 8.2	Page 91
Provision 8.3	Pages 86 to 91
<b>ACCOUNTABILITY AND AUDIT</b>	
<b>Risk Management and Internal Controls</b>	
<b>Principle 9</b>	
Provision 9.1	Pages 92 and 99
Provision 9.2	Page 96
<b>Audit Committee</b>	
<b>Principle 10</b>	
Provision 10.1	Pages 91 and 99
Provision 10.2	Page 91
Provision 10.3	Page 91
Provision 10.4	Page 91
Provision 10.5	Page 91
<b>SHAREHOLDER RIGHTS AND RESPONSIBILITIES</b>	
<b>Shareholder Rights and Conduct of General Meetings</b>	
<b>Principle 11</b>	
Provision 11.1	Pages 97 and 98
Provision 11.2	Pages 97 and 98
Provision 11.3	Pages 80, 97 and 98
Provision 11.4	Page 98
Provision 11.5	Page 98
Provision 11.6	Page 98
<b>Engagement with Shareholders</b>	
<b>Principle 12</b>	
Provision 12.1	Pages 96 to 98
Provision 12.2	Page 97
Provision 12.3	Page 97
<b>MANAGING STAKEHOLDER RELATIONSHIPS</b>	
<b>Engagement with Stakeholders</b>	
<b>Principle 13</b>	
Provision 13.1	Page 96
Provision 13.2	Page 96
Provision 13.3	Page 96