Corporate Governance

Overview of Governance Approach

The Jardine Matheson Group (the 'Group') understands the value of good corporate governance in driving the long-term sustainable success of the business. It is committed to high standards of governance and has developed over many years an approach which both the Group and its stakeholders regard as appropriate to the nature of its business and the long-term strategy it pursues in its Asian markets.

We believe that an important part of strong governance is corporate stability, and this is provided by the long-term stewardship of the business by family and related shareholders, who hold a significant proportion of the Group's shares. This stability, coupled with an effective and robust corporate governance framework, supports the Board in delivering the Group's strategy and helps deliver sustainable growth.

Group Structure

Jardine Matheson Holdings Limited (the 'Company') is the parent company of the Group. Its management is concerned both with the direct management of the Company's own activities, and with the oversight of the operations of other listed companies within the wider Group.

The structural relationship between the Group companies is considered a key element of the Group's success. By coordinating objectives, establishing common values and standards and sharing experience, contacts and business relationships, the Group optimises opportunities across the Asian countries in which it operates.

The Company's system of governance is tailored to the Group's size, ownership structure, complexity and breadth of businesses. It is based on a well-tried approach to oversight and management, in which individual subsidiaries and affiliates benefit from the Group's strategic guidance and professional expertise while at the same time ensuring that the independence of their boards is respected and clear operational accountability rests with their executive management teams.

The Company is incorporated in Bermuda. The majority of the Group's business interests are located in China and Southeast Asia. The primary listing of the Company's equity shares is a standard listing on the Main Market of the London Stock Exchange (the 'LSE'), and the Company's primary regulator is the Financial Conduct Authority of the United Kingdom (the 'FCA').

The Disclosure Guidance and Transparency Rules (the 'DTRs') issued by the FCA require that this Report addresses all relevant information about the Company's corporate governance practices beyond the requirements under Bermuda law.

The Company also has secondary listings in Singapore and Bermuda. As the Company has only secondary listings on these exchanges, many of the listing rules of such exchanges are not applicable. Instead, the Company must release the same information in Singapore and Bermuda as it is required to release under the rules which apply to it as a standard listed company on the LSE.

The Company's share capital is almost 60%-owned by Jardine Strategic Limited ('Jardine Strategic'), a Bermuda-incorporated wholly-owned subsidiary of the Company.

In April 2021 the Company completed the simplification of the parent company structure of the Group, which included the acquisition by the Company, for cash, of the 15% of the issued share capital of Jardine Strategic Holdings Limited that it did not already own. As part of the transaction, Jardine Strategic Holdings Limited was amalgamated with a wholly-owned subsidiary of the Company and continued as Jardine Strategic Limited. Subject to shareholder approval, the Company intends to effect the cancellation of Jardine Strategic's almost 60% shareholding in the Company after the Annual General Meeting in May 2022.

Governance of the Company's Listed Subsidiaries

In addition to the simplification of the Group structure, the Company has focussed in the last year on changing the Group's approach to corporate governance more generally. The Company has led a series of changes to the governance of the Group's listed subsidiaries, including the composition of their boards.

These changes, which were made to the boards of Dairy Farm International Holdings Limited ('DFIH') and Mandarin Oriental International Limited ('MOIL') in December 2021, and were announced in respect of Hongkong Land Holdings Limited ('HKLH') in February 2022, have increased the diversity and brought greater sector expertise to the boards through the appointment of new independent non-executive directors. The size of the boards has also generally reduced as a result of the retirement of a number of existing directors.

In addition to making these board changes, each of DFIH, MOIL and HKLH has in the past year established formal audit, remuneration and nominations committees at the listed company level.

Governance and Legal Framework

As a company incorporated in Bermuda, the Company is governed by:

- the Bermuda Companies Act 1981 (the 'Companies Act');
- the Bermuda Jardine Matheson Holdings Limited Consolidation and Amendment Act 1988 (as amended, the 'Special Act'), pursuant to which the Company was incorporated, and the Bermuda Jardine Matheson Holdings Limited Regulations of 1993 (as amended, the 'Takeover Code') was established; and
- the Company's Memorandum of Association and Bye-laws.

The Takeover Code was established under the Special Act and is based on London's City Code on Takeovers and Mergers. It provides an orderly framework within which takeover offers can be conducted and the interests of shareholders protected.

Other acquisition mechanisms available under the Companies Act include schemes of arrangement, amalgamation, and mergers. The Companies Act provides an orderly framework within which such procedures can be conducted and the interests of shareholders protected in those circumstances.

The shareholders can amend the Company's Bye-laws by way of a special resolution at a general meeting of the Company.

The Company's standard listing in London means that it is bound by many of the same rules as premium-listed companies under the Listing Rules, the DTRs, the Market Abuse Regulation[1] ('MAR') and the Prospectus Rules, including in relation to continuous disclosure, periodic financial reporting, disclosure of interests in shares, market abuse and the publication and content of prospectuses in connection with admission to trading or offering securities to the public. In addition, the Company is subject to regulatory oversight from the FCA, as the Company's principal securities regulator, and is required to comply with the Admission and Disclosure Standards of the Main Market of the London Stock Exchange. The Company and its directors are also subject to legislation and regulations in Singapore relating to insider dealing.

The Company is not required to comply with the UK Corporate Governance Code (the 'Code'), which applies to all premium-listed companies and sets out the governance principles and provisions expected to be followed by companies subject to the Code. When the shareholders approved the Company's move to a standard listing from a premium listing in 2014, however, the Company stated that it intended to maintain certain governance principles which were then applicable to it by virtue of its premium listing.

As a result, the Company has adopted a number of governance principles (the 'Governance Principles') based on the then-applicable requirements for a premium listing, which go further than the standard listing requirements.

[1] The EU Market Abuse Regulation and, with effect from 1 January 2021, the UK Market Abuse Regulation.

The key elements of the Governance Principles are as follows:

- When assessing a significant transaction (a larger transaction which would be classified as a class 1 transaction under the provisions of the UK Listing Rules), the Company will engage an independent financial adviser to provide a fairness opinion on the terms of the transaction.
- If the Company carries out a related party transaction which would require a sponsor to provide a fair and reasonable opinion under the provisions of the UK Listing Rules, it will engage an independent financial adviser to confirm that the terms of the transaction are fair and reasonable as far as the shareholders of the Company are concerned.
- Further, as soon as the terms of a significant transaction or a related party transaction are agreed, an announcement will be issued by the Company providing such details of the transaction as are necessary for investors to evaluate the effect of the transaction on the Company.
- At each annual general meeting, the Company will seek shareholders' approval to issue new shares on a non pre-emptive basis for up to 33% of the Company's issued share capital, of which up to 5% can be issued for cash consideration.
- The Company adheres to a set of Securities Dealing Rules which follow the provisions of MAR with respect to market abuse and disclosure of interests in shares.

The Management of the Group

Board

The Board is responsible for ensuring that the Group is appropriately managed and achieves the strategic objectives it sets, in a way that is supported by the right culture, values and behaviours throughout the Group.

The Directors have the full power to manage the Company's business affairs, except matters reserved to be exercised by the Company in a general meeting under Bermuda legislation or the Company's Bye-laws. Key matters that the Directors are responsible for include:

- responsibility for the overall strategic aims and objectives of the Group;
- establishing the Company's purpose and values;
- approval of the Group's strategy and risk appetite to align with the Group's purpose and values;
- approval and oversight of the Group policy framework and approval of appropriate Group policies;
- approval of the Annual Budget and monitoring of performance against it;
- oversight of the Group's operations;
- approval of major changes to Group's corporate or capital structure;
- approval of major capital expenditure and significant transactions, in terms of size or reputational impact;
- approval of interim and final financial statements upon recommendation from the Audit Committee, and interim management statements;
- approval of Annual Report and Accounts;
- approval of dividend policy and amount and form of interim and final dividend payments for approval by shareholders as required;
- any significant changes to the Company's accounting policies or practices upon recommendation from the Audit Committee;
- appointment, re-appointment or removal of the external auditor, subject to shareholders' approval, upon recommendation from the Audit Committee;
- approval of matters relating to the AGM resolutions and shareholder documentation;
- approval of all shareholder circulars, prospectuses and listing particulars issued by the Company; and
- approval of material public announcements concerning matters decided by the Board.

Responsibility for certain matters, including the approval of borrowing facilities and capital expenditure (other than major capital expenditure required to be approved by the Board), has been delegated by the Board to the Group management company, Jardine Matheson Limited ('JML').

The Company sees the value of regularly reviewing the effectiveness of its processes and making improvements where appropriate. The Board will therefore be establishing an evaluation process for the Board and committees of the Company, as well as leading the introduction of evaluation processes for the boards and committees of DFIH, HKLH and MOIL.

Board Composition

The Board's composition and the way it operates provide stability, allowing the Company to take a long-term view as it seeks to grow its business and pursue investment opportunities.

As at 3rd March 2022, the Board comprises 12 Directors, three of whom (25%) – Stuart Gulliver, Julian Hui and Michael Wei Kuo Wu – are regarded as Independent Non-executive Directors. Two further Non-executive Directors – Anthony Nightingale and Percy Weatherall – do not have any executive responsibilities, nor have they been an employee of the Company or Group within the past five years, and they are sufficiently distanced from the day-to-day operations of the Company for the Company to take the view that they are independent directors, even though they have served on the Board for over nine years.

The names of all the Directors and brief biographies appear on pages 56 to 57 of this Report.

Ben Keswick has been Executive Chairman of the Board since 15th June 2020. John Witt has held the role of Group Managing Director from the same date. Ben Keswick previously held the roles of Executive Chairman and Managing Director on a combined basis from 1st January 2019.

The Board considers that there is a clear division of responsibilities between the Chairman and the Group Managing Director, and this ensures an appropriate balance of power and authority.

Chairman

The Chairman's role is to lead the Board, ensuring its effectiveness while taking account of the interests of the Group's various stakeholders, and promoting high standards of corporate governance. The Chairman's principal responsibilities are in the areas of strategy, external relationships, governance and people. He leads the Board in overseeing the long-term strategic direction of the Group and approving its key business priorities. His key responsibilities also include:

- Building an effective Board supported by a strong governance framework;
- Supporting the Group Managing Director in the execution of his duties;
- Ensuring a culture of openness and transparency at Board meetings;
- Chairing Board meetings effectively, ensuring all Directors effectively contribute to discussions;
- Ensuring comprehensive committee reporting to the Board;
- Ensuring all directors receive accurate, timely and clear information;
- Communicating with Board directors on a regular basis between board meetings and promoting effective communication between Executive and Non-executive Directors;
- Ensuring, together with the Group Managing Director, that all NEDs have a comprehensive induction programme and an ongoing programme to build their knowledge and understanding of the business;
- Providing feedback to non-executive directors on their performance and attendance at meetings;
- Leading succession planning for the Group Managing Director;
- Leading, with the Group Managing Director, the development of the culture and values of the Group;
- Agreeing, together with the Group Managing Director, key business priorities;

- Supporting the development and maintenance of relationships with existing and new key business partners, governments and shareholders; and
- Ensuring, with the Group Managing Director, an appropriate focus on attracting and retaining the right people and carrying out succession planning for senior management positions.

Group Managing Director

The role of the Group Managing Director is to implement the strategy agreed by the Board and manage the Group's operations. The Group Managing Director is responsible for developing the Group's strategy and ensuring its timely execution, as well as managing all aspects of the performance and management of the Group, with day-to-day responsibility for:

- Effective management of the Group's businesses;
- Leading the development of the Group's strategic direction and implementing the agreed strategy;
- Overseeing the Group's capital allocation, business planning and performance;
- Identifying and executing new business opportunities;
- Managing the Group's risk profile and implementing and maintaining an effective framework of internal controls;
- Developing targets and goals for his executive team;
- Leading, with the Chairman, the development of the culture and values of the Group;
- Ensuring effective communication with shareholders and key stakeholders and regularly updating institutional investors on the business strategy and performance;
- Providing regular operational updates to the Board on all matters of significance relating to the Group's businesses or reputation;
- Ensuring, together with the Chairman, an appropriate focus on attracting and retaining the right people and carrying out succession planning for senior management positions;
- Deepening collaboration within the Group and with external partners; and
- Fostering innovation and entrepreneurialism to drive the Group's businesses.

The Chairman has appointed the Group Managing Director as Managing Director of the Group's listed subsidiaries HKLH, DFIH and MOIL, pursuant to their respective Bye-laws. The Group Managing Director's role in relation to each of these businesses includes:

- Providing oversight of the day to-day management of each business by its CEO and his leadership team;
- Carrying out ongoing reviews of the business, financial and operational performance of each business against agreed objectives;
- Providing regular feedback to each CEO on his/her performance and conducting an annual performance review;
- Leading CEO succession planning;
- Ensuring that there is appropriate discussion of future competencies required of the management team to execute the strategy;
- Ensuring that the information submitted to the board is of high quality and provided on a timely basis;
- Ensuring the board conducts reviews on past significant capex decisions; and
- Communicating with shareholders as appropriate.

Non-executive Directors

The Non-executive Directors bring insight and relevant experience to the Board. They have responsibility for constructively challenging the strategies proposed by the Executive Directors and scrutinising the performance of management in achieving agreed goals and objectives. In addition, Non-executive Directors work on individual initiatives as appropriate.

Board Meetings

The Board usually holds four scheduled meetings each year, as well as ad hoc meetings when appropriate to deal with urgent matters that arise between scheduled meetings. Board meetings are usually held in different locations around the Group's markets.

In 2021, as a result of the travel restrictions imposed due to the pandemic, it was necessary to hold all four Board meetings virtually.

The Board receives high quality, up-to-date information for each of its meetings, which is provided to Directors via a secure online board information portal. The Company reviews the information provided to the Board regularly, to ensure that it remains relevant to the needs of the Board in carrying out its duties.

Those of the Company's Directors who are based outside Asia will usually visit Asia regularly to review and discuss the Group's businesses. They also participate in a series of strategy review meetings that precede each of the regular Board meetings. In 2021, however, Directors were generally unable to travel to Asia due to the pandemic, and all of these strategic reviews were held virtually. These Directors are not directly involved in the operational management of the Group's business activities, but their knowledge of the Group's affairs, as well as their experience of the wider Group, provide significant value to the ongoing review by the Company of the Group's businesses and reinforce the Board oversight process.

Board Attendance

Directors are expected to attend all Board meetings. The table below shows the attendance at the scheduled Board meetings:

	Meetings Eligible to attend	% attendance
Current Directors		
Executive Directors		
Ben Keswick	4/4	100%
John Witt	4/4	100%
Y.K. Pang	4/4	100%
Graham Baker	4/4	100%
David Hsu	4/4	100%
Jeremy Parr	4/4	100%
Adam Keswick	4/4	100%
Non-executive Directors		
Stuart Gulliver	4/4	100%
Julian Hui	4/4	100%
Anthony Nightingale	4/4	100%
Percy Weatherall	4/4	100%
Michael Wu	4/4	100%
Former Director		
Alex Newbigging	4/4	100%

Note: Alex Newbigging stepped down from the Board of the Company with effect from 31st December 2021. Jeremy Parr will retire from the Board on31st March 2022.

Appointment and Retirement of Directors

Each new Director is appointed by the Board and, in accordance with the Company's Bye-laws, is subject to retirement and re-appointment at the first annual general meeting after the appointment. After that, Directors are subject to retirement by rotation requirements under the Bye-laws, whereby one-third of the Directors retire at the annual general meeting each year. These provisions apply to both Executive and Non-executive Directors, but the requirement to retire by rotation does not extend to the Chairman or Group Managing Director.

In accordance with Bye-law 84, Stuart Gulliver, Julian Hui and Michael Wei Kuo Wu will retire by rotation at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-election. Stuart Gulliver, Julian Hui and Michael Wei Kuo Wu do not have service contracts with the Company or its subsidiaries.

Operational Management

Operational management is delegated to the appropriate level, and coordination with the Group's listed subsidiaries is undertaken by the board of the Group management company, JML. The JML board meets regularly in Hong Kong and is chaired by the Group Managing Director. It has five other members, whose names appear on page 191 of this Report, including the Group Deputy Managing Director, Group Finance Director, Group General Counsel and Group Digital Director.

Company Secretary

All Directors have access to advice and support from the Group Corporate Secretary, who is responsible for advising the Board on all governance matters.

Insurance and Indemnification

The Company purchases insurance to cover its Directors against their costs in defending themselves in civil proceedings taken against them in that capacity and in respect of damages resulting from the unsuccessful defence of any proceedings. To the extent permitted by law, the Company also indemnifies its Directors. Neither insurance nor indemnity arrangements, however, provide cover where the Director has acted fraudulently or dishonestly.

Delegations of Authority

The Group has an organisational structure with defined lines of responsibility and delegation of authority in place. Across the Group, there are established policies and procedures for financial planning and budgeting, information and reporting systems, risk management and monitoring the Group's operations and performance. The information systems in place are designed to ensure that the financial information reported is reliable and up-to-date.

Directors' Responsibilities in Respect of the Financial Statements

Under the Companies Act, the Directors are required to prepare financial statements for each financial year and present them annually to the Company's shareholders at the annual general meeting. The financial statements are required to present fairly, in accordance with International Financial Reporting Standards ('IFRS'), the financial position of the Group at the end of the year, and the results of its operations and its cash flows for the year then ended. The Directors consider that applicable accounting policies under IFRS, applied on a consistent basis and supported by prudent and reasonable judgments and estimates, have been followed in preparing the financial statements. The financial statements have been prepared on a going concern basis.

Substantial Shareholders

As a non-UK issuer, the Company is subject to the provisions of the DTRs, which require that a person must, in certain circumstances, notify the Company of the percentage of voting rights attaching to the share capital of the Company that person holds. The obligation to notify arises if that person acquires or disposes of shares in the Company which results in the percentage of voting rights which the person holds reaching, exceeding, or falling below, 5%, 10%, 15%, 20%, 25%, 30%, 50% and 75%.

The Company has been informed of the following holdings of voting rights of 5% or more attaching to the Company's issued ordinary share capital: (i) Jardine Strategic and its subsidiary undertakings are directly and indirectly interested in 426,938,280 ordinary shares carrying 59.8% of the voting rights; (ii) the 1947 Trust is interested in 35,915,991 ordinary shares carrying 5.03% of the voting rights. Apart from this interest and the interests disclosed under 'Directors' Share Interests' above, the Company is not aware of any holders of voting rights of 5% or more attaching to the issued ordinary share capital of the Company as at 3rd March 2022.

There were no contracts of significance with corporate substantial shareholders during the year under review.

Related Party Transactions

Details of transactions with related parties entered into by the Company during the course of the year are included in note 37 to the financial statements on page 152.

Securities Purchase Arrangements

The Directors have the power under the Bermuda Companies Act and the Company's Memorandum of Association to purchase the Company's shares. Any shares so purchased are required to be treated as cancelled and, therefore, reduce the Company's issued share capital. The Board regularly considers the possibility for share repurchases or the acquisition of further shares in Group companies. When doing so, it considers the potential for the enhancement of earnings or asset values per share. When purchasing such shares, the Company is subject to the provisions of MAR.

During the year, the Company repurchased and cancelled 10,135,966 ordinary shares for an aggregate total cost of US$580 million. The ordinary shares, which were repurchased in the market, represented some 1.41% of the Company's issued ordinary share capital.

Annual General Meeting

The 2022 Annual General Meeting will be held on 5th May 2022. The full text of the resolutions and explanatory notes in respect of the meeting are contained in the Notice of Meeting which accompanies this Report.

Corporate Website

The Company's corporate website, which contains a wide range of information of interest to investors, can be found at www.jardines.com.

Group Policies

Code of Conduct

The Group conducts business in a professional, ethical and even-handed manner. Its ethical standards are clearly set out in its Code of Conduct, a set of guidelines to which every employee across the Group must adhere and which is reinforced and monitored by an annual compliance certification process. The Code of Conduct requires that all Group companies comply with all laws of general application, all rules and regulations that are industry-specific and proper standards of business conduct. In addition, the Code of Conduct prohibits the giving or receiving of illicit payments. It requires that all managers be fully aware of their obligations under the Code and establish procedures to ensure compliance at all levels within their organisations.

The Company's policy on commercial conduct underpins the Group's internal control process, particularly in the area of compliance. The policy is set out in the Code of Conduct.

Data Privacy

The Group is committed to being a responsible custodian of the data entrusted to it by customers, employees, suppliers and other stakeholders, keeping the data secure and processing it in accordance with legal requirements and stakeholder expectations as they continue to evolve.

The Group's Code of Conduct and Data Breach Notification Policy underpin this commitment.

Whistleblowing

The Company has a whistleblowing policy covering how employees can report matters of serious concern. The Audit Committee has responsibility for overseeing the effectiveness of the formal procedures for colleagues to raise such matters and is required to review any reports made under those procedures referred to it by the internal audit function.

In January 2021, a new Company-level confidential whistleblowing service, managed by an independent party, was launched to supplement existing whistleblowing channels in the business units to assist employees in raising matters of concern and reporting cases of suspected illegal or unethical behaviour. The service, which aims to help foster an inclusive, safe and caring workplace is available 24 hours a day in multiple local languages, and is accessible through phone hotline or online. Colleagues may make anonymous submissions, in situations where it is inappropriate or not possible to report a matter of concern to a manager or supervisor, or an HR or Group Legal representative. All reports are treated confidentially and no retaliation against a person reporting a potential breach of the Code in good faith will be tolerated.

Diversity and Inclusion

The Group applies the principle that colleagues should always treat others in a way they would expect others to treat them. Bullying, intimidation, discrimination, and harassment of others have no place in the Group and will not be tolerated.

Jardines is a diversified Group operating a wide range of market-leading businesses across Asia and other regions. Our people represent many ideas, experiences, cultures and backgrounds. The Group’s diversity is one of our key strengths, and our employees all have a part to play in ensuring that our workplace supports and encourages inclusion and collaboration. Our Group Code of Conduct, which is available on our corporate website at www.jardines.com, states that all employees, regardless of race, gender, nationality, religion, disability, age, sexual orientation, or background, should be treated fairly, impartially and with dignity and respect. Recruitment of our employees and their remuneration, promotion, training, development and other benefits are based on aptitude, merit and ability.

We value the physical and mental health, safety and well-being of our employees, and this is key to the success of our Group. All staff are encouraged and supported to develop their full potential and contribute to the sustainable growth of the Group. Colleagues’ views and ideas are important and they are encouraged to express them respectfully at all levels within the organisation.

Appointments to the Group’s various boards and senior management positions are based on merit – an objective assessment of the fit of the prospective individuals and the needs of the Group.

The Company keeps the composition of its Board and senior management positions under review to ensure that it adapts to the changing business landscape. The Company recognises that gender diversity is an important issue, and this is something it is actively focussed on, with consistent improvement in this area.

The Company created the new role of Group Head of Diversity and Inclusion in 2020, to lead initiatives to develop a Group-wide approach to diversity and inclusion and ensure that an open and inclusive culture is integrated into the way each of the Group’s businesses operates.

The Company is developing a formal Diversity and Inclusion Policy, which is expected to be published in the first half of 2022.

Remuneration Report

Introduction

This Report sets out the Company's approach to remuneration for its directors and employees. It summarises the link between the Company's strategy and its remuneration framework, and between performance and reward, in determining remuneration outcomes.

Remuneration Philosophy and Reward Framework

At the heart of the Company's remuneration framework is a commitment to deliver competitive remuneration for excellent performance, to attract the most talented individuals and motivate and retain them, while aligning the interests of colleagues and shareholders.

The Company achieves this through:

- performance-based variable compensation;
- incentives based on financial measures and strategic objectives which reflect key goals critical to sustained organisational success;
- consideration of business and operational risk, as well as sustainability development goals through the design of performance objectives;
- providing incentives and policies which align the interests of executives to those of shareholders (including minimum shareholding requirements for Executive Directors of both the Company and Jardine Matheson Limited);
- ensuring remuneration outcomes are reasonable, taking into account community and stakeholder expectations; and
- targetting remuneration levels and outcomes that appropriately reflect the challenges and complexity of being a multinational Asian conglomerate with diverse businesses.

The Board has overall responsibility for setting remuneration for the Company's employees, ensuring it is appropriate and supports the Group's strategy, creating value for stakeholders. The Company's policy is to offer competitive remuneration packages to its senior executives. It is recognised that, due to the nature of the Group and its diverse geographic base, a number of its senior executives are required to be offered international terms, and the nature of the remuneration packages is designed to reflect this. In addition, executives joining the Group may be offered an initial fixed-term service contract to reflect any requirement to relocate.

Directors' Remuneration

Shareholders decide in general meetings the Directors' fees which are payable to the Chairman and all Non-executive Directors, as provided for by the Company's Bye-laws.

Certain Directors are discretionary objects under a trust created in 1947 (the '1947 Trust'), which holds 35,915,991 ordinary shares in the Company representing 5.03% of the Company's issued share capital. The 1947 Trust's income consists solely of ordinary dividends it receives on its 5.03% shareholding in the Company. The 1947 Trust was established and acts independently of the Company and accordingly the payments made to the Trust are accounted for as ordinary dividends. Under the terms of the 1947 Trust, income can be distributed to eligible beneficiaries, including to senior executive officers and employees of the Company and its wholly-owned subsidiaries. Those Directors who are beneficiaries of the 1947 Trust receive discretionary annual incentive bonuses from the income of the trust, based principally on the dividend income it receives from the Company. The fact that these bonuses are not borne by the Company benefits shareholders.

How Remuneration is Linked to Business Strategy

The Company's remuneration strategy is designed to support and reinforce its business and sustainability strategies. The level of remuneration is determined based on a review of the contribution to the execution of these strategies in both the short- and long-term. In particular, the level of contribution to, and achievement of, the Company's key strategic objectives evolving the Group's portfolio, driving operational excellence, enhancing leadership and entrepreneurialism and progressing sustainability are reviewed in determining bonus levels.

Remuneration Outcomes in 2021

For the year ended 31st December 2021, the Directors received US$58.9 million *(2020: US$64.4 million)* in aggregate, being:

- Distributions from the 1947 Trust of US$48.8 million *(2020: US$53.0 million)*; and
- Directors' fees and employee benefits from the Group of US$10.1 million *(2020: US$11.4 million)*.

Directors' fees and employee benefits included:

- US$0.3 million *(2020: US$0.3 million)* in Directors' fees;
- US$9.4 million *(2020: US$10.1 million)* in short-term employee benefits including salary, bonuses, accommodation and deemed benefits in kind;
- US$0.3 million *(2020: US$0.5 million)* in post-employment benefits; and
- US$0.1 million *(2020: US$0.5 million)* in share-based payments.

The information set out in this section headed 'Remuneration Outcomes in 2021' forms part of the audited financial statements.

Share Schemes

In the past, share-based long-term incentive plans provided incentives for Executive Directors and senior managers. No options were granted in 2020 or 2021, however, and there are no current plans to grant further options. Share options are not granted to Non-executive Directors.

Share Ownership by Directors

The Company believes that it is essential to align the interests of shareholders and Executive Directors and that all Executive Directors (of both the Company and Jardine Matheson Limited) should hold shares in the Company for the long-term. In 2020 the Company adopted a policy in relation to share ownership by Executive Directors, which requires all Executive Directors to hold Jardine Matheson shares with a value of 2.5 times their annual basic salary for the period while they are directors. New Directors are permitted two years from the commencement of the policy, or their employment for newly appointed Directors to accumulate the required level of shareholding, and the same period is applied to existing Directors who do not yet hold the required value of shares.

Directors' Share Interests

The Directors of the Company in office on 3rd March 2022 had interests* as set out below in the ordinary share capital of the Company. These interests included those notified to the Company in respect of the Directors' closely associated persons*.

Ben Keswick	47,243,587[(a) (b)]
John Witt	183,124
Y.K. Pang	425,000
Graham Baker	20,171
Stuart Gulliver	51,424
David Hsu	135,148
Adam Keswick	40,236,677[(a) (b)]
Anthony Nightingale	1,196,960
Jeremy Parr [(c)]	40,641
Percy Weatherall	39,175,706[(a) (b)]

Notes:

(a) Includes 1,750,004 ordinary shares held by a family trust, the trustees of which are closely associated persons of Ben Keswick, Adam Keswick and Percy Weatherall.

(b) Includes 35,143,555 ordinary shares held by family trusts, the trustee of which is a closely associated person of Ben Keswick, Adam Keswick and Percy Weatherall.

(c) Jeremy Parr will retire from the Board on 31st March 2022.

* within the meaning of MAR

In addition to the interests of the Directors set out in the table above, the interests for each of the Executive Directors include 35,915,991 ordinary shares in the Company held by the 1947 Trust, which the Executive Directors are interested in as discretionary objects under the 1947 Trust (as further described in the 'Directors' Remuneration' section above) and/or as the 1947 Trust is a closely associated person of certain of the Directors. For these purposes, such Directors are deemed to be interested in the 35,915,991 ordinary shares held by the 1947 Trust.

In addition, as at 3rd March 2022, Ben Keswick, John Witt, Y.K. Pang, David Hsu, Adam Keswick and Jeremy Parr held options in respect of 120,000, 90,000, 80,000, 30,000, 50,000 and 25,000 ordinary shares, respectively, issued in the past pursuant to the Company's share-based long-term incentive plans.

Supporting our Colleagues

In addition to providing competitive rewards, the Company is focussed on providing colleagues with a wide range of other benefits. Highlights of the past year have included supporting colleagues through the pandemic by providing two days' additional annual leave to staff who received the first two vaccine doses, as well as an additional day's leave for colleagues who received their booster shot; subsidising the cost of quarantine for colleagues returning to Hong Kong from overseas; introducing a flexible and bespoke benefits framework, allowing the customisation of benefits in order to best suit each colleague's situation; and introducing a volunteering leave policy.

The Company has also heavily invested in staff development during the year, with highlights including the successful Jardines Learning Festival and the establishment of the Jardines Learning Academy; and the offering of opportunities to colleagues to attend development programmes offered by leading business schools.

Audit Committee Report

Audit Committee

The Board is supported by the activities of the Audit Committee. Matters considered by the Audit Committee are set out in its terms of reference, a copy of which can be obtained from the Company's website at www.jardines.com.

The current members of the Audit Committee are Stuart Gulliver, Anthony Nightingale, and Adam Keswick. None of these Directors is directly involved in operational management. Stuart Gulliver was appointed as the chairman of the Audit Committee with effect from 25th January 2021, in place of Anthony Nightingale, who remains a member of the Audit Committee.

With the appointment of Stuart Gulliver, who is an Independent Non-executive director, as chairman of the Audit Committee, the Company considers that the Committee now has a majority of independent members. Stuart Gulliver has recent financial experience and expertise, as well as a deep understanding of risk management.

The Company's Chairman, Group Managing Director, Deputy Managing Director, Group Finance Director and Group General Counsel, together with representatives of the internal and external auditors, also attend Audit Committee meetings by invitation. Other individuals may attend part of a meeting for specific agenda items as appropriate. The Audit Committee meets twice a year and reports to the Board after each meeting.

The role of the Audit Committee is governed by its terms of reference. The Committee's remit includes:

- independent oversight and assessment of financial reporting processes including related internal controls;
- independent oversight of risk management and compliance; cybersecurity, business ethics issues and the risks related to information systems and procedures;
- overseeing the effectiveness of the internal and external audit functions;
- considering the independence and objectivity of the external auditors;
- reviewing and approving the level and nature of non-audit work performed by the external auditors; and
- reviewing independent assurance in respect of the effectiveness of sustainability metrics adopted by the Group.

Before completion and announcement of the half-year and year-end results, a review of the Company's financial information and any issues raised in connection with the preparation of the results, including the adoption of any new accounting policies, is undertaken by the Audit Committee with the executive management and a report is received from the external auditors. The external auditors also have access when necessary to the full Board and other senior executives and the boards of the Group's operating companies.

The Audit Committee also keeps under review the nature, scope and results of the audits conducted by the internal audit function and the findings of the various audit committees across the Group's companies.

The matters considered by the Audit Committee during 2021 included:

- reviewing the 2020 annual financial statements and 2021 half-yearly financial statements, with particular focus on the impact of COVID-19, valuation of investment properties, carrying value of investments in certain associates and joint ventures, and provisioning for consumer financing debtors;
- reviewing the actions and judgements of management in relation to changes in accounting policies and practices, to ensure clarity of disclosures and compliance with new accounting standards;
- receiving reports from Internal Audit on the status of the control environment of the Group and its business divisions, and progress made in resolving matters identified in the reports;

- reviewing the principal risks, evolving trends and emerging risks that affect the Group, and monitoring changes to the risk profile, as well as the effectiveness of risk management measures and crisis management arrangements;
- receiving updates on the cybersecurity threat landscape and the Group's cybersecurity environment, risk management approach, training, priorities and control effectiveness;
- receiving reports from Risk Management and Legal functions on key legal matters and compliance and Code of Conduct issues, and the actions taken in addressing those issues and strengthening controls;
- reviewing the annual internal audit plan and status updates;
- reviewing and approving the revised terms of reference of the Group's Internal Audit and Risk Management function;
- reviewing the biennial assessment of the effectiveness of the Group's Internal Audit function;
- reviewing the Group's governance approach to cybersecurity management, data security and privacy management across its businesses;
- reviewing the independence, audit scope and fees of PwC, and recommending their re-appointment as the External Auditor; and
- conducting a review of the terms of reference of the Audit Committee.

Audit Committee Attendance

The table below shows the attendance at the scheduled Audit Committee meetings:

	Meetings eligible to attend	% attendance
Current Audit Committee members		
Stuart Gulliver (Chairman)	2/2	100%
Adam Keswick	2/2	100%
Anthony Nightingale	2/2	100%

Risk Management and Internal Control

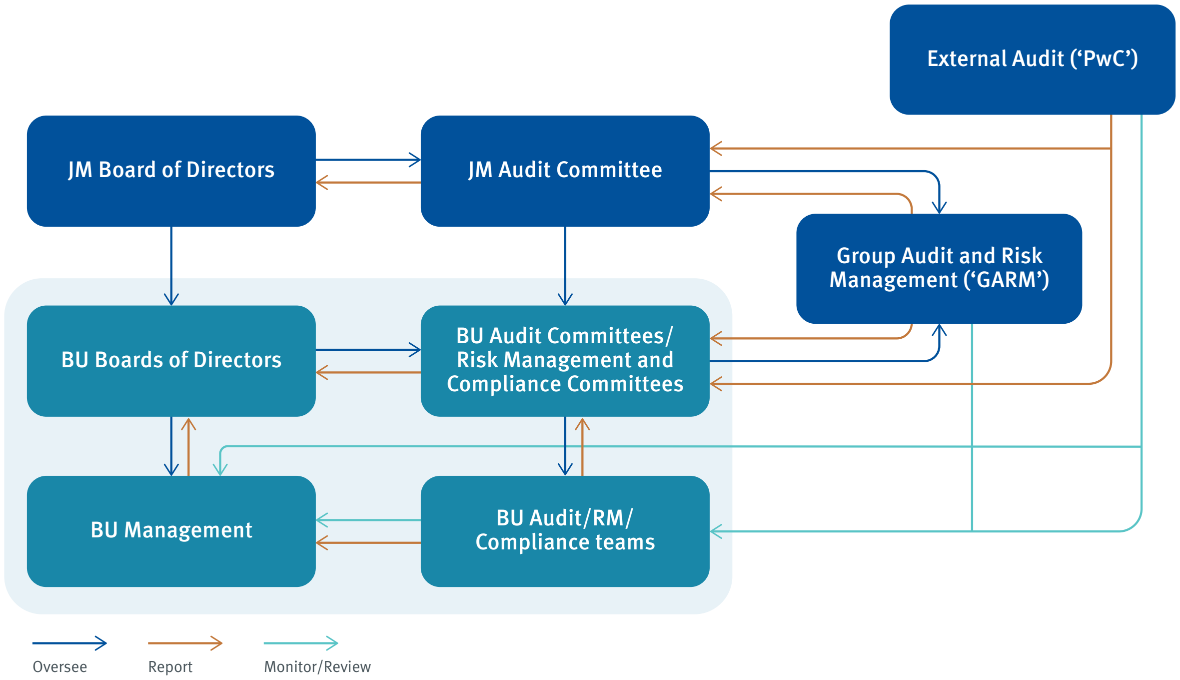
The Board has overall responsibility for the Group's systems of risk management and internal control. The Board has delegated to the Audit Committee responsibility for providing oversight in respect of risk management activities. The Audit Committee considers the Group's principal risks and uncertainties and potential changes to the risk profile. It reviews the operation and effectiveness of the Group's systems of internal control (financial, operational and compliance) and the procedures by which these risks are monitored and mitigated.

The Audit Committee considers the systems and procedures regularly and reports to the Board semi-annually. The internal control systems are designed to manage, rather than eliminate, business risk; to help safeguard the Group's assets against fraud and other irregularities; and give reasonable, but not absolute, assurance against material financial misstatement or loss.

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

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

Risk Governance Structure



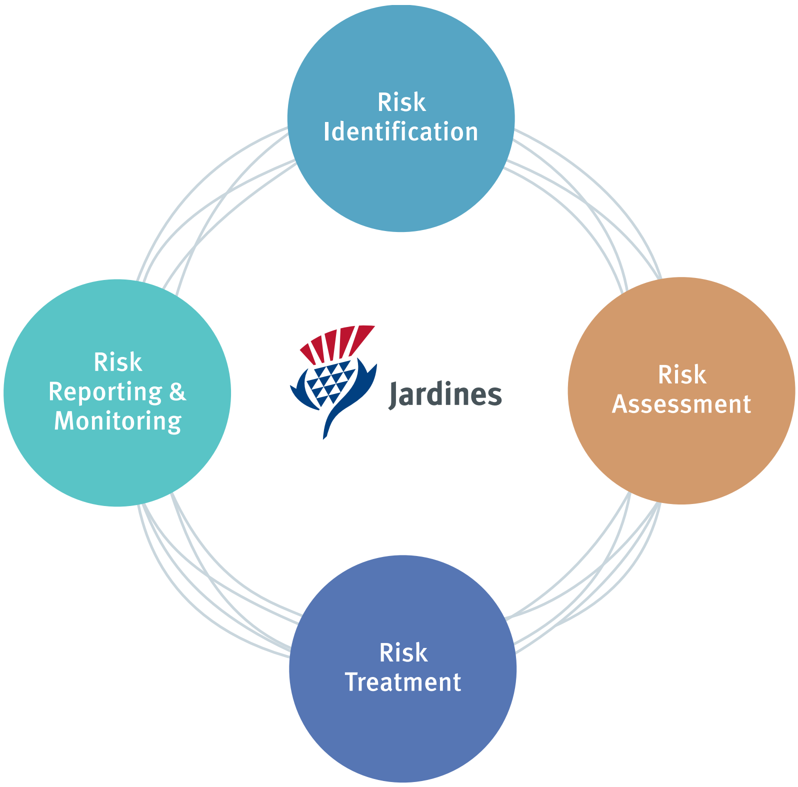
Each business unit is responsible for:

- Identifying and assessing principal risks and uncertainties to which it is exposed;
- Implementing the most appropriate actions to mitigate and control those risks to an acceptable level;
- Providing adequate resources to minimise, offset or transfer the effects of any loss that may occur while managing acceptable risk/benefit relationships;
- Monitoring the effectiveness of the systems of risk management and internal control;
- Reporting periodically to its board of directors and the Group's Audit and Risk Management function (Group Audit and Risk Management or 'GARM') on the principal risks and uncertainties.

Information and guidelines for reporting principal risks and uncertainties are regularly communicated to the business units. Risk management initiatives, such as training and sharing sessions, are undertaken by each business unit.

Risk Management Framework

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



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

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

Risk Identification	• Identify and document the Group's exposure to uncertainty with existing strategic objectives • Adopt structured and methodical techniques to identify critical risks
Risk Assessment	• Evaluate risks by estimating likelihood, financial and reputational damage, and the speed at which the risk materialises, based on its inherent and residual level • Determine risk rating using the risk heatmap, with four levels of residual risk status
Risk Treatment	• Tolerate – accept if within the Group's risk appetite • Terminate – dispose or avoid risks where no appetite Risks may be accepted if mitigated to an appropriate level via: • Transfer – take out insurance or share risk through contractual arrangements with business partners • Treat – redesign or monitor existing controls or introduce new controls
Risk Reporting & Monitoring	• Periodic review of principal risks and uncertainties • Setting key risk indicators to enhance monitoring and mitigation of risks • Regular reporting of principal risks and uncertainties from business units to the Group's Board of Directors via Audit Committee and Group Audit and Risk Management

Principal Risks and Uncertainties

Set out below are the principal risks and uncertainties facing the Company as required to be disclosed pursuant to the DTRs, as well as a summary of the steps taken to mitigate those risks.

These risks are in addition to matters referred to in the Chairman's Statement, Group Managing Director's Review and other parts of the Annual Report.

Economic Risk

Most of the Group's businesses are exposed to the risk of adverse developments in global and regional economies and financial markets, either directly, or through the impact such developments might have on the Group's joint venture partners, associates, franchisors, bankers, suppliers or customers. These developments could include recession, inflation, deflation, currency fluctuations, restrictions in the availability of credit, business failures, or increases in financing costs, oil prices or the cost of raw materials. Such developments might increase operating costs, reduce revenues, lower asset values or result in some or all of the Group's businesses being unable to meet their strategic objectives.

Mitigation Measures

- Monitor the volatile macroeconomic environment and consider economic factors in strategic and financial planning processes.
- Make agile adjustments to existing business plans and explore new business streams and new markets.
- Review pricing strategies and keep conservative assumptions on global commodity prices.
- Insurance programme covering property damage and business interruption.

Commercial Risk

Risks are an integral part of standard commercial activities, and where practicable steps are taken to mitigate them. Risks can be more pronounced when businesses are operating in volatile markets.

A number of the Group's businesses make significant investment decisions regarding developments or projects, which are subject to market risks. This is especially the case where projects are longer-term and take more time to deliver returns.

The Group's businesses operate in sectors and regions which are highly competitive and evolving rapidly. Failure to compete effectively, whether in terms of price, tender terms, product specification, application of new technologies or levels of service, and failure to manage change in a timely manner, can hurt earnings or market share. Significant competitive pressure may also lead to reduced margins.

It is essential for the products and services provided by the Group's businesses to meet the appropriate quality and safety standards, and there is an associated risk if they do not, including the risk of damage to brand equity or reputation, which might adversely impact the ability to achieve sufficient revenues and profit margins.

In addition, growing sustainability consciousness in customers' purchasing preferences has resulted in customers being more willing to switch to other companies, brands or providers that provide sustainable products or services.

Mitigation Measures

- Utilise market intelligence and deploy digital strategies for business-to-consumer businesses.
- Establish customer relationship management programme and digital commerce capabilities.
- Engage in longer-term contracts and proactively approach suppliers for contract renewals.
- Re-engineer existing business processes.

Financial and Treasury Risk

The Group's activities expose it to a variety of financial risks, including market risk, credit risk and liquidity risk.

The market risk the Group faces includes i) foreign exchange risk from future commercial transactions, net investments in foreign operations and net monetary assets and liabilities that are denominated in a currency that is not the entity's functional currency; ii) interest rate risk through the impact of rate changes on interest bearing liabilities and assets; and iii) securities price risk as a result of its equity investments and limited partnership investment funds which are measured at fair value through profit and loss, and debt investments which are measured at fair value through other comprehensive income.

The Group's credit risk is primarily attributable to deposits with banks, contractual cash flows of debt investments carried at amortised cost and those measured at fair value through other comprehensive income, credit exposures to customers and derivative financial instruments with a positive fair value.

The Group may face liquidity risk if its credit rating deteriorates or if it is unable to meet its financing commitments .

Mitigation Measures

- Limiting foreign exchange and interest rate risks to provide a degree of certainty about costs.
- Management of the investment of the Group's cash resources so as to minimise risk, while seeking to enhance yield.
- Adopting appropriate credit guidelines to manage counterparty risk.
- When economically sensible to do so, taking borrowings in local currency to hedge foreign exchange exposures on investments.
- A portion of borrowings is denominated in fixed rates. Adequate headroom in committed facilities is maintained to facilitate the Group's capacity to pursue new investment opportunities and to provide some protection against market uncertainties.
- The Group's funding arrangements are designed to keep an appropriate balance between equity and debt from banks and capital markets, both short and long term in tenor, to give flexibility to develop the business. The Company also maintains sufficient cash and marketable securities, and ensures the availability of funding from an adequate amount of committed credit facilities and the ability to close out market positions.
- The Group's Treasury operations are managed as cost centres and are not permitted to undertake speculative transactions unrelated to underlying financial exposures.

The detailed steps taken by the Group to manage its exposure to financial risk are set out in the Financial Review on pages 48 to 49 and Note 42 to the financial statements on pages 166 to 175.

Concessions, Franchises and Key Contracts Risk

Many of the Group's businesses and projects rely on concessions, franchises, management, outsourcing or other vital contracts. Accordingly, cancellation, expiry or termination, or the renegotiation of any such concession, franchise, management, outsourcing or other third-party key contracts could adversely affect the financial condition and results of operations of certain subsidiaries, associates and joint ventures of the Group.

Mitigation Measures

- Strengthen existing relationships with the principals through sustaining substantial market shares and complying with dealer standards and principals' policies.
- Monitor sales performance and manufacturer scorecards.
- Regular communication with franchisees and strengthen quality assurance programmes to maintain requirements by franchise principals.

Regulatory and Political Risk

The Group's businesses are subject to several regulatory regimes in the territories they operate. Changes in such regimes in relation to foreign ownership of assets and businesses, exchange controls, planning controls, emission regulations, tax rules, and employment legislation could potentially impact the operations and profitability of the Group's businesses.

Changes in the political environment, including political or social unrest, in the Group's territories, could adversely affect the Group's businesses.

Mitigation Measures

- Stay connected and informed of relevant new and draft regulations.
- Engage external consultants and legal experts where necessary.
- Raise awareness via principals' brand conference with an annual update on new regulations that may have been implemented in other markets.

Pandemic and Natural Disasters Risk

The Group businesses could be impacted by a global or regional pandemic which seriously affects economic activity or the ability of businesses to operate smoothly. The pandemic has also created heightened demand and competition across industries for various skillsets. In addition, many of the territories in which the Group operates can experience natural disasters such as earthquakes and typhoons from time to time.

Mitigation Measures

- Flexible work arrangements and compliance with hygiene protocols.
- Supply chain stabilisation includes sourcing backup suppliers and better coordination with logistics partners.
- Engage external consultants for climate risk analysis.
- Business Continuity Plans are tested and audited periodically.
- Insurance programmes that provide robust cover for natural disasters.

Cybersecurity Risk

The Group's businesses are ever more reliant on technology in their operations and face increasing cyberattacks from groups targeting both individuals and businesses. As a result, the privacy and security of customer and corporate information are at risk of being compromised through a breach of our or our suppliers' IT systems or the unauthorised or inadvertent release of information, resulting in brand damage, impaired competitiveness or regulatory action. Cyberattacks may also adversely affect our ability to manage our business operations or operate information technology and business systems, resulting in business interruption, lost revenues, repair or other costs.

The potential impact on many of our businesses of disruption to IT systems or infrastructure, whether due to cyber-crime or other factors, could be significant. There is also an increasing risk to our businesses from negative social media commentary, which could influence customer and other stakeholder behaviours, impact operations or profitability, or lead to reputational damage.

Mitigation Measures

- Engage external consultants to perform assessments on the business units with industry benchmarks.
- Define cybersecurity programme and centralised function to provide oversight, manage cybersecurity matters, and strengthen cyber defences and security measures.
- Perform regular vulnerability assessment and/or penetration testing to identify weaknesses.
- Maintain disaster recovery plans and backup for data restoration.
- Arrange regular security awareness training at least annually and phishing testing to raise users' cybersecurity awareness.

Investment, Strategic Transactions and Partnerships Risk

Competition for attractive investment opportunities has increased with the rise of global investment funds and deep pools of low-cost capital, supporting a greater appetite by investors across sectors for strategic transactions and partnerships to optimise the business portfolio and enhance growth. As the Group's businesses pursue projects and investments against keen competitors, they face pressure on the terms they are willing to secure and accept prized assets and relationships.

In addition, conflicts with strategic partners may arise due to various reasons such as different corporate cultures and management styles.

Mitigation Measures

- Establish Group Investment and Business Development Committee.
- Conduct sufficient research, due diligence and evaluation of investment opportunities and potential business partners.
- Develop clear frameworks and levels of authority for investment or partnership decisions.
- Regular performance monitoring and strategic reviews of new businesses and projects.

People Risk

The competitiveness of the Group's businesses depends on the quality of the people that it attracts and retains. Unavailability of needed human resources may impact the ability of the Group's businesses to operate at capacity, implement initiatives and pursue opportunities.

The pandemic has accelerated corporate investments in digital projects and stimulated global consumer demand for e-commerce. This has created heightened demand and competition across industries for various skillsets, particularly in IT and logistics. Pandemic-related travel restrictions and a more stringent approach to issuing work visas to non-locals in some of the key markets have also disrupted the availability of labour across borders, exacerbating labour shortages as economies rebound.

Mitigation Measures

- Ensure proactive manpower planning and succession planning are in place.
- Enhance modern employer branding, training for staff members, compensation and benefits, talent development plan.
- Implement strategy to promote diversity and inclusion across the Group.
- Provide employee retention programmes.
- Establish employee assistance programmes.

Environmental and Climate Risk

Global climate change has led to a trend of increased frequency and intensity of potentially damaging natural events for the Group's assets and operations. With interest in sustainability surging in recent years from investors, governments and other interested parties, expectations by regulators and other stakeholders for accurate corporate sustainability reporting and commitments towards carbon neutrality and other sustainability related goals are also growing. This brings increasing challenges to the Group and its businesses to meet key stakeholders' expectations.

Mitigation Measures

- Sustainability Leadership Council established to mobilise and coordinate sustainability efforts across the Group.
- A sustainability strategy framework, including a Climate Action pillar, drives the Group's sustainability agenda.
- A Climate Action Working Group, with representatives from all business units, drives Group-wide initiatives which strengthen collaboration and share knowledge.
- A Group-wide climate change policy is being developed to build climate resilience across Jardines.
- Developing a plan to make net zero commitments across Group businesses.
- Assessing emerging Environmental, Social and Governance (ESG) reporting standards and requirements, to align Group disclosures to best market practice.
- Conducting climate risk assessments and adaptation action plans based on recommendations of Task Force on Climate-related Financial Disclosure (TCFD), including implementing measures to address physical risks posed by climate change and identifying opportunities in global transition to a low carbon economy.

Monitoring of Risk Management and Internal Control Systems

The effectiveness of the Company's risk management and internal control systems is monitored by the internal audit function, which reports functionally to the Audit Committee of the Company, and by a series of audit committees or risk management and compliance committees that operate in each significant business unit across the Group. The internal audit function also monitors the approach taken by the business units to managing risk. The findings of the internal audit function and recommendations for any corrective action required are reported to the relevant audit committee and, if appropriate, to the Company's Audit Committee.