

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 values, strategy and its remuneration framework, and between performance and reward, in determining remuneration outcomes.

Remuneration Philosophy and Reward Framework

The Company aims to ensure that its compensation system is designed in a manner that reflects the Company's culture and strategic priorities. At the heart of the Company's remuneration framework is a commitment to deliver competitive remuneration for excellent performance at all levels, to attract the most talented individuals and motivate and retain them, while aligning the interests of colleagues and shareholders and taking account of stakeholder expectations, as appropriate.

The Company achieves this through performance-based variable compensation, reflecting incentives based on:

- financial measures and strategic objectives which reflect key goals critical to the long-term sustainable success of the Group and its businesses, including business and operational risk and sustainability-related goals; and
- individual performance objectives which reflect key development areas.

Given 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 their remuneration packages is designed to reflect this, while retaining the link between remuneration to strategic and individual performance objectives.

The structure of remuneration varies from senior executive to more junior level employees and in particular the remuneration mix for employees varies depending on level. At senior executive levels, more remuneration is 'at risk', depending on performance levels against goals. At more junior levels, more remuneration is directed toward fixed remuneration. The Company strives to provide an appropriate amount of remuneration 'at risk' for the achievement of goals – whether those are short- or long-term in nature.

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 and having regard to the core principles and integrity standard set out in the Code of Conduct.

How Remuneration is Linked to Business Strategy

The Company's approach to remuneration is designed to support and reinforce its strategic priorities, both short- and long-term. The level of remuneration is determined based on a review of the contribution to the achievement of these priorities. In particular, the level of contribution to and achievement of:

Priorities	Measurement period
Key strategic objectives and evolving the Group's portfolio	Long-term (>3 years)
Driving operational excellence	Short-term (<3 years)
Enhancing leadership and entrepreneurialism	Short-term
Progressing sustainability	Short- and long-term

At the beginning of each year, each senior executive sets out performance objectives that are relevant to their role. These objectives are required to take account of the role's expected contribution to the Company and be aligned with the Company's strategic direction, as well as Company culture. These objectives are then agreed between the senior executive and the Group Managing Director in consultation with the Executive Chairman, and the senior executive is held accountable for the agreed objectives. By assigning goals on an annual basis and reviewing them regularly, we ensure relevance to and alignment with the Group's strategic direction, as well as alignment between the interests of senior executives and shareholders.

Objectives are determined in a manner that allows the Company to achieve its strategic ambitions, while delivering competitive remuneration upon their achievement. Further, the objectives aim to motivate senior executives to pursue stretch performance, which may deliver above-target remuneration levels.

Each year the Company reviews senior executive achievements and approves compensation levels. Communication of remuneration-linked goals and attainment is designed to be simple in nature, so it is easy to understand for participants, and it can clearly show direct alignment to the strategic priorities of the Company.

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.

The remuneration of the Company's Non-Executive Directors is not linked to performance. This is consistent with Non-Executive Directors being responsible for objective and independent oversight of the Group. The Company's Bye-laws provide that Non-Executive Directors may determine their own remuneration, but the total amount provided to all Directors (not including the Group Managing Director and any other Executive Directors of the Company) must not exceed the sum agreed by shareholders at a general meeting. The maximum aggregate remuneration of US\$1.5 million per annum was approved by shareholders at the 2022 AGM. Non-Executive Directors do not receive bonuses or any other incentive payments or retirement benefits. The Non-Executive Directors are reimbursed for expenses properly incurred in performing their duties as a Director of the Company. The schedule of fees paid to Directors in respect of 2022 is set out in the table below. Fees are annual fees, unless otherwise stated:

US\$			
Base Non-Executive Director fee			100,000
Audit Committee Member fee			35,000

Director	Director fee US\$	Audit Committee fee US\$	Total fees US\$
1 Ben Keswick (Chairman)	–	N/A	–
2 John Witt	–	N/A	–
3 Y.K. Pang	–	N/A	–
4 Graham Baker	–	N/A	–
5 David Hsu [†]	41,920	N/A	41,920
6 Adam Keswick	–	–	–
7 Percy Weatherall	100,000	N/A	100,000
8 Stuart Gulliver	100,000	35,000	135,000
9 Anthony Nightingale	100,000	35,000	135,000
10 Jeremy Parr [^]	–	N/A	–
11 Julian Hui	100,000	N/A	100,000
12 Michael Wu	100,000	N/A	100,000
Total	541,920	70,000	611,920

[†] David Hsu appointed as Non-Executive Director on 1st August 2022.

[^] Jeremy Parr retired from the Board on 31st March 2022.

The Executive Directors² are paid a basic fixed salary and receive certain employee benefits from the Group.

The Executive Directors' performance is assessed by reference to: (i) the overall contribution by each Executive Director to increasing shareholder value over the long-term, by reference to long-term sustainable growth in earnings per share, focussing on underlying earnings per share, a progressive dividend policy and the share price as well as the achievement of agreed Group objectives; and (ii) performance by reference to agreed individual objectives.

Depending on their performance, the Executive Directors may receive amounts in lieu of discretionary annual incentive bonuses from the income of a trust created in 1947 (the '1947 Trust'), which holds 36,327,391 ordinary shares in the Company, representing 12.54% of the Company's issued share capital.³ The Executive Directors do not otherwise receive any discretionary annual incentive bonuses from the Group.

This arrangement benefits shareholders by aligning their interests with those of the Executive Directors. This happens in two principal ways.

First, the 1947 Trust was established and acts completely independently of the Company. Decisions as to the allocation of the 1947 Trust's income to the Executive Directors are made by the Executive Chairman, taking into account the interests of shareholders as a whole. Decisions as to the allocation of the 1947 Trust's income are made in consultation with the Group Managing Director and others, including certain Non-Executive Directors of the Company and with the benefit of appropriate external advice as and when appropriate. The fact that this assessment and these decisions are made by a significant shareholder, taking into account the interests of shareholders as a whole and not the Company, is a key benefit for shareholders of this structure and arrangement.

Secondly, a significant part (up to 30%) of the amounts paid to Executive Directors from the 1947 Trust is specified to be for the purposes of acquiring shares in the Company. Executive Directors are expected to acquire shares in the Company up to the relevant value within a six-month period after the payment and then retain such shares in accordance with the share ownership policy, described in the section entitled 'Share Ownership by Executive Directors' below.

The 1947 Trust's income consists solely of ordinary dividends it receives on its shareholding in the Company and therefore the amounts paid to Executive Directors from the 1947 Trust are neither expenses of, nor borne by, the Group. This also directly benefits shareholders.

Share Ownership by Executive Directors

The Company believes that it is essential to align the interests of shareholders and Executive Directors. This means creating an environment where the Executive Directors are incentivised to create long-term shareholder value. The Company has sought to do this in part by encouraging all Executive Directors to accumulate and hold shares in the Company for the long-term.

In this regard, in 2020 the Company adopted the Directors' Shareholding Policy (the 'Policy') which was then updated in 2021.

The Policy requires that each of the Executive Directors should build a meaningful and increasing shareholding in the Company over time.

² For the purposes of this section entitled 'Directors' Remuneration' and the following section entitled 'Share Ownership by Executive Directors', Executive Directors means the Executive Directors of the Company and JML.

³ 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. The Executive Directors from time to time are discretionary objects or beneficiaries of the 1947 Trust.

The Policy sets a minimum shareholding requirement. For all Executive Directors (other than the Executive Chairman and the Group Managing Director) the minimum requirement is to hold shares in the Company with a value of 2.5 times their annual basic salary. For the Executive Chairman and the Group Managing Director the value is five times their annual basic salary. New Executive Directors are permitted two years from the commencement of their employment to accumulate the required level of shareholding.

Notwithstanding these minimum shareholding requirements, the fact that a significant part of the amounts awarded to Executive Directors by the 1947 Trust (as described above) is specified to be for the purposes of acquiring shares in the Company means that the minimum levels will generally be exceeded for each Executive Director within a relatively short period after the commencement of their employment. Current shareholdings of the Executive Directors are set out below.

All shares, once acquired, should be retained by the relevant Executive Director for so long as they are engaged by the Group and for at least two years thereafter.

As and when any Executive Director ceases to hold any office or be employed by the Company or any member of the Group, the Executive Chairman will discuss with the relevant individual how the Policy will apply in his or her circumstances. However, as noted above, it is expected that former Executive Directors will retain all shares held at the cessation of their engagement with the Group for at least two years thereafter.

Remuneration Outcomes in 2022

For the year ended 31st December 2022, the Company's Directors received US\$66.6 million (*2021: US\$58.9 million*) in aggregate, being:

- Distributions from the 1947 Trust of US\$58.1 million (*2021: US\$48.8 million*); and
- Directors' fees and employee benefits from the Group of US\$8.5 million (*2021: US\$10.1 million*).

Directors' fees and employee benefits included:

- US\$0.5 million (*2021: US\$0.3 million*) in Directors' fees;
- US\$7.8 million (*2021: US\$9.4 million*) in short-term employee benefits including salary, bonuses, accommodation and deemed benefits in kind; and
- US\$0.2 million (*2021: US\$0.3 million*) in post-employment benefits.

Additionally, in 2021, Directors' fees and employment benefits included US\$0.1 million in relation to share-based payments.

The information set out in this section headed 'Remuneration Outcomes in 2022' forms part of the audited financial statements.

Directors' Share Interests

The Directors of the Company and JML in office on 2nd March 2023 had interests* in the ordinary share capital of the Company as set out below. These interests included those notified to the Company in respect of the Directors' closely associated persons*.

Jardine Matheson Holdings Limited	Interests
Ben Keswick	48,637,169 ^(a) ^(b)
John Witt	240,573
Y.K. Pang	445,000
Graham Baker	36,084
Stuart Gulliver	53,378
David Hsu	160,285
Adam Keswick	41,363,905 ^(a) ^(b)
Anthony Nightingale	1,203,438
Percy Weatherall	40,226,839 ^(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 36,143,701 ordinary shares held by family trusts, the trustee of which is a closely associated person of Ben Keswick, Adam Keswick and Percy Weatherall.

* within the meaning of MAR

Jardine Matheson Limited	Interests
Matthew Bland ^(a)	11,107
Stephen Gore ^(b)	35,000
Anne O'Riordan	18,614
Steve Sun ^(c)	—

Notes:

(a) Matthew Bland was appointed on 1st April 2022.

(b) Stephen Gore was appointed on 1st August 2022.

(c) Steve Sun was appointed on 1st August 2022.

In addition to the interests of the Directors of the Company and JML set out above, the interests for each of the Executive Directors include 36,327,391 ordinary shares in the Company held by the 1947 Trust, in which the Executive Directors are interested 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 Executive Directors are deemed to be interested in the 36,327,391 ordinary shares held by the 1947 Trust.

In addition, as at 2nd March 2023, Ben Keswick, John Witt, Y.K. Pang, David Hsu and Adam Keswick held options in respect of 120,000, 90,000, 80,000, 30,000 and 50,000 ordinary shares, respectively, issued in the past pursuant to the Company's share-based long-term incentive plans.

Share Schemes

In the past, share-based long-term incentive plans provided incentives for Executive Directors and senior managers. No options were granted in the period from 2020 to 2022, however, and there are no current plans to grant further options. Share options are not granted to Non-Executive Directors.