

ComfortDelGro Corporation Limited (“ComfortDelGro” or the “Company”, and together with its subsidiaries, the “Group”), believes that a fundamental measure of our success is about creating long-term shareholder value.

We will continue to:

- Focus unreservedly on our customers;
- Make sound corporate decisions to generate long-term shareholder value rather than for short-term benefits;
- Maintain our lean culture through cost efficiencies to drive value creation without compromising our service quality;
- Build a sustainable talent pool to address the evolving and complex demands of the industry in this highly competitive market; and
- Commit to sustainability to make a positive impact on society and the environment.

CORPORATE GOVERNANCE STATEMENT

ComfortDelGro strongly believes that good corporate governance makes sound business sense. To this end, the Group maintains the highest standards of corporate governance, professionalism and integrity as we build an organisation that our shareholders, employees, business partners, the authorities and other stakeholders including labour unions and professional institutions, can trust and be proud of.

The Group is committed to ensuring the Group’s compliance with the Code of Corporate Governance issued by the Monetary Authority of Singapore dated 6 August 2018 and amended on 11 January 2023 (the “**2018 Code**”) and has put in place policies, structures and mechanisms to ensure compliance with the relevant legislative and regulatory requirements. The Group has adopted a Code of Business Conduct, which sets out the principles and policies upon which the Group’s businesses are to be conducted, and has also implemented a Whistle Blowing Policy which provides a mechanism for employees and external parties to raise concerns about possible improprieties in financial reporting or other improper business conduct, whilst maintaining confidentiality of the identity of whistleblowers and protecting them from reprisals within the limits of the law.

This Report sets out the corporate governance practices that were in place during the Financial Year ended 31 December 2022 (“**FY2022**”), with specific references to the 2018 Code. For FY2022, we are pleased to report that the Group complied in all material aspects with the 2018 Code.

1. BOARD MATTERS

The Board of Directors (the “**Board**”) has a duty to protect and enhance the long-term value of the Group and achieve sustainable growth for the Group. It sets the overall strategic direction of the Group and oversees the proper conduct of the business, performance, and affairs of the Group. Board members are expected to be aware of their legal responsibilities, act in good faith and exercise independent judgement in the best interests of the Company.

In appointing Directors, the Company seeks individuals who have integrity, expertise, business acumen, shareholder orientation and a genuine interest in the Group.

PRINCIPLE 1: THE BOARD’S CONDUCT OF AFFAIRS

BOARD’S ROLE AND RESPONSIBILITIES

At the helm of the decision-making process of the Company is the Board. The Company is headed by an effective Board which is led by its Independent Non-Executive Chairman, Mr Lim Jit Poh (the “**Chairman**”). The Board is collectively responsible and works with Management for the long-term success of the Company by:

- (i) Providing entrepreneurial leadership and guidance, setting strategic directions and objectives of the Group (which include appropriate focus on value creation, innovation and sustainability) and ensuring that adequate financial and human resources are in place to achieve the objectives;
- (ii) Ensuring that appropriate and adequate systems of internal controls, risk management processes and financial authority limits are in place to safeguard shareholders’ interests and the Group’s assets, and to achieve an appropriate balance between exposure to risks and the Group’s performance;

- (iii) Challenging Management constructively and reviewing its performance;
- (iv) Identifying the key stakeholder groups and guiding Management in the Group's strategy and approach in addressing the concerns of these key stakeholder groups, and ensuring transparency and accountability to all stakeholders;
- (v) Instilling an ethical corporate culture and ensuring the Group's values, standards, policies and practices are consistent with the Group's culture; and
- (vi) Considering environmental, social and governance ("ESG") issues as part of its strategy for sustainability.

1.1 CONFLICTS OF INTEREST

All Directors are required to avoid situations where their own personal or business interests may conflict or appear to conflict with the interests of the Group. In the event that a Director has a conflict of interest, or it appears that he/she may have a conflict of interest in relation to any matter, the Director must immediately declare his/her interest at a meeting of the Board or send a written notice to the Board and the Company containing details of his/her interest in the matter and the actual or potential conflict, and recuse himself/herself from participating in any discussion or decision on the matter. In the case of any matter where the Chairman is conflicted, such as his remuneration or re-election as a Director, he will similarly recuse himself from participating in the discussion, and the other Directors will elect someone among themselves to preside over the discussion and to lead the Directors in decision making.

1.2 DIRECTORS' COMPETENCIES, INDUCTION, TRAINING AND DEVELOPMENT

Upon appointment, the Director will be issued an official letter of appointment, which clearly sets out his/her roles, duties and responsibilities and the Company's expectations of him/her as a Director of the Company. The new Director will also receive a copy of the Company's Constitution, the Company's current and previous years' Annual Reports and corporate structure chart of the Group.

Management will conduct a comprehensive orientation programme for newly appointed Directors, which covers, amongst other matters, duties as a Director and how to discharge those

duties and key aspects of the Group's businesses, including financial and corporate governance policies. Site visits will also be arranged for new Directors so that they can better familiarise themselves with the Group's operations. When a Director is appointed to a Board Committee, he/she is provided with a copy of the relevant Board Committee's terms of reference.

If the newly appointed Director has no prior experience as a Director of a company listed on the Singapore Exchange Securities Trading Limited ("SGX-ST"), training in relevant areas such as regulatory, finance and legal as well as industry-related areas will be provided. As required under the SGX-ST Listing Rules, a new Director who has no prior experience as a Director of a company listed on the SGX-ST must undergo training as prescribed by the SGX-ST. Such training should be completed within one year of appointment. In this respect, all our new Directors who are required to undergo such training conscientiously commit their time and effort to complete the training within the first year of appointment.

Directors are encouraged to undergo continual professional development by attending relevant training programmes, seminars and courses organised by the Singapore Institute of Directors ("SID") and other professional bodies to enhance their knowledge and skills, and better equip themselves to effectively discharge their duties as a Director of the Company. The fees for the courses are paid for by the Company. The Chairman and the Nominating and Remuneration Committee review each Director's training and professional development needs on a yearly basis.

The Company Secretary updates and briefs the Board on corporate governance practices and changes in or updates to the relevant legal and regulatory requirements pertaining to the Group's businesses. External consultants are also invited to conduct seminars on specific topics as and when necessary. Most recently, the Group engaged an external law firm to conduct a seminar on the Code of Practice on Chief Executives' and Board of Directors' Workplace Safety and Health ("WSH") Duties ("COP") for the Directors and Key Management Personnel of the Group, to help them to better understand their duties and responsibilities under the Workplace Safety and Health Act 2006 and the COP.

In FY2022, the Directors attended the courses/seminars listed below:

DATE	TRAINING PROVIDER	TOPIC	ATTENDED BY
6 May 2022	SGX-GCNS (Global Compact Network Singapore)	SGX-GCNS Workshops on Task Force on Climate-Related Financial Disclosures (TCFD) – Sector-Specific: Transportation	Lee Jee Cheng Philip
30 May 2022	INSEAD Singapore	International Directors Programme	Jessica Cheam
14 Jul 2022	Singapore Institute of Directors	LED – Environmental, Social and Governance Essentials (Core)	Jessica Cheam
2 Aug 2022	Singapore Institute of Directors	LED – Environmental, Social and Governance Essentials (Core)	Yang Ban Seng Choi Shing Kwok
19 Aug 2022	Singapore Institute of Directors	MCD 2: Stakeholder Engagement in the Era of Scrutiny	Mark Christopher Greaves
25 Aug 2022	Institute of Singapore Chartered Accountants	PAIB 2022: From Why to Why not : Sustainability for Growth and Innovation	Lee Jee Cheng Philip
7 Sep 2022	Singapore Institute of Directors	LED – Environmental, Social and Governance Essentials (Core)	Sum Wai Fun Adeline
15 Sep 2022	Singapore Institute of Directors	SID Directors' Conference 2022	Jessica Cheam Lee Jee Cheng Philip Mark Christopher Greaves
8 Nov 2022	Singapore Institute of Directors	LED - Environmental, Social and Governance Essentials (Core)	Lee Jee Cheng Philip
16 Nov 2022	Singapore Institute of Directors	SID Corporate Governance Roundup 2022	Lee Jee Cheng Philip Mark Christopher Greaves
6 Dec 2022	Singapore Institute of Directors	LED – Environmental, Social and Governance Essentials (Core)	Lim Jit Poh Ooi Beng Chin
10 Jan 2023	Singapore Institute of Directors	LED – Environmental, Social and Governance Essentials (Core)	Tham Ee Mern Lilian Mark Christopher Greaves
7 Feb 2023	Singapore Institute of Directors	LED – Environmental, Social and Governance Essentials (Core)	Russell Stephen Balding AO

As required under Rule 720(7) of the SGX-ST Listing Rules, all the Directors of the Company underwent a one-time training on sustainability matters in FY2022.

Regular presentations are made by the Management to the Board to enable the Directors to better familiarise themselves with the Group's businesses. Site visits for the Board are also organised from time to time to enable the Directors to learn more about the Group's operations. During such visits, the Directors spend time with the Management to discuss key strategies and policies pertaining to not just Company specific operations but also the Group's businesses in general. Such meetings help the Directors to be better equipped to make informed decisions relating to the future direction of the Group. The Group also holds strategy meetings at least once every two (2) years for the Board to interact with the Management and review the Group's future plans and proposals for new business opportunities, with the latest strategy meeting held in September 2022.

1.3 RESERVED MATTERS

ComfortDelGro has adopted clear, established and documented internal guidelines for matters which require the Board's approval. Under these guidelines, Board approval is required with regard to matters such as acquisition of businesses, disposals of or changes in equity interests in existing subsidiaries/ associates, investment in financial instruments, tender for businesses above the prescribed limits, assessing and approving key business decisions, funding and investment initiatives and other corporate actions, including approval of the financial authority limits, annual budget and capital expenditure and the release of financial results to the SGX-ST via SGXNET. In addition, the acceptance of credit facilities from banks, the establishment of capital market programmes and the issuance of debt instruments also require the approval of the Board.

The Board periodically reviews the adequacy and effectiveness of internal controls, risk management and financial authority limits to ensure that while there is delegation of authority, there are sufficient checks and balances in place to monitor compliance with delegated limits.

1.4 DELEGATION BY THE BOARD

To assist the Board in the detailed consideration of the various issues at hand and to facilitate decision making, five (5) Board Committees were established, namely, the Audit and Risk Committee ("**ARC**"), the Nominating and Remuneration Committee ("**NRC**"), the Investment Committee ("**IC**"), the Digitalisation Committee ("**DC**") and the Sustainability Committee ("**SC**") (collectively, the "**Board Committees**"). Ad hoc committees are also formed to look at specific issues from time to time.

Each Board Committee is governed and regulated by its own terms of reference, which sets out the scope of its authority, duties and responsibilities, as well as the regulations and procedures governing the manner in which the Board Committee operates and how decisions are taken.

The terms of reference and summary of the activities of the ARC and NRC are described in further detail in the relevant sections below from pages 84 to 98.

The IC's terms of reference are to assist the Board to review and recommend investment strategies and opportunities to deliver steady and sustainable results through growth in the Company's business. Over the years, the IC monitors the economic landscapes and opportunities and guides the Group towards the longer-term strategy of expanding into new growth avenues by leveraging on its core strengths, in bus

and rail business over and above the private mobility business. One of the achievements in early 2022 was the successful kick off of the Group's foray into the global rail scene with Auckland One Rail, a joint venture in New Zealand with UGL Rail Services, an Australian company, to operate Auckland's Metro Rail System on behalf of Auckland Transport. The IC, chaired by the Chairman of the Board, Mr Lim Jit Poh, is authorised to approve transactions within its delegated authority limit in relation to acquisitions and investments within the scope of existing and approved business as well as any divestment of existing businesses.

The DC was formed with specific terms of reference to assist the Board to oversee its group-wide digital strategy and associated execution plans to ensure that the Group leverages on digitalisation as the catalyst for its strategic and business transformation agenda. The DC has been pivotal in the implementation of several significant projects aimed at ensuring better engagement with our customers across the Group and these included the Customer Relationship Management system and the CDG taxi booking app. Ms Tham Ee Mern Lilian chaired the Digitalisation Committee until 31 December 2022. Professor Ooi Beng Chin took over the chair on 1 January 2023.

The SC assists the Board in fulfilling its corporate governance responsibilities in relation to the Group's sustainability policies and strategies, by providing directions and considering ESG issues as part of its strategic formulation and investments. The SC seeks to integrate sustainability considerations in the business strategies of the Group in order to deliver steady and sustainable outcomes.

It was announced in December 2022 that the Group was included in the prestigious Dow Jones

Sustainability Asia Pacific Index (DJSI Asia Pacific) for the fourth year. ComfortDelGro is one of six Singapore companies to have been rewarded with a listing in the 13-year-old regional index, which is the undisputed gold standard in sustainability benchmarking by achieving an overall company score of 62 points, compared to an average score of 39 points for companies operating in the transportation and transportation infrastructure sector. More specifically, the Company was rewarded for its performance in the areas of Climate Strategy, Operational Eco-Efficiency, Corporate Citizenship and Philanthropy, Human Capital Development, Labour Practices, Stakeholder Engagement, Business Ethics, Risk and Crisis Management, Cybersecurity and Privacy Protection. The Chairperson of the SC is Ms Jessica Cheam. The key terms of reference of the SC include the following:

- (i) Review and monitor the implementation of the Group's sustainability strategy, including materiality assessment and alignment of sustainable development policies with applicable laws and regulations;
- (ii) Review and monitor Management's commitment and allocation of resources to achieve the desired outcomes of the Group's sustainability strategy;
- (iii) Establish policies and practices, set and assess ESG targets, and measure the performance against targets;
- (iv) Ensure the Group's sustainability policies, strategies and priorities are integrated into the Group's strategic plans, investment strategy and business goals;
- (v) Monitor and consider emerging key ESG trends and issues that may have strategic, business and reputational implications for the Group, and receive periodic reports from Management or external parties on the same, and make recommendations to the Board as necessary; and

- (vi) Assist the Board in fulfilling its corporate governance responsibilities and legal obligations in relation to the Group's performance, practices, strategies and policies for workplace safety and health of its employees, contractors, customers, and others affected by its activities, including its obligations under the Workplace Safety and Health Act 2006, the COP and other relevant legislation and regulations.

The SC oversees the Health and Safety Policy, the details of which is on page 101.

Although the Board Committees are empowered to make their own decisions, the Board is ultimately responsible for all decisions made by the Board Committees.

1.5 DIRECTORS' ATTENDANCE AT BOARD AND BOARD COMMITTEE MEETINGS

At least five (5) scheduled Board Meetings are held every year at regular intervals for the purpose of reviewing the results and ongoing performance of the Group, notwithstanding that the financial results are only announced semi-annually. The Board Meetings to approve the half-year financial results are held within forty-five (45) days after the end of the first half of the financial year, and not later than sixty (60) days after the end of the financial year for the full-year financial results, while the Board Meeting to approve the annual budget is held in the last quarter of each year after all the budgets of the subsidiaries have been approved by their respective Boards. Ad hoc Board and Board Committee Meetings are also held from time to time when the need arises.

Directors who are unable to attend meetings in-person, can participate in the discussions through video/audio/tele-conferencing. Decisions of the Board and Board Committees on matters in the ordinary course of business may also be obtained via circular resolutions. Directors are free to seek clarifications and explanations from Management on the reports and papers submitted to the Board and Board Committees.

ATTENDANCE OF DIRECTORS AT ANNUAL GENERAL MEETING, BOARD AND BOARD COMMITTEE MEETINGS IN 2022

Name	BOARD		AUDIT & RISK COMMITTEE		NOMINATING & REMUNERATION COMMITTEE	
	No. of meetings held	No. of meetings attended	No. of meetings held	No. of meetings attended	No. of meetings held	No. of meetings attended
LIM JIT POH	5	5	-	-	3	3
YANG BAN SENG	5	5	6	6 ^(a)	3	3 ^(a)
RUSSELL STEPHEN BALDING AO ^{(b)(i)}	5	3	6	3	3	2
JESSICA CHEAM	5	5	6	6	-	-
CHOI SHING KWOK ^(b)	5	3	6	3	3	1
MARK CHRISTOPHER GREAVES	5	5	6	6	3	3
LEE JEE CHENG PHILIP	5	5	6	6	3	3
OOI BENG CHIN	5	5	-	-	-	-
SUM WAI FUN ADELINE	5	5	6	1 ^(a)	3	2
THAM EE MERN LILIAN	5	5	6	6	-	-
CHIANG CHIE FOO ^(c)	5	0	6	0	3	0
LEE KHAI FATT KYLE ^(c)	5	1	6	1	3	1
WANG KAI YUEN ^(c)	5	1	6	1	3	1

(a) Not a member but attended meetings by invitation of the Committee.

(b) Mr Russell Stephen Balding AO and Mr Choi Shing Kwok were appointed Independent Non-Executive Directors on 1 August 2022. Mr Russell Stephen Balding AO and Mr Choi Shing Kwok were also concurrently appointed members of the Audit and Risk Committee and of the Nominating and Remuneration Committee. In addition, Mr Russell Stephen Balding AO was appointed a member of the Investment Committee, whilst Mr Choi Shing Kwok was appointed a member of the Sustainability Committee.

(c) Mr Lee Khai Fatt, Kyle, Mr Chiang Chie Foo and Dr Wang Kai Yuen retired at the Annual General Meeting on 29 April 2022 and none of them attended any more meetings thereafter.

⁽ⁱ⁾ Mr Russell Stephen Balding was appointed an Officer of the Order of Australia (AO) for distinguished service of a high degree to Australia or to humanity at large.

1.6 ACCESS TO INFORMATION

Prior to each Board and Board Committee Meeting, and where needed, Management provides Directors with complete, adequate and timely information to enable them to make informed decisions and discharge their duties and responsibilities. The Board also receives monthly management accounts, updates on key performance indicators and quarterly Investor Relations ("IR") Reports covering IR activities and updates of analysts' and investors' views and comments. This enables the Board to make informed and sound business decisions and to keep abreast of key challenges, opportunities and developments for the Group. As a general rule, reports to the Board and Board Committees are disseminated to Directors prior to meetings to provide sufficient time for review and consideration, so that discussions at the meetings are productive and effective. All information is encrypted if distributed electronically.

1.7 INDEPENDENT PROFESSIONAL ADVICE

Directors can request for additional information and have full access to Management. Management provides information requested by Directors for their

meetings and decision making in a timely manner. Should there be a need to obtain independent professional advice on matters relating to the businesses of the Group or issues affecting the duties of the Directors, the Company will arrange for the appointment of relevant professional advisers at its own cost.

1.8 COMPANY SECRETARY

The Company Secretary assists in organising the Board and Board Committee Meetings and prepares the agenda in consultation with the Chairman, Managing Director/Group Chief Executive Officer ("MD/GCEO") and the chairpersons of the respective Board Committees. The Company Secretary attends all Board and Board Committee Meetings. The Company Secretary keeps the Directors informed of any significant developments or events relating to the Group, including updates on all relevant rules and regulations. The Directors have separate and independent access to the Company Secretary. The appointment and removal of the Company Secretary is subject to the approval of the Board.

INVESTMENT COMMITTEE		DIGITALISATION COMMITTEE		SUSTAINABILITY COMMITTEE		BOARD RETREAT		EXTRAORDINARY GENERAL MEETING		ANNUAL GENERAL MEETING	
No. of meetings held	No. of meetings attended	No. of meetings held	No. of meetings attended	No. of meetings held	No. of meetings attended	No. of meetings held	No. of meetings attended	No. of meetings held	No. of meetings attended	No. of meetings held	No. of meetings attended
4	4	-	-	4	4	1	1	1	1	1	1
4	4	3	3	4	4	1	1	1	1	1	1
4	2	-	-	-	-	1	1	1	1	-	-
-	-	3	3	4	4	1	1	1	1	1	1
-	-	-	-	4	2	1	1	1	1	-	-
4	4	-	-	-	-	1	1	1	1	1	1
-	-	3	3	-	-	1	1	1	1	1	1
4	4	3	3	4	4	1	1	1	1	1	1
-	-	3	3	4	4	1	1	1	1	1	1
4	4	3	3	-	-	1	1	1	1	1	1
4	0	-	-	-	-	-	-	-	-	1	0
-	-	3	1	-	-	-	-	-	-	1	1
-	-	3	1	-	-	-	-	-	-	1	0

PRINCIPLE 2: BOARD COMPOSITION AND GUIDANCE

BOARD COMPOSITION

As at 31 December 2022, the Board comprised ten (10) Directors with 90% of the Board being Independent Directors. Except for the MD/GCEO who is an Executive Director, all the remaining nine (9) Non-Executive Directors ("NED") are considered by the NRC to be independent. Mr Lim Jit Poh and Ms Sum Wai Fun Adeline had served on the Board for more than nine (9) years. Pursuant to the now-defunct Rule 210(5)(d)(iii) of the SGX-ST Listing Rules, Mr Lim Jit Poh's and Ms Sum Wai Fun Adeline's continued appointments as Independent Directors were approved in separate resolutions by (i) the shareholders of the Company; and (ii) the shareholders of the Company, excluding the Directors and MD/GCEO and associates of such Directors and MD/GCEO, at the Annual General Meeting ("AGM") held on 30 April 2021. As such, they are still considered Independent Directors notwithstanding their length of service on the Board until the conclusion of the 2023 AGM of the Company.

Mr Yang Ban Seng, the former MD/GCEO of the Company, retired as a Director of the Company on 31 December 2022. Mr Cheng Siak Kian and Ms Susan Kong Yim Pui were appointed Directors of the Company on 1 January 2023. Mr Cheng succeeded Mr Yang as the MD/GCEO of the Company with effect from 1 January 2023. The Board as

of 1 January 2023 comprised eleven (11) Directors with 91% being Independent Directors. No person will be able to influence the decisions of the Board as Independent Non-Executive Directors continue to be the majority.

2.1 INDEPENDENT JUDGEMENT

All Directors are aware of their fiduciary duties and exercise due diligence and independent judgement in ensuring that their decisions are objective and in the best interests of the Company and its Group.

A Director must not vote in respect of any transaction or proposed transaction with the Company in which the Director has an interest in, or in respect of any matter arising from such transaction or proposed transaction in accordance with Regulation 104 of the Company's Constitution.

The Board's practices in relation to conflicts of interest are set out in the section "Conflicts of Interest" on page 76 above.

2.2 INDEPENDENT DIRECTORS

As mentioned above, as at 31 December 2022, the Board comprised ten (10) Directors with 90% of the Board being Independent Directors. Except for the MD/GCEO who is an Executive Director, all the remaining nine (9) NEDs are considered by the NRC to be independent.

The current board composition exceeds the requirement under the SGX-ST Listing Rules and the 2018 Code that at least one-third of the Board must be Independent Directors. It is also noted that the Chairman is not part of the Management team. No person will be able to influence the decisions of the Board as the overwhelming majority of the Directors are Independent NEDs. There is a strong level of independence on the Board.

The NRC is responsible for assessing the independence of the Directors on an annual basis. Each Director is required to complete a Confirmation of Independence checklist which is drawn up in accordance with the guidelines provided in the 2018 Code and requires each Director to assess his/her own independence. Each Director is required to declare any circumstances in which he/she may be considered non-independent. The NRC will then review the Confirmation of Independence to determine whether a Director is independent. The NRC deems a Director who is associated with a substantial shareholder in the current and immediate past financial year as non-independent.

The NRC takes the view that a Director's independence should not be determined solely and arbitrarily on the basis of the length of service. A Director's contribution in terms of experience, expertise, professionalism, integrity, objectivity and independent judgement in engaging and challenging Management in the best interests of the Group as he/she performs his/her duties in good faith, are more critical measures in ascertaining his/her independence than the number of years served on the Board. In assessing the independence of a Director, the Board and the NRC take a holistic approach, taking into consideration various factors such as whether the Director has any interest, business, relationship and/or any other material contractual relationship with the Group which could reasonably be perceived to compromise his/her independence and interfere with the exercise of his/her independent business judgement. The Board is of the view that all Independent Directors remain independent in the exercise of their judgement on Board matters.

2.3 NON-EXECUTIVE DIRECTORS

As at 31 December 2022, the Board comprised ten (10) Directors with 90% of the Board being Independent Non-Executive Directors. The Board as of January 2023 comprised eleven (11) Directors with 91% being Independent Non-Executive Directors.

2.4 BOARD SIZE, COMPOSITION, DIVERSITY AND COMPETENCY

The NRC examines the size and composition of the Board and the Board Committees annually to ensure an appropriate balance and diversity of skills, knowledge, experience, age and gender, and that the size is conducive for effective discussion and decision making, with an appropriate number of Independent Directors. The NRC also takes into consideration the promotion of tripartism experience from labour,

government and business, to foster constructive debate and enhance the Board's ability to discharge its duties and responsibilities effectively.

The bulk of the Group's businesses is regulated. Having considered the scope and nature of the operations of the Group and the requirements of its businesses, the NRC and the Board are of the view that the current Board size of eleven (11) Directors is appropriate.

The Group is committed to building an open, inclusive and collaborative culture and recognises the importance of all aspects of diversity in supporting the achievement of its strategic objectives, growth and sustainable development.

BOARD DIVERSITY POLICY

The Company has adopted a Board Diversity Policy since 2019, which focusses on ensuring an appropriate balance and mix of skills, knowledge, experience, age, gender and other aspects of diversity within the Board to avoid groupthink and bias, and instead foster constructive debate and achieve effective decision making in the best interests of the Group. Under the Board Diversity Policy, the NRC will discuss and agree annually on the relevant measurable targets for promoting and achieving diversity in the composition of the Board and Board Committees and make recommendations for consideration and approval by the Board.

In reviewing the Board composition and succession planning, the NRC considers various aspects of diversity, with all Board appointments and re-appointments based on merit, and due consideration being given to a candidate's suitability in strengthening the diversity of skills, experience, age, gender, knowledge and core competencies of the Board relevant to the Group. In relation to gender diversity, the Board ensures that female candidates are included for consideration when identifying suitable candidates for new appointments to the Board, and in 2022, the Board adopted a guideline that at least one female Director sits on each Board Committee including the NRC. As at 31 December 2022, out of ten (10) directors on the Board, three (3) directors or 30% were females. Ms Sum Wai Fun Adeline sits on the NRC with Ms Susan Kong Yim Pui joining her as a member of the NRC with effect from 1 January 2023 and this meets the guideline in the Board Diversity Policy of having at least one (1) female Director on the NRC. In fact, there are at least two (2) female Directors on each of the Board Committees. The Company has achieved the Board's target to have 30% female directors, and has also exceeded the target of the Board Diversity Council to have at least 25% females on the Board by 2025.

The Directors are individuals with leadership experiences in business, government and the labour movement and have a broad diversity of expertise and experience including accounting, finance, legal, information technology, artificial intelligence,

sustainability and business management, both domestically and internationally. Each Director provides a valuable network of industry contacts and brings in different perspectives and ideas at Board discussions.

The NRC is satisfied that the current Board and Board Committees comprise Directors who, as a group, provide an appropriate balance and diversity of skills, knowledge, experience, age, gender and core competencies required for the Board and Board Committees to discharge their responsibilities effectively and ensure that the Group continues to be able to meet the challenges and demands of the markets in which it operates.

Mr Lim Jit Poh and Ms Sum Wai Fun Adeline are currently the longest-serving Independent Directors and will be retiring from the Board at the coming AGM. Other than Mr Lim and Ms Sum, all Independent Directors on the Board of the Company have a tenure of less than nine (9) years, with an average tenure of about 2.3 years and with the longest serving six (6) years on the Board as at the coming AGM. The Board therefore targets to search for suitable replacements to fill the gaps in the competencies to be left by the retiring Directors and will source for candidates with competencies in new areas that the Company may be looking at so that there is a transition for the new and retiring Directors. The NRC and the Board review the size and composition of the Board annually to determine the optimal Board size and composition, having regards to the business and governance needs of the Group.

The Company sources for suitable candidates through the recommendations of the existing Directors, other contacts and a variety of independent sources which may include external consultants, to find the right match of potential candidates with the Company.

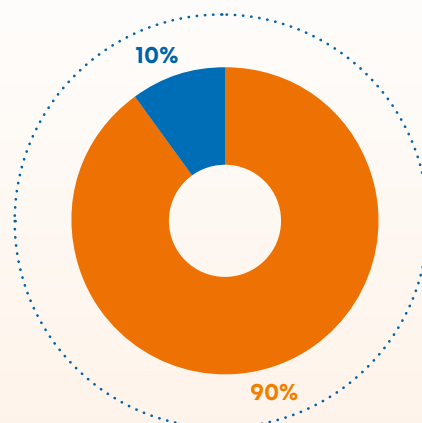
Nonetheless, the ultimate decision on selection of Directors will be based on merit against a set of objective criteria that complements and expands the skills, knowledge, industry and business experience of the Board as a whole, and after having given due regard to the overall balance and effectiveness of a diverse Board to serve the needs of the Group.

The individual profile of the Directors, their listed company directorships and principal commitments held currently and/ or in the preceding five (5) years, are found in the "Board of Directors" and "Directors' Particulars" sections on pages 26 to 31 and pages 103 to 107 of this Annual Report.

2.5 NON-EXECUTIVE DIRECTORS' PARTICIPATION

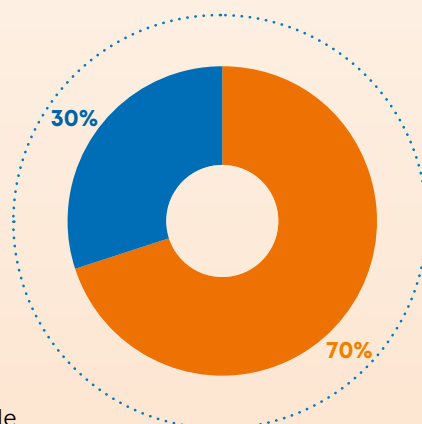
All the NEDs have unrestricted access to the Management and are well supported by accurate, complete and timely information, including monthly and quarterly performance reports. They participate actively at Board and Board Committee Meetings

BOARD INDEPENDENCE (As at 31 December 2022)



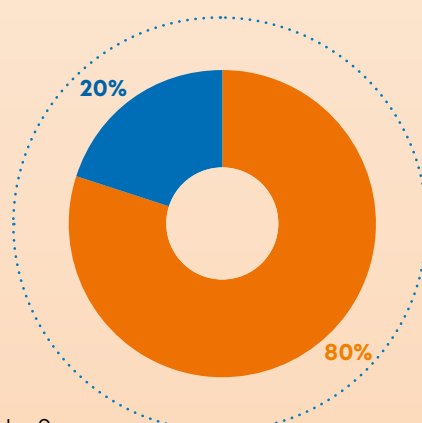
- Independent Non-Executive Director
- Non-Independent Executive Director

BOARD GENDER DIVERSITY (As at 31 December 2022)



- Male
- Female

DIRECTORS' LENGTH OF SERVICE (As at 31 December 2022)



- Served < 9 years
- Served > 9 years

to constructively challenge Management and help develop proposals on business strategy and other business and governance issues. They also review the performance of Management in meeting agreed-upon goals and objectives and monitor the reporting of performance.

As at 31 December 2022, all the members of the ARC and NRC were Independent NEDs. There is no Executive Director on these Board Committees.

The Independent Non-Executive Chairman, who is not a member of the ARC, meets with the Chairperson of the ARC and the External Auditors annually in the absence of Management. The NEDs also meet regularly without the presence of Management before or after Board Meetings. The Chairperson of such meetings provides feedback to the Board and/or the Chairman, as appropriate.

PRINCIPLE 3: CHAIRMAN AND CHIEF EXECUTIVE OFFICER

3.1 ROLES AND RESPONSIBILITIES OF CHAIRMAN AND MANAGING DIRECTOR/GROUP CHIEF EXECUTIVE OFFICER

The roles of the Chairman and the MD/GCEO are kept separate and distinct to ensure an appropriate balance of power, increased accountability and greater capacity of the Board for independent decision making. This is a deliberate policy agreed by the Board and one that is strictly adhered to. This ensures Management accountability and Board independence.

The responsibilities of the Chairman and the MD/GCEO are set out in writing, with the Chairman responsible for the effective functioning of the Board, and the MD/GCEO responsible for the operations and management of the Group's businesses. The Chairman and the MD/GCEO are not related.

The Chairman:

- (i) Leads the Board, facilitates effective contribution of all Directors, sets the agenda and promotes comprehensive, rigorous and open discussions at Board meetings among the Directors, as well as between the Board and Management;
- (ii) Oversees the translation of the Board's decisions into executive action;
- (iii) Ensures adequacy and timeliness of information flow between the Board and Management and effective communications with shareholders and other stakeholders;
- (iv) Encourages constructive conversations and cordial relations within the Board, between the Board and Management and the Board and the MD/GCEO; and

- (v) Promotes high standards of corporate governance and transparency.

The MD/GCEO is given full executive responsibility for the management of the Group's businesses and the implementation of the Group's strategies and policies as decided by the Board, and reports to the Board on a regular basis.

The Chairman and the MD/GCEO represent the Board at official functions and meetings with shareholders and other stakeholders such as employees, regulators and customers. A detailed description of our engagements with stakeholders can be found in our Sustainability Report.

3.2 LEAD INDEPENDENT DIRECTOR

The appointment of a Lead Independent Director is not required as the Chairman is an independent Non-Executive Director. Moreover, the majority of the Board including the Chairman are independent Directors and none of them is part of Management or has a relationship with the MD/GCEO and his immediate family members. Further, the ARC Chairman is readily available to shareholders if they have concerns for which contact through the normal channels of communication with the Chairman or Management may be inappropriate or inadequate. Any matter that may give rise to a potential conflict of interests is dealt with in accordance with the process as mentioned under "Conflicts of Interests" on page 76.

PRINCIPLE 4: BOARD MEMBERSHIP

There is a formal and transparent process for the appointment and re-appointment of Directors to the Board, taking into account the need for progressive renewal of the Board.

4.1 ROLES AND RESPONSIBILITIES OF THE NOMINATING AND REMUNERATION COMMITTEE

In 2021, the Nominating Committee ("NC") and the Remuneration Committee ("RC") were merged to streamline their respective functions for greater efficiency in reviewing the appointment, performance and remuneration of Directors and the Key Management Personnel. Notwithstanding that the NC and RC were merged, the roles and responsibilities of the respective functions were not compromised and the Company continues to adhere to the principles of the 2018 Code in relation to the NC and the RC.

The NRC is responsible for (i) regularly reviewing the composition of the Board, identifying and proposing suitable candidates for appointment to the Board and ensuring succession plans are in place (the "NC Role"); and (ii) setting the framework for Directors' Fees and the Group's remuneration policies and framework for Key Management Personnel (the "RC Role"). The details of the RC Role are found on pages 87 to 92 of this Annual Report.

THE NC ROLE

The renewal of Board membership is an ongoing process to ensure good governance and maintain relevance in a changing business environment. All decisions by the NRC are made by a majority of votes of the NRC members who are present and voting. The key terms of reference of the NRC, in relation to nomination matters, include the following:

- (i) Review the succession plans for Directors and the talent management and succession plans for Key Management Personnel, and make recommendations to the Board on the appointment, replacement and re-appointment of Directors and Key Management Personnel, including the appointment and/or replacement of the Chairman and the MD/GCEO;
- (ii) Develop a process for performance evaluation of the Board, its Board Committees and individual Director's performance, including comparison with industry peers;
- (iii) Make recommendations to the Board on the review of training and professional development programmes for the Board and the Directors;
- (iv) Assess the effectiveness of the Board and Board Committees and contribution by each individual Director; and
- (v) Determine annually, and as and when circumstances require, if a Director is independent.

4.2 COMPOSITION OF THE NOMINATING AND REMUNERATION COMMITTEE

As at 31 December 2022, the NRC comprised six (6) independent NEDs. Ms Susan Kong Yim Pui was appointed a member of the NRC on 1 January 2023 and hence the NRC currently comprises seven (7) Independent NEDs. The composition of the NRC therefore complies with the requirement under the 2018 Code that the NC comprises at least three (3) Directors, the majority of whom, including the Chairman, are independent.

4.3 PROCESS FOR SELECTION, APPOINTMENT AND RE-APPOINTMENT OF DIRECTORS

As part of the Board succession plan, potential candidates may be identified from time to time for appointment to the Board after the NRC evaluates and assesses their suitability in strengthening the diversity of skills, experience, age, gender, knowledge and relevant core competencies of the Board, whilst ensuring that there is a balanced tripartism experience from government, labour and business to avoid unproductive group-think and bias.

The process for selection of new Directors is as follows:

- (i) The NRC assesses the desired competencies and attributes of the Board taking into account the Group's businesses and its strategic objectives as well as the need for diversity on the Board.
- (ii) The NRC then assesses the competencies and attributes to include into the current representation to achieve the desired mix. This forms the basis for selection of new Directors.
- (iii) New Directors are sourced through various channels, including recommendations of Directors and Management and if required, external search consultants.
- (iv) Potential candidates are interviewed by the NRC to assess suitability and commitment.
- (v) The NRC makes recommendations to the Board for approval.

The Constitution of the Company provides that one-third of the Directors are subject to retirement and re-election by rotation at every AGM. All Directors are required to retire from office at least once every three (3) years. Re-election is, however, not automatic, and all Directors are assessed by the NRC on their competencies, commitment, past performance and contributions before being recommended to shareholders for re-election at the AGM. Newly appointed Directors are also subject to retirement and re-election at the AGM immediately following their appointments. At the forthcoming AGM, Mr Lim Jit Poh, Mr Mark Christopher Greaves and Ms Sum Wai Fun Adeline are due for re-election pursuant to Regulation 93 of the Constitution. Mr Lim Jit Poh and Ms Sum Wai Fun Adeline have notified the Board that they will not seek re-election and will retire at the end of the coming AGM. The Board has decided that Mr Mark Christopher Greaves, if re-elected at the coming AGM, will succeed Mr Lim Jit Poh as the Chairman of the Board upon the latter's retirement at the AGM.

Pursuant to Regulation 99 of the Constitution, newly appointed Directors will hold office until the next AGM and shall then be eligible for re-election. Accordingly, Mr Russell Stephen Balding AO and Mr Choi Shing Kwok, both appointed on 1 August 2022, and Mr Cheng Siak Kian and Ms Susan Kong Yim Pui, both appointed on 1 January 2023, will stand for re-election at the coming AGM.

Mr Choi Shing Kwok, if re-elected at the coming AGM, will be appointed by the Board as the Deputy Chairman of the Board, a newly created position on the Board. The Deputy Chairman is expected to take on the duties of the Chairman of the Board if the Chairman of the Board is not available or has recused himself from participating in the discussion due to a conflict of interest.

The Board has decided to accord Mr Lim Jit Poh the title of Chairman Emeritus on his retirement, in recognition of Mr Lim's immense contributions to the Group over the last twenty (20) years as the Founding Chairman of the Group and helping it evolve into one of the largest land transport companies in the world with a global workforce, shareholder base and international outlook.

ALTERNATE DIRECTOR

Consistent with the 2018 Code, there are no alternate Directors on the Board.

4.4 REVIEW OF INDEPENDENCE

The process undertaken by the NRC to review the independence of the Directors is set out on page 82 above.

4.5 MULTIPLE DIRECTORSHIPS

The NRC subscribes to the view that it is important for Directors to devote sufficient time and attention to the affairs of the Group. Consistent with the guidelines in the 2018 Code, the NRC and the Board have adopted the following as a proactive step to ensure this:

- A Director who is in full-time employment should not serve as a Director on the Board of more than two (2) listed companies; and
- A Director who is not in full-time employment should not serve as a Director on the Board of more than five (5) listed companies.

Listed companies within a group should be considered as one (1) entity.

As the number of board representations should not be the only measure of a Director's commitment and ability to contribute effectively, the NRC takes the view that if a Director wishes to hold more board representations than the maximum stated in the guidelines, a request must be made to the Chairman of the Board for approval. As a policy, the Chairman himself should not hold more than five (5) directorships in listed companies if he is not in full-time employment and not more than two (2) directorships in listed companies if he is in full-time employment.

In assessing a Director's contribution, the NRC takes a holistic approach. Focusing solely on the Directors' attendance at the Board and Board Committee Meetings per se may not be an adequate evaluation of the contribution of the Directors. Instead, their ability to provide valuable insights and strategic networking to enhance the businesses of the Group, availability for guidance and advice outside the scope of formal Board and Board Committee Meetings and contributions in specialised areas are also factors relevant in assessing the contributions of the Directors.

As a policy, the MD/GCEO, being an Executive Director of the Company, besides adhering to the guidelines set

on the maximum number of board representations on listed companies, will also have to seek the approval of the Chairman before accepting any directorships of companies not within the Group. In considering whether or not to grant the approval, the Chairman will consider the time commitment of the MD/GCEO and whether the new external directorships will provide strategic fit and networking for the businesses of the Group. The Chairman will also ensure that the MD/GCEO does not accept appointments to the boards of competitors.

As at 31 December 2022, all Directors comply with the guidelines on multiple board representation.

4.6 KEY INFORMATION ON DIRECTORS

The profiles of the Directors and key information are set out in this Annual Report from pages 26 to 29. The Notice of AGM sets out the Directors proposed for re-election or re-appointment at the forthcoming AGM. Key information on Directors are also available on the Company's website.

PRINCIPLE 5: BOARD PERFORMANCE

Each year, the Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its Board Committees and individual Directors.

5.1 BOARD PERFORMANCE EVALUATION

The NRC is delegated by the Board to undertake a process to assess the effectiveness of the Board in terms of overall performance and growth of the Group, achieving a reasonable return for shareholders, preventing conflicts of interest and balancing the competing demands of the Group. In evaluating the contributions and performance of each individual Director, factors taken into consideration include attendance at AGM, Board and Board Committee Meetings and corporate activities, contributions in specialist areas and maintenance of independence. The performance criteria are determined by the NRC and approved by the Board, and do not change from year to year.

5.2 ANNUAL BOARD PERFORMANCE EVALUATION PROCESS

The FY2022 annual evaluation process for the Board, Board Committees and individual Directors involves the following:

- Each Director completes an individual director self-assessment form.
- The NRC Chairperson completes the Board performance evaluation questionnaire, while each Board Committee completes the relevant Board Committee performance evaluation questionnaire with the guidance of the Board Committee Chairperson.
- The results of the completed Board Committee performance evaluation questionnaires are

collated by the Company Secretary and sent to the NRC Chairperson for review and recommendation to submit to the Board Chairman.

- (iv) The results of the completed Board performance evaluation questionnaire and the individual director self-assessment forms are then collated by the Company Secretary and sent to the Board Chairman for review.
- (v) The collated results of the completed Board performance evaluation questionnaire, Board Committee performance evaluation questionnaires and individual director self-assessment forms are presented to the Board for review and endorsement.

The performance evaluation includes key points such as the Board composition and size, Board accountability, conduct of Board and Board committee meetings, standards of conduct and whether the Directors have discharged their duties effectively.

2. REMUNERATION MATTERS

PRINCIPLE 6: PROCEDURES FOR DEVELOPING REMUNERATION POLICIES

ComfortDelGro recognises the importance of having a skilled and dedicated workforce to manage and grow the businesses in an increasingly competitive and challenging environment. It therefore places great emphasis on motivating staff through engagement, recognition and an alignment of rewards to corporate and individual performance, as well as long-term interests of the Group and shareholders.

The Board has a formal and transparent process for developing policies on Directors and executive remuneration, and for fixing the remuneration packages of individual Directors and Key Management Personnel. No Director is involved in deciding his or her own remuneration.

6.1 ROLES AND RESPONSIBILITIES OF THE NOMINATING AND REMUNERATION COMMITTEE

THE RC ROLE

In relation to the RC Role, the NRC plays an important role in setting the Group's remuneration framework and strategy for compensation for both Directors and Key Management Personnel. As per the terms of reference, the NRC makes recommendations to the Board on the specific remuneration package for each Director, appropriate to the level of contributions from them. In respect of the Key Management Personnel, it reviews their remuneration with the purpose of developing talent and building leadership bench strength to ensure the Group's continued success and the enhancement of shareholder value.

The NRC considers all aspects of remuneration including the terms of termination, to ensure that they are fair.

Members of the NRC are NEDs, all of whom, including the Chairperson of the NRC, are independent of Management and are also free from any business or other relationships, which may materially interfere with the exercise of independent judgement.

All decisions by the NRC are made by a majority of votes of the NRC members who are present and voting. Any member of the NRC with a conflict of interest in relation to the subject matter under consideration will abstain from voting, approving or making recommendations that would affect the decisions of the NRC. The MD/GCEO is not present at and does not participate in any NRC discussions pertaining to his own compensation and the review of his performance. He is, however, in attendance when the compensation of other Key Management Personnel is discussed. No Director is involved in deciding his or her own remuneration.

The key terms of reference of the NRC, in relation to remuneration matters, include the following:

- (i) Establish a formal and transparent procedure for developing the Group's remuneration policies and fix the remuneration packages for individual Directors and Key Management Personnel, and review the remuneration framework and strategy for executive compensation, with the purpose of developing talent and building leadership bench strength to ensure the Group's continued success;
- (ii) Review and recommend to the Board the remuneration framework and the specific remuneration package for each Director, and ensure that the level of remuneration offered is appropriate to the level of contribution;
- (iii) Review and approve the remuneration framework and the specific remuneration packages of Key Management Personnel that is aligned with the long-term interests of the Group to ensure that the overall remuneration package is appropriate to attract, retain and motivate Key Management Personnel to provide good stewardship of the Group and to successfully manage the Group for the long term;
- (iv) Review the Group's obligations arising in the event of termination of Directors' and Key Management Personnel's services to ensure they are fair, reasonable and equitable, including the cessation of financial incentives that have been earned but not yet disbursed due to exceptional circumstances of misstatement or misconduct; and
- (v) Review and approve the grant of performance share awards under the ComfortDelGro Executive Share Award Scheme to Group employees and Executive Directors.

6.2 COMPOSITION OF THE NOMINATING AND REMUNERATION COMMITTEE

As at 31 December 2022, the NRC comprised six (6) Independent NEDs. Ms Susan Kong Yim Pui was appointed a member of the NRC on 1 January 2023 and hence the NRC currently comprises seven (7) Independent NEDs. The composition of the NRC therefore complies with the requirement under the 2018 Code that the RC comprises at least three (3) directors, all of whom are non-executive and the majority, including the RC Chairman, are independent.

6.3 APPOINTMENT OF REMUNERATION CONSULTANTS

The NRC has unrestricted access to the Group Chief Human Resource Officer, who attends all NRC meetings and provides the relevant market remuneration data and practices to the Committee. The NRC may also seek external expert advice on such matters where needed. Where such advice is sought, the NRC will ensure that there is no existing relationship between the Group and its appointed consultants that will affect the independence and objectivity of the consultants. The Group continued to engage the services of an external consulting firm, Willis Towers Watson, in FY2022, to conduct an Executive Compensation Benchmarking exercise for an independent review of the compensation packages of its senior executives. The NRC is of the view that there is no existing relationship between Willis Towers Watson and the Group that would affect their independence and objectivity.

PRINCIPLE 7: LEVEL AND MIX OF REMUNERATION

The Group is transparent on its remuneration policies, level and mix of remuneration, the procedures for setting remuneration, and the relationship between remuneration, performance and value creation.

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 Group, taking into account the strategic objectives of the Group, and are appropriate to attract, retain and motivate the Directors and Key Management Personnel to successfully manage the Group for the long term.

7.1 PERFORMANCE-RELATED REMUNERATION

The Group is committed to creating and enhancing shareholder value through growth that is sustainable and profitable. The remuneration packages of the MD/GCEO and Key Management Personnel comprise fixed and variable components, and are appropriate and proportionate to the sustained performance and value creation of the Group. The variable component in the form of year end performance bonuses forms a significant proportion of the remuneration packages, and is dependent on the profitability of the Group and individual performance. Subject to market conditions and the operating environment, the

Group's guidelines on fixed to variable component ratios in respect of compensation packages are 70:30 for Rank and File Employees, 60:40 for Middle Management staff and 50:50 for Senior Management staff. Notwithstanding the guidelines, the actual compensation packages for employees are ultimately determined on a case-by-case basis with the aim of maximising employee engagement and retention. The Group believes that a higher proportion of performance related component would ensure greater alignment of interests of the employees with those of shareholders and contributes to sustainable performance and value creation in the long term. In addition, the remuneration of the MD/GCEO is also tied to the return on shareholders' funds vis-à-vis the weighted average cost of capital and the level of profitability achieved.

SHORT-TERM AND LONG-TERM INCENTIVE SCHEMES

(A) COMFORTDELGRO EMPLOYEES' SHARE OPTION SCHEME ("CDG ESOS")⁽¹⁾

The CDG ESOS which ran for a period of ten (10) years was approved by the shareholders of the Company on 18 February 2003. It expired on 17 February 2013 and hence no options have been granted since then. The options granted will continue to vest according to the terms and conditions of the CDG ESOS until the end of February 2023. The CDG ESOS is administered by the NRC of the Company.

(B) COMFORTDELGRO EXECUTIVE SHARE AWARD SCHEME ("CDG ESAS" OR THE "SCHEME")⁽¹⁾

The Company obtained shareholders' approval at its AGM held on 26 April 2018 to implement the CDG ESAS for Executive Directors and key executives as part of the long-term incentive programme to attract talent, retain them and reward those who make significant contributions to the Group.

The share awards would be granted conditional upon performance targets being met and would have a vesting schedule whereby only a portion of the benefits would be vested each year. The grant of the shares may be withdrawn or clawed-back in the event of exceptional circumstances of material misstatement of financial results or misconduct resulting in financial or other losses for the Group.

The aggregate number of shares which may be issued pursuant to the Scheme and any other share-based schemes (if applicable) shall not exceed in aggregate (for the entire duration of the Scheme) two per centum (2%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) from time to time.

In FY2022, the Company granted total share awards of 755,000 ordinary shares (FY2021: 770,000) pursuant to the Scheme to selected employees of the Group. This included an award of 200,000 ordinary shares to the former MD/GCEO, Mr Yang Ban Seng. These are time-based awards to be vested over a four-year period.

Total share awards granted to the Executive Director of the Company in FY2022 are as follows:

NAME OF PARTICIPANT	SHARE AWARDS GRANTED DURING FY2022 (SHARES AWARDED TO BE VESTED OVER 4-YEAR PERIOD)	AGGREGATE SHARE AWARDS GRANTED SINCE COMMENCEMENT OF SCHEME TO END OF FY2022	AGGREGATE SHARE AWARDS VESTED SINCE COMMENCEMENT OF SCHEME TO END OF FY2022	AGGREGATE SHARE AWARDS OUTSTANDING AS AT END OF FY2022 (UNVESTED SHARES)
YANG BAN SENG	200,000	650,000	200,000	450,000

No participants to the CDG ESAS are controlling shareholders of the Company or their associates.

The Board and the members of the NRC who administer the Scheme, believe that the Scheme will help ensure that the Group continues to have a strong leadership team, credible talent pipeline and reinforce the delivery of long-term shareholder value.

(1) Details of both the CDG ESOS and CDG ESAS are found in the Directors' Statement on page 124 and pages 125 to 127 of this Annual Report.

7.2 REMUNERATION OF NON-EXECUTIVE DIRECTORS

The structure for the payment of fees to NEDs is based on a framework comprising basic fees, attendance fees and additional fees for serving on Board Committees and also where applicable, for undertaking additional services for the Group. The fees are subject to the approval of shareholders at the AGM.

The MD/GCEO, being the Executive Director of the Company, does not receive any fees paid by the Company's subsidiaries for his directorships with the subsidiaries and such fees are instead paid directly by the subsidiaries to the Company. The MD/GCEO does not receive Director's fees for his directorship with the Company.

The Directors' fee structure for FY2022 is set out below:

BOARD	BASIC FEE (PER ANNUM)
CHAIRMAN	S\$118,000
MEMBER	S\$ 59,000

	ADDITIONAL FEES (PER ANNUM) AS	
BOARD COMMITTEE	CHAIRMAN	MEMBER
AUDIT AND RISK COMMITTEE	S\$39,333	S\$27,533
NOMINATING & REMUNERATION COMMITTEE	S\$23,600	S\$16,520
INVESTMENT COMMITTEE	S\$20,000	S\$14,000
DIGITALISATION COMMITTEE	S\$12,000	S\$8,400
SUSTAINABILITY COMMITTEE	S\$12,000	S\$8,400

In light of the trend for meetings to be held remotely via video conferences particularly during the COVID-19 pandemic, attendance fees were equalised between in-person and dial-in remote attendance with effect from 1 January 2021. However, since 1 January 2023, the attendance fees have reverted to pre-COVID-19 rates as indicated in the table below. The attendance fees payable to Non-Executive Directors for attendance at each Board and Board Committee Meeting and AGM are as follows:

MEETINGS	ATTENDANCE FEE (PER MEETING)	
	2022	2023
	In-person/Dial-in	In-person/Dial-in
BOARD/BOARD COMMITTEE MEETING HELD LOCALLY AND ANNUAL GENERAL MEETING	S\$2,000	S\$2,000/S\$1,000
BOARD/BOARD COMMITTEE MEETING HELD OVERSEAS	US\$2,000	US\$2,000/US\$1,000

7.3 REMUNERATION OF DIRECTORS AND KEY MANAGEMENT PERSONNEL

The NRC and the Board have reviewed and are satisfied that the framework for remuneration and specific remuneration package for each Director as well as for the Key Management Personnel are appropriate to attract, retain and motivate the Directors to provide good stewardship of the Company and Key Management Personnel to successfully manage the Company for the long term.

PRINCIPLE 8: DISCLOSURE ON REMUNERATION

8.1 REMUNERATION OF DIRECTORS AND EXECUTIVES

MD/GCEO'S REMUNERATION:

MD/GCEO's remuneration for FY2022 is as follows:

REMUNERATION FY2022	THE GROUP				
	SALARY	BONUS	CDG ESAS	OTHERS	TOTAL COMPENSATION
	S\$	S\$	S\$	S\$	S\$
YANG BAN SENG	936,000	1,445,370	289,670	8,161	2,679,201

DIRECTORS' FEES

Directors' Fees are for services rendered by the Non-Executive Directors on the Board as well as the various Board Committees and where applicable, for additional services provided to the Group. The amount includes Directors' attendance fees for scheduled Board and Board Committee meetings held throughout the year and several additional ad hoc Directors' meetings.

In FY2022, the Board formed two ad hoc committees namely, a special committee comprising several Directors for the purpose of searching for the new MD/GCEO of the Company ("**Special Committee**") and another ad hoc committee to conduct the Request for Proposal ("**RFP**") for new auditors of the Company ("**RFP Committee**").

The Special Committee was chaired by Mr Lim Jit Poh, the Chairman of the Board as well as the Chairman of NRC and IC and included Mr Lee Khai Fatt, Kyle, Chairperson of ARC and Ms Tham Ee Mern Lilian, Chairperson of DC, and former Independent Non-Executive Director, Mr Chiang Chie Foo. The Special Committee conducted interviews with external

candidates, liaised with search firms and sought the advice of industry heads to assist them in looking for the right candidate. The year-long exercise was conducted over a series of Special Committee meetings including additional unscheduled NRC meetings leading to the identification of Mr Cheng Siak Kian as the chosen successor to Mr Yang Ban Seng as MD/GCEO of the Company.

RFP Committee meetings and additional unscheduled ARC meetings were held to review the RFP submissions and decide on the recommendations that led to the Extraordinary General Meeting being held on 2 September 2022 to appoint Messrs Ernst & Young LLP ("**EY**") as the auditors of the Company. The ARC Chairman, Mr Lee Jee Cheng Philip, presided over the RFP Committee comprising the ARC chairpersons of SBS Transit Ltd ("**SBS Transit**") and VICOM Ltd ("**VICOM**") and the three (3) Chief Financial Officers of ComfortDelGro, SBS Transit and VICOM, whilst the Chairman of the Board, Mr Lim Jit Poh, acted as the Committee's advisor and also attended some of the meetings.

The Directors' Fees of the Non-Executive Directors in FY2022 are as follows:

NAME OF DIRECTORS	DIRECTORS' FEES
	FY2022
	S\$
LIM JIT POH ⁽¹⁾	706,460.21
RUSSELL STEPHEN BALDING AO ⁽²⁾	70,090.16
JESSICA CHEAM	146,933.00
CHOI SHING KWOK ⁽²⁾	64,719.00
MARK CHRISTOPHER GREAVES	153,053.00
LEE JEE CHENG PHILIP	159,514.00
OOI BENG CHIN	127,800.00
SUM WAI FUN ADELINE	126,320.00
THAM EE MERN LILIAN	162,533.00
CHIANG CHIE FOO ⁽³⁾	58,163.00
LEE KHAI FATT, KYLE ⁽³⁾	68,184.00
WANG KAI YUEN ⁽³⁾	62,337.00
TOTAL	1,906,106.37

Notes:

- (1) Amount comprises Mr Lim's Director's Fees received from VICOM Ltd, listed subsidiary of the Company, and other subsidiaries of the Company.
- (2) Mr Russell Stephen Balding AO and Mr Choi Shing Kwok were appointed as Directors of the Company on 1 August 2022.
- (3) Mr Chiang Chie Foo, Mr Lee Khai Fatt, Kyle and Dr Wang Kai Yuen retired as Directors of the Company on 29 April 2022. Amount comprises the Directors' Fees for the period from 1 January 2022 to 29 April 2022.

KEY MANAGEMENT PERSONNEL'S REMUNERATION

The remuneration of the Key Management Personnel in the five key portfolios having regard to the performance of the individuals and the Group, are as follows:

REMUNERATION BAND	THE GROUP				TOTAL COMPENSATION
	SALARY	BONUS	CDG ESAS	OTHER EMOLUMENTS	
	%	%	%	%	%
FY2022					
S\$1,000,000 to S\$1,249,999					
CHENG SIAK KIAN*	48.0	39.4	9.4	3.2	100.0
S\$750,000 to S\$999,999					
KOH THONG HEAN, DEREK	54.5	37.4	5.0	3.1	100.0
S\$500,000 to S\$749,999					
SIM WING YEW	48.1	39.7	7.6	4.6	100.0
YAP SOON HUAT, NICHOLAS	62.8	26.1	7.1	4.0	100.0
CHIA JACKSON	50.9	36.8	7.9	4.4	100.0

The total remuneration paid to these five (5) Key Management Personnel holding the key portfolios (who are not Directors or the MD/GCEO) amounted to S\$3,888,492.27 in FY2022.

- * Mr Cheng's Total Compensation includes his remuneration at SBS Transit as its CEO of which 20% was borne by CDG from 16 March 2022 for his dual role as ComfortDelGro's Group Deputy CEO. CDG further compensated him for his responsibilities as its Group Deputy CEO which made up the remaining 25% of his Total Compensation.

8.2 REMUNERATION OF CERTAIN RELATED EMPLOYEES

During FY2022, no employee whose remuneration exceeded S\$100,000 was a substantial shareholder of the Company, or an immediate family member of a Director or the MD/GCEO. "Immediate family member" means the spouse, child, adopted child, step-child, brother, sister or parent.

8.3 REMUNERATION AND OTHER PAYMENTS AND BENEFITS FROM THE COMPANY AND ITS SUBSIDIARIES TO DIRECTORS AND KEY MANAGEMENT PERSONNEL

During FY2022, no other forms of remuneration and other payments and benefits, were paid by the Company and its subsidiaries to the Directors and Key Management Personnel of the Company, except as disclosed in Sections 8.1 and 8.2 above.

3. ACCOUNTABILITY AND AUDIT

The Board has overall accountability to the shareholders of the Company and ensures that the Group is managed well and guided by sustainable long-term strategic objectives. The Board is responsible for providing a balanced and understandable assessment of the Group's performance, position and prospects. Material price-sensitive and trade sensitive information, Annual Reports and other material corporate developments are disseminated in a timely and transparent manner and posted on the Company's website as well as SGXNET. The financial results are reported semi-annually via SGXNET with an accompanying Negative Assurance by the Board to confirm that nothing has come to its attention that may render the results false or misleading in any material aspect. The Company believes that prompt and full compliance with statutory reporting requirements is fundamental to maintaining shareholder confidence and trust.

DEALINGS IN SECURITIES

The Group has a formal policy ("Policy on Securities – Restrictions Against Dealings") to provide Directors and executives of the Group with guidance in relation to dealings in the Company's securities. Directors and executives of the Group are prohibited from dealing in the securities of the Company and its listed subsidiaries, SBS Transit and VICOM, during the period commencing one month before the announcement of the Company's and its listed subsidiaries' semi-annual results or full-year results (as the case may be) and ending on the date of the announcement of the relevant results. All Directors and executives are notified of the trading blackout periods before the start of the financial year and are given reminders prior to each trading blackout period.

All Directors and executives of the Group are also told that they must not deal in (i) the securities of the Company and its listed subsidiaries, SBS Transit and VICOM, on short-term considerations and/or while in possession of unpublished material price-sensitive and trade sensitive

information relating to the relevant securities; and (ii) the securities of other listed companies while in possession of unpublished material price-sensitive and trade sensitive information relating to those securities. Executives are required to notify the Company upon disposal of shares arising from the exercise of options under the Employees' Share Option Scheme.

The Group has put in place a standard operating procedure ("**SOP**") on compilation of information on privy persons who have access to material information of transactions that have yet to be disclosed to the public. The SOP prescribes that the person-in-charge of such transactions must remind all privy persons to keep all material information strictly confidential.

PRINCIPLE 9: RISK MANAGEMENT AND INTERNAL CONTROLS

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.

9.1 DETERMINATION OF THE NATURE AND EXTENT OF SIGNIFICANT RISKS

Risk management is an important and integral part of ComfortDelGro's strategic planning and decision-making process. Key risks are identified and presented to the ARC and the Board annually. Ownership of the risk management process is clearly defined and cascaded to the executive and functional levels, with stewardship retained at Senior Management. Action plans that are necessary to manage the risks are in place and closely monitored. The adequacy and effectiveness of the risk governance, risk policy and internal controls in place are also assessed as part of the process. Based on these reviews, the Board is of the view, with the concurrence of the ARC, that adequate and effective internal controls (including financial, operational, compliance and information technology controls) and risk management systems are in place within the Group. A detailed description of the Group's approach to internal controls and risk management can be found from pages 108 to 115 of this Annual Report.

As part of the risk management process, all businesses are required to refresh their risk inventories, conduct risk prioritisation exercises, identify key and emerging risks, and develop the requisite risk controls and risk treatment action plans. The identified risks, their indicators and action plans are continually reviewed and reported.

The Internal and External Auditors conduct reviews in accordance with their respective audit plans. Any material non-compliance and recommendations for improvements on the internal controls are reported to the ARC. The ARC also reviews the effectiveness

of the actions taken by Management on the recommendations made by the Internal and External Auditors. The recommendations are followed up as part of the Group's continuous review of the system of internal controls.

9.2 ASSURANCE FROM THE CEO, GROUP CHIEF FINANCIAL OFFICER AND THE KEY MANAGEMENT PERSONNEL

For FY2022, the Board has received assurance from the MD/GCEO and the Group Chief Financial Officer ("GCFO") that (i) the financial records have been properly maintained and the financial statements are prepared in compliance with the Singapore Financial Reporting Standards (International) and are correct in all material aspects and give a true and fair view of the operations and finances of the Group; and (ii) the Group's internal controls systems (including financial, operational, compliance and information technology controls) and risk management systems are adequate and effective.

Shareholders did not vote in favour of the Company re-appointing Deloitte and Touche LLP ("**Deloitte**"), as the Company's auditors for FY2022 at the AGM held on 29 April 2022. As a result, the Board set up the RFP Committee comprising the chairpersons of the ARC of ComfortDelGro, SBS Transit and VICOM and the Chief Financial Officers of the three (3) companies, to search for new auditors which culminated in the EGM being convened on 2 September 2022 where shareholders' approval was obtained to appoint EY as the Company's statutory auditors. Mr Lee Jee Cheng Philip led the RFP Committee.

PRINCIPLE 10: AUDIT AND RISK COMMITTEE

As at 31 December 2022, the ARC comprised six (6) Independent NEDs. None of the ARC members are previous partners or directors of the External Auditors within the previous twenty-four (24) months and none of the ARC members hold any financial interest in the External Auditors. Ms Susan Kong Yim Pui, an Independent NED, was appointed a member of the ARC with effect from 1 January 2023 and hence the ARC currently comprises seven (7) Independent NEDs. The Chairman and members of the ARC are rotated periodically. The Board has reviewed and is satisfied that the members of the ARC are appropriately qualified to discharge their responsibilities.

10.1 ROLES AND RESPONSIBILITIES OF AUDIT AND RISK COMMITTEE

The terms of reference of the ARC are aligned with the provisions of Section 201B(5) of the Companies Act 1967 of Singapore ("**Companies Act**") and include the following:

- (i) Review the half-year and full-year financial statements including significant accounting and financial reporting issues and judgements

so as to ensure the integrity of the financial statements, as well as any formal announcements relating to the Group's financial performance and recommend to the Board the acceptance of such financial statements;

- (ii) Review and report to the Board at least annually the adequacy and effectiveness of the Group's internal control systems (including financial, operational, compliance and information technology controls) and risk management systems;
- (iii) Review the assurance from the MD/GCEO and GCFO on the financial records and financial statements;
- (iv) Make recommendations to the Board on:
 - (i) the proposals to the shareholders on the appointment, re-appointment and removal of the External Auditors; and (ii) the fees and terms of engagement of the External Auditors;
- (v) Review the adequacy, effectiveness, independence, scope and results of the Group's external audit and internal audit functions;
- (vi) Review the scope and results of the audits undertaken by the Internal and External Auditors, including non-audit services performed by the External Auditors to ensure that there is a balance between maintenance of objectivity and cost effectiveness;
- (vii) Review and approve the External Auditors' yearly audit plans;
- (viii) Review and approve the Internal Auditor's annual work plans;
- (ix) Review the policy and arrangements for concerns about possible improprieties in financial reporting or other matters to be safely raised, independently investigated and appropriately followed up on, including the Group's Whistle Blowing Policy. The Whistle Blowing Policy is described on pages 98 and 115 of this Annual Report; and
- (x) Review Interested Person Transactions.

The members of the ARC keep abreast of relevant changes to accounting standards and issues through attendance at relevant seminars/talks, articles and news circulated by the Company Secretary and regular updates by the External Auditors at ARC Meetings.

10.2 COMPOSITION OF THE AUDIT AND RISK COMMITTEE

As at 31 December 2022, the ARC comprised six (6) Independent NEDs. Ms Susan Kong Yim Pui, an Independent Non-Executive Director, was appointed a member of the ARC with effect from 1 January 2023, and hence the ARC currently comprises seven (7) Independent NEDs.

The ARC members, who collectively bring with them recent and relevant managerial and professional expertise in accounting and related financial management domains, are as follows:

- (i) Mr Lee Jee Cheng Philip ("**Mr Lee**") was appointed an Independent Non-Executive Director of the Company and a member of the ARC, the NRC and the DC on 1 January 2022. Mr Lee became the Chairman of the ARC when Mr Lee Khai Fatt, Kyle retired as a member of the Board at the last AGM. Mr Lee is a Fellow of the Institute of Singapore Chartered Accountants and of the Association of Chartered Certified Accountants, UK, and a member of the Singapore Institute of Directors. He has thirty-five (35) years of experience in accounting and finance and was formerly a partner at KPMG LLP where he headed an audit business unit and was a member of the leadership team.
- (ii) Mr Russell Stephen Balding AO ("**Mr Balding**") was appointed an Independent Non-Executive Director of the Company and a member of the ARC, the NRC and the IC on 1 August 2022. Mr Balding has had a long and distinguished career having held numerous Directorships and senior executive positions in numerous major organisations which required extensive government, stakeholder, community and customer interactions. Due recognition was accorded when an Order of Australia was awarded to him in January 2007. He is concurrently serving as Chairman of both NSW Racing Pty Ltd and T/A Racing Corp. He is also a Board Director of The Trust Company (Sydney Airport) Limited and Racing Australia Limited. Mr Balding is a Fellow of CPA Australia (Past State President and National Councillor). Additionally, he holds a Bachelor of Business and a Diploma of Technology (Commerce) in Australia. He is also a member of the Australian Institute of Company Directors (MAICD) and the Singapore Institute of Directors.
- (iii) Ms Jessica Cheam ("**Ms Cheam**") is an Independent Non-Executive Director of the Company and was appointed a member of the ARC with effect from 1 January 2022. She is also the Chairman of the SC and a member of the DC. Ms Cheam is the Founder and MD of Eco-Business, Asia Pacific's leading independent media and business intelligence organisation dedicated to sustainable development. She is recognised as a sustainability pioneer with two (2) decades of experience in media, sustainable development and ESG issues globally. She is also the General Partner at the Sustainable Future Fund, a venture capital fund focussed on sustainability. She was a Singapore Press Holdings scholar and has been recognised in many regional and international journalism and media awards, and is frequently invited to speak at and host discussions across the globe on her areas of expertise. She studied at the University of Warwick and University of London's Goldsmiths College, and more recently completed a Cambridge University Judge Business School executive programme on Data and Business Analytics.
- (iv) Mr Choi Shing Kwok ("**Mr Choi**") is an Independent Non-Executive Director of Company, and was appointed to this position on 1 August 2022. He is a member of the ARC, the NRC and the SC. Mr Choi is the Director & Chief Executive Officer of the ISEAS-Yusof Ishak Institute. He is also the Chairman of SP Services Limited and a board member of the St Andrew's Mission Hospital. Before his retirement from civil service in October 2017, Mr Choi served as the Permanent Secretary of the Ministry of the Environment and Water Resources (MEWR) for five (5) years, and of the Ministry of Transport for seven (7) years. Prior to the Ministry of Transport, he held a senior position in the Ministry of Defence for nine (9) years. Mr Choi was conferred a Bachelor and a Master's degree in Engineering Tripos from Cambridge University in the United Kingdom, in 1981 and 1985 respectively. He also received a Master of Public Administration degree from the Harvard University, USA, in 1994 as an Edward Mason Fellow.
- (v) Mr Mark Christopher Greaves ("**Mr Greaves**") is an Independent Non-Executive Director the Company. He is a member of the ARC, the NRC and the IC. He is also a Non-Executive

Director of Hanson China Partners Limited and has previously served on a number of listed company Boards in various jurisdictions, including WBL Corporation Limited and Malaysia Smelting Corporation Berhad. Mr Greaves speaks fluent French and holds a Master of Arts in Economics from the University of Cambridge and an LLB with First Class Honours from the Open University in the UK. He is a member of both the Institute of Directors of the UK and the Singapore Institute of Directors.

- (vi) Ms Susan Kong Yim Pui ("**Ms Kong**") was appointed an Independent Non-Executive Director of the Company and a member of the ARC, the NRC and the IC with effect from 1 January 2023. She has an LLB (Hons) from the National University of Singapore and has been a practising lawyer for more than thirty (30) years and is recognised as a leading practitioner in the areas of Banking and Finance, Real Estate, Mergers and Acquisitions and Capital Markets. Ms Kong is the founder of Q.E.D. Law Corporation. In her practice, she has advised listed companies and financial institutions on corporate governance and compliance issues. Ms Kong is a Non-Independent Non-Executive Director of SBS Transit, the Chairperson of Singapore Tyler Print Institute and a Director of HealthServe Limited. Ms Kong has also been a Director of Surbana Corporation Private Limited and UOB Radanasin Bank Public Company Limited in Thailand for nine (9) years.
- (vii) Ms Tham Ee Mern Lilian ("**Ms Tham**"), is an Independent Non-Executive Director of the Company. She is a member of the ARC, the DC and the IC. Ms Tham is currently the Chief Operating Officer of Eastspring Investment (Singapore) Limited with responsibility for operations, technology, digital, data and administrative support, as well as other strategic growth and change initiatives. She is a member of their Board and Executive Management Committee. Ms Tham is presently a Board Member of Home Nursing Foundation and is a Fellow of the Institute of Banking and Finance Singapore. Ms Tham holds a Bachelor of Science in Information Systems from the National University of Singapore.

Further details of the ARC members' credentials are found on pages 26 to 31 of this Annual Report.

10.3 CONFIRMATION OF NO FORMER PARTNERS OR FINANCIAL INTEREST

None of the ARC members are previous partners or Directors of the Company's existing auditing firm within the previous twenty-four (24) months and none of the ARC members hold any financial interest in EY.

10.4 INTERNAL AUDIT

The Internal Audit function of the Group is performed by the Group Internal Audit Division comprising suitably qualified and experienced Internal Audit staff including the Group Chief Internal Audit Officer ("**GCIAO**"). The Group Internal Audit staff have professional qualifications and are either members of the Institute of Singapore Chartered Accountants, CPA Australia, the Information Systems Audit and Control Association or the Institute of Internal Auditors. The GCIAO reports functionally to the Chairman of the ARC and administratively to the MD/GCEO. The ARC participates in the hiring, removal and evaluation of the GCIAO. The GCIAO's remuneration is reviewed by the ARC Chairman together with the MD/GCEO in accordance with the Company's financial authority limits before they submit their recommendation to the Chairman and/or the NRC for consideration, as the case may be.

The Group Internal Audit Division adopts a risk-based approach in its continuous audit work with focus on material internal control systems including financial, operational, information technology and compliance controls. It provides an independent and objective evaluation of the internal control systems and corporate governance processes of the Group. The annual audit plan is developed by the GCIAO in consultation with, but independent of Management and is subject to the ARC's approval before the start of each financial year. Quarterly internal audit reports are also prepared and submitted to the ARC. Any material non-compliance or lapses in internal controls are reported to the ARC and the MD/GCEO for improvements to be made. The ARC conducts review of the adequacy, effectiveness, independence, scope and results of the internal audit function. The ARC has full access to the GCIAO, and meets with the GCIAO at least once a year in the absence of Management. The Group Internal Audit Division is given unfettered access to all the Group's documents, records, properties and personnel, including access to the ARC, and has appropriate standing within the Group.

The activities and organisational structure of the Group Internal Audit Division are monitored and

reviewed by the ARC periodically to ensure that it has the necessary resources to adequately perform its functions and that there are no unjustified restrictions and limitations placed on the performance of its duties. However, the GCIAO monitors and manages the work of the third-party audit firms closely to ensure propriety and relevance. The Group Internal Audit Division has adopted the International Standards for the Professional Practice of Internal Auditing laid down in the International Professional Practices Framework issued by the Institute of Internal Auditors ("**IIA Standards**"). The Group Internal Audit Division successfully completed its external Quality Assurance Review in 2018 by PricewaterhouseCoopers LLP and continues to meet or exceed the IIA Standards in all key aspects. The next Quality Assurance Review is scheduled for 2023.

The ARC finds the Group Internal Audit Division independent, effective and adequately resourced.

10.5 AUDIT AND RISK COMMITTEE'S ACTIVITIES

The ARC held six (6) meetings during the financial year under review. The MD/GCEO, the GCFO and GCIAO were present at these meetings. The External Auditors attended the meetings that discussed the half-year and full-year results. The ARC reviewed and considered the following:

- (i) Overall scope of both internal and external audits and results of their respective audits;
- (ii) Significant internal and external audit observations and Management's responses;
- (iii) Group Internal Audit Goals in response to Internal Audit Quality Assurance Review;
- (iv) Half-year and full-year results announcements and the financial statements and recommendation to the Board;
- (v) Adoption of the Singapore Financial Reporting Standards (International);
- (vi) Interested Person Transactions;

- (vii) Risk Management and the adequacy and effectiveness of internal controls;
- (viii) Independence of the External Auditors;
- (ix) Recommendation to the Board of the appointment or re-appointment of the External Auditors and their remuneration; and
- (x) Significant matters (if any) raised through the whistleblowing channel.

In the performance of its duties, the ARC has explicit authority to investigate the affairs falling within its terms of reference, with full access to and cooperation from Management, discretion to invite any Director or executive officer to attend its meetings and reasonable resources to enable it to discharge its duties properly.

As Deloitte was not re-appointed by the shareholders at the Company's last AGM, the Board set up the RFP Committee led by the ARC Chairman to conduct the RFP for new auditors of the Company. The RFP Committee carried out a rigorous evaluation of the proposals submitted by participating audit firms which included evaluation of their credentials, experience and expertise not only in Singapore but also China, Malaysia, Australia, the Republic of Ireland and the United Kingdom, and of the audit methodology and quality control and proposed fees. The evaluation also included an interview of the participating firms. The ARC eventually advised the Board that EY was best suited to be the statutory auditors of the Company. An EGM was held on 2 September 2022 at which the appointment of EY was approved by the shareholders.

The ARC meets with the Internal and External Auditors annually in the absence of Management. During these meetings, the Internal and External Auditors may raise issues encountered in the course of their work directly to the ARC.

10.6 SIGNIFICANT FINANCIAL REPORTING MATTERS

In the review of the financial statements of the Group for FY2022, the ARC considered the following key audit matters:

SIGNIFICANT MATTERS	REVIEW OF SIGNIFICANT MATTERS BY THE ARC
Impairment assessment of vehicles, premises and equipment, intangible assets, goodwill and investment in subsidiaries	The ARC considered the approach and methodology applied to the valuation model for taxi vehicles, taxi licences and goodwill impairment assessment. Following the review and discussions with Management and the External Auditors, the ARC is satisfied that the key assumptions used in the impairment assessment of taxi vehicles, taxi licences and goodwill are reasonable.
Recognition and measurement of provision for accident claims	The ARC considered the approach and methodology applied to the valuation and completeness of provision for settlement of accident claims. Following the review and discussions with Management and the External Auditors, the ARC is satisfied with the estimates used in determining the probability and amounts of expected settlement claims.
Accounting for bus contracts with public transport regulators	<p>The Group reviewed the accounting policy for bus contracts in Australia relating to the treatment applied by an operator in a public-to-private service concession arrangement, and updated it in accordance with SFRS(I) INT 12 Service Concession Arrangements for infrastructure (in this case moveable assets) that is determined to be controlled by the concession grantor. Some of the Group's contracts are within the scope of SFRS(I) INT 12. As a result, certain line items have been restated in the Statement of Financial Position, Group Income Statement, Group Comprehensive Income Statement, Group Cash Flow Statement, Statement of Changes in Equity and the related notes to the financial statements.</p> <p>The ARC discussed with Management and the External Auditors, the judgement and interpretation applied in the application of SFRS(I) INT 12. Following the review and discussions, the ARC is satisfied with the accounting for bus contracts with local transport regulators in Australia.</p>
Provision for rail contract	<p>In November 2021, a subsidiary of the Group, SBS Transit Ltd ("SBS Transit") entered into a framework agreement with the Land Transport Authority of Singapore ("LTA") and SBS Transit DTL Pte. Ltd. to transit the Downtown Line ("DTL") to the second version of the New Rail Financing Framework Version 2 ("NRFF (Version 2)"). North East Line ("NEL") and Sengkang Punggol Light Rail Transit System ("SPLRT") operated by SBS Transit are already on NRFF Version 2 since 2018.</p> <p>As part of the framework agreement, the LTA has issued a Consolidated Rail Licence to SBS Transit Ltd's wholly-owned subsidiary, SBS Transit Rail Pte. Ltd., to operate the DTL, NEL and SPLRT for a period of 11 years commencing 1 January 2022, and ending on 31 December 2032 (the "Consolidated Rail Licence").</p> <p>The ARC considered the approach and methodology applied in the projection of the future financial performance under the new terms of the Consolidated Rail Licence. Following the review and discussions with Management and the External Auditors, the ARC is satisfied with the assumptions and estimates used in the projection of the future financial performance.</p>

Following the review and discussions on the above, the ARC recommended to the Board to approve the financial statements of the Group for FY2022.

10.7 REVIEW OF INDEPENDENCE OF EXTERNAL AUDITORS

Prior to the re-appointment of the External Auditors, the ARC assesses their independence based on the guidelines set by the Accounting and Corporate Regulatory Authority and the Accountants Act 2004 of Singapore. Having satisfied itself that the independence of the External Auditors, EY, is not impaired by their provision of non-audit services to the Group and that Rules 712, 715 and 716 of the SGX-ST Listing Manual have been complied with, the ARC has recommended to the Board that EY be nominated for re-appointment as the Company's External Auditors at the next AGM.

As a further safeguard of EY's independence, the Company will require them to change their partner-in-charge once every five (5) years if we continue to engage them in subsequent years.

10.8 WHISTLE BLOWING POLICY

The Group's Whistle Blowing Policy, which is published on the corporate website, provides a mechanism for employees and external parties to raise concerns about possible improprieties in financial reporting or other improper business conduct, whilst protecting the whistleblowers from reprisal within the limits of the law. Under the Whistle Blowing Policy, incidents may be reported to the GCIAO and where the incident involves the GCIAO, the complaint may be made to the ARC Chairman.

The contact information is as follows:

- i. Group Chief Internal Audit Officer at DID: +65 6383 7010 or by email to gciao@comfortdelgro.com or via the intranet.
- ii. Chairman of the ARC via this email: ARC_Chairman@comfortdelgro.com

All cases are investigated and overseen by the Group Internal Audit Division, and dealt with promptly and thoroughly. The identity of whistleblowers is kept confidential, and the Group is committed to ensuring the protection of whistleblowers against detrimental or unfair treatment. The ARC is responsible for oversight and monitoring of whistleblowing.

4. SHAREHOLDER RIGHTS AND ENGAGEMENT

PRINCIPLE 11: SHAREHOLDER RIGHTS AND CONDUCT OF GENERAL MEETINGS

11.1 DISCLOSURE OF INFORMATION TO SHAREHOLDERS

The Company notifies shareholders in advance of the dates of release of its financial results through the Company's website as well as SGXNET. Communications with shareholders are conducted through announcements to the SGXNET, media and analyst briefings after the announcement of the financial results together with its presentation materials, as well as the posting of announcements and press releases on the Company's website. The Group has formulated a Policy on Securities – Drafting and Releasing SGX-ST Announcements to provide guidance on preparation of SGX-ST announcements.

Shareholders may send in their requests or queries through the feedback channel provided on the Company's website. The ComfortDelGro Group's Investor Relations ("IR") team is accessible throughout the year to address shareholders' queries. The contact details of the ComfortDelGro Head of Group Investor Relations can be found on the Company's website.

Beyond complying with the requirements of the 2018 Code, the SGX-ST Listing Manual and the Companies Act, the Company has also taken various additional measures to enhance corporate governance and improve transparency, including:

- (i) The Notice of AGM is released publicly at least twenty-eight (28) days before the AGM is held; and
- (ii) The Annual Report is available to all shareholders at the Company's website at least twenty-eight (28) days before the AGM to ensure that all shareholders have adequate time to review the Annual Report before the AGM. The electronic documentation demonstrates the Group's commitment towards Green and sustainability efforts. Upon request, hard copies are provided to shareholders.

11.2 CONDUCT OF SHAREHOLDER MEETINGS INCLUDING DIRECTORS' ATTENDANCE

The Company encourages and supports shareholder participation at general meetings, and views the AGM as a good opportunity for shareholders to meet the Board and Senior Management. The top criterion for selecting the AGM venue is an easy to reach location

within Singapore accessible by public transport. Shareholders are informed of shareholders' meetings through notices published in the newspapers and circulars sent to all shareholders. All registered shareholders are invited to attend and participate actively in the AGM and are given the opportunity to seek clarification and/or to question the Group's strategic direction, business, operations, performance and proposed resolutions.

All Directors including the Chairman, MD/GCEO and the Chairpersons of the various Board Committees together with Senior Management and the Company Secretary are present to address any question or feedback raised by the shareholders at the AGM and thereafter, including those pertaining to the proposed resolutions before they are voted on. The External Auditors are also present to address shareholders' queries about the conduct of audit and the preparation and contents of the Auditor's Report.

The Company's AGM for the Financial Year ended 31 December 2021 ("FY2021") was held in April 2022, both physically and by way of audio-visual electronic means due to restrictions on physical interactions due to the COVID-19 pandemic.

Similar to the Company's AGM for FY2021 held on 29 April 2022, the Company's AGM for FY2022 to be held on 28 April 2023 will also be held both physically ("Physical Meeting") and by way of electronic means ("Virtual Meeting") as the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 will still be in force as at the date of the Notice of AGM. To facilitate high levels of shareholder engagement, real-time communication and real-time live voting will be conducted during the AGM for shareholders and proxies attending the Physical Meeting and Virtual Meeting. Shareholders who are not able to attend the AGM in-person or those who prefer to attend the live webcast may do so by audio or audio-visual means. The Company will adhere to the SGX-ST's guiding principle to provide answers to shareholders' questions within reasonable timelines. Please refer to the Notice of the FY2022 AGM of the Company for more information.

11.3 RESOLUTIONS AND VOTING AT GENERAL MEETINGS

Each issue or matter requiring shareholders' approval is tabled as a separate and distinct resolution. All the resolutions at the shareholders' meetings are single item resolutions. The Company does not practise

bundling of resolutions. The Company will consider implementing absentia voting methods such as voting via mail, e-mail or fax when security, integrity and other pertinent issues are satisfactorily resolved.

The Constitution of the Company provides for voting in-person and by proxy at the AGM of the Company. Each shareholder is allowed to appoint up to two (2) proxies to vote on his/her behalf at shareholders' meetings through proxy forms sent in advance. Relevant intermediaries such as the Central Provident Fund and custodian banks are entitled to appoint more than two proxies to attend, speak and vote at shareholders' meetings. Shareholders who hold shares through these relevant intermediaries will be allowed to attend, speak and vote at the AGM subject to being appointed a proxy by their respective relevant intermediaries.

The Company has adopted electronic poll voting for general meetings since 2011 to ensure greater transparency and efficiency in the voting process and results. Shareholders are invited to vote on each of the resolutions by poll, using an electronic voting system. The results of all votes cast for or against each resolution or abstentions if any and the respective percentages (voting results) and the names of the independent scrutineers for the AGM are presented during the AGM and are announced via the SGXNET after the AGM. Voting by poll is the most accurate means of tabulating shareholders' votes according to the number of shares owned. The Company believes that this will encourage greater shareholder participation at the Company's general meetings and demonstrates the Company's commitment to high standards of corporate governance and transparency.

11.4 MINUTES OF GENERAL MEETINGS

The Company prepares minutes of general meetings that include substantial and relevant comments or queries from shareholders relating to the agenda of the meeting and responses from the Board and Management. The minutes are available to shareholders on the Company's website and SGXNET within one (1) month after the date of the AGM.

11.5 DIVIDEND POLICY

The Company's dividend policy is to pay out at least 50% of the profit attributable to shareholders of the Company. The dividend policy takes into account the long-term objective of maximising shareholder value, availability of cash and retained earnings, projected capital expenditure and growth opportunities. The Company declares dividend semi-annually and

informs its shareholders of the dividend payments via announcements to SGXNET. Special dividends may also be declared when the Company has achieved extraordinary gains or is celebrating a significant milestone. Dividends are paid to shareholders in an equitable and timely manner.

PRINCIPLE 12: ENGAGEMENT WITH SHAREHOLDERS

REGULAR, EFFECTIVE AND FAIR COMMUNICATIONS WITH SHAREHOLDERS

The Company is committed to ensuring that accurate and pertinent information is disseminated to the market in a timely and transparent manner as part of good corporate governance. Shareholders can access the corporate website at www.comfortdelgro.com. The Group's Investor Relations Policy ("IR Policy") is available on the corporate website.

Communications with the SGX-ST are handled by the Company Secretary, while communications with shareholders, analysts and fund managers are handled by the Head of Group Investor Relations. Specific guidelines have been laid down for compliance in respect of all public communications. The Company does not practise selective disclosure in the communication of material information.

In addition, the Company has put in place operational procedures to respond promptly to queries from the SGX-ST on any unusual trading activities in its securities and to clear all announcements to the SGXNET with the Board.

12.1 INVESTOR RELATIONS POLICY AND AVENUES FOR COMMUNICATION

The IR Policy sets out the process and mechanism to promote regular, effective and fair communications with shareholders and the investment community. The dedicated ComfortDelGro IR team works with Senior Management to proactively carry out this engagement programme which is described in more detail on page 74 of this Annual Report.

The Company is committed to treating all shareholders fairly and equitably and engaging with shareholders and the investment community through various platforms, including (where appropriate):

- (i) The Company's general meetings, namely the AGM and as and when necessary, Extraordinary General Meeting;
- (ii) Media briefings and quarterly analysts' briefings for quarterly business update announcements, as well as the half-year and full-year financial results;

- (iii) Announcements via SGXNET in compliance with the SGX-ST Listing Rules;
- (iv) Investors' meetings, local / overseas roadshows and conferences;
- (v) Annual reports and sustainability reports;
- (vi) Media releases and statements; and
- (vii) Corporate website (www.comfortdelgro.com).

5. MANAGING STAKEHOLDERS RELATIONSHIPS

PRINCIPLE 13: ENGAGEMENT WITH STAKEHOLDERS

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

13.1 IDENTIFICATION OF AND ENGAGEMENT WITH MATERIAL STAKEHOLDERS

The Company has arrangements in place to enable it to engage stakeholders so as to better understand and take action to address their needs and interests. Since the COVID-19 pandemic, the Company has been taking every opportunity to make use of digital means to communicate with shareholders. We were one of the first companies to hold hybrid meetings for its shareholders, with real-time communication and real-time live voting.

13.2 MANAGEMENT OF STAKEHOLDER RELATIONSHIPS

The basis for and methods of engagement with the stakeholders, along with the key areas of focus for each stakeholder group, can be found in our Sustainability Report. Our Sustainability Report highlights the economic, environmental and social aspects of our developments and operations in accordance with the Global Reporting Initiative Guidelines (G4 Core) and complies with the relevant requirements under the SGX-ST Listing Manual including Rules 711A and 711B. As part of the Company's sustainability efforts and to ensure more efficient engagement, the Company encourages all shareholders to give their express consent to receive communications to shareholders including statutory notices for general meetings and other circulars, via email and digital platforms.

13.3 CORPORATE WEBSITE

The Company's website is regularly updated to communicate and engage with Stakeholders.

6. ADDITIONAL MEASURES TO ENHANCE CORPORATE GOVERNANCE

The Company has also undertaken various additional measures to enhance corporate governance as follows:

CORPORATE GIFTS/ENTERTAINMENT POLICY

Whilst business gifts and entertainment are courtesies that build goodwill and sound working relationships among business partners, the Group does not tolerate the improper use of gifts or entertainment to gain any special advantage in a business relationship.

The Group discourages the receipt of gifts or acceptance of entertainment, loans or other favours as these may compromise an employee's ability to make objective, independent and fair business decisions. Offering excessive gifts in whatever form or entertainment to others can also be open to misinterpretation.

Employees are therefore not permitted to offer or accept any gifts or entertainment without first seeking their supervisor's authorisation. Employees who receive gifts directly or indirectly in relation to their employment with the Group are expected to notify their supervisors and declare such gifts to the Group Human Resource Department. All gifts declared are processed through structured corporate procedures to ensure proper accountability.

Business gifts presented and entertainment on the Group's behalf are consistent with generally accepted corporate governance business practices and ethical standards and do not violate any applicable laws, regulations or policies of any country that the Group operates in or any company with which the Group has dealings.

ANTI-CORRUPTION POLICY

The Group complies with all applicable laws of the jurisdictions in which it operates and conducts business in an open and transparent manner, and prohibits employees from directly or indirectly offering, promising to pay, or authorising the payment of money or anything of value for the purpose of gaining perceived advantage for the Group. All employees are responsible for following the Group's procedures, including audit controls, and for carrying out and reporting business transactions.

BLOCK LEAVE POLICY

As a further risk mitigation measure and to enhance governance, the Group has a Block Leave Policy in place which applies to employees holding key functions. This arrangement allows covering officers to fully step into the duties of the employees on leave as an additional check and balance against any breaches.

HEALTH AND SAFETY POLICY

Given the nature of the Group's businesses, the health and safety of the employees and customers are of paramount importance. Safety is, therefore, a perpetual top priority for the Group's operations. The Group complies with applicable statutory requirements and regulations in respect of health and safety, and has put in place procedures to guide proper safe work practices for the well-being of all employees and customers.

In 2022, following the issuance of the COP, the Group reviewed its work procedures and processes to ensure that its safety policies, standards and practices comply with the Workplace Safety and Health Act 2006 and the COP. The Group's current safety policies, standards and practices adhere to the core principles and measures set out in the COP.

Employees are sent for training to equip them with greater awareness and knowledge of good WSH practices. Employees are required to observe safety rules and carry out safe work practices that apply to their jobs to ensure a safe work environment for everyone. They are also strongly encouraged to surface safety issues to improve safety standards at the workplace.

INFORMATION PROTECTION POLICY

The Group has also implemented an Information Protection Policy to ensure that all documents and data information of the Group are properly safeguarded.

Information is classified into secret, confidential, restricted and unrestricted use based on its nature, contents and implications. Processes and systems used to store, process or communicate information provide protection from unauthorised disclosure and use.

DATA PROTECTION POLICY

All Business Units are required to comply with applicable laws pertaining to data protection. In particular, the business units in Singapore have implemented data protection policies and practices to ensure compliance with the obligations under the Personal Data Protection Act 2012, including the Do Not Call provisions that came into force in 2014.

CYBERSECURITY POLICY

The Group has adopted the international Information Security Standard ISO 27000 in assessing and formulating the Group's cybersecurity framework. The Group regularly reviews its cybersecurity measures to ensure effective protection of its information technology systems and databases. The Group has implemented multi-layered defences, including firewalls, intrusion prevention system, network access control, server hardening, data encryption

/ CORPORATE GOVERNANCE

and employee security training. The Group keeps abreast of the evolving threats and the latest techniques, and actively collaborates with cybersecurity authorities and regulators to develop appropriate countermeasures.

The Group will continue to strengthen its capabilities in light of the way cybersecurity risks will evolve with the digital age. As and when necessary, the Group will take appropriate risk management decisions and implement security controls to secure its information infrastructure systems and databases.

SUPPLIER ETHICS POLICY

The Group procures a wide range of goods and services from various businesses, companies, persons and entities and requires its suppliers to be in full compliance with all applicable laws and regulations and practises fair competition in accordance with local anti-trust and competition regulations. Suppliers must conduct their

businesses with integrity, transparency and honesty and the Group does not condone any corrupt and fraudulent practices.

Suppliers must have in place health and safety policies for their employees and be committed to good environmental, social and governance practices. Suppliers must not trade in the securities of the Group while in possession of confidential non-public information.

CREDITORS' PAYMENT POLICY

The Group values its suppliers and is committed to safeguarding creditors' rights and acknowledges the importance of paying invoices, especially those of small businesses, in a timely manner. It is the Group's practice to agree terms with suppliers when entering into contracts. The Group negotiates with suppliers on an individual basis and meets its obligations accordingly.

7. INTERESTED PERSON TRANSACTIONS

SGX-ST Listing Manual – Rule 907

NAME OF INTERESTED PERSON	NATURE OF RELATIONSHIP	AGGREGATE VALUE OF ALL INTERESTED PERSON TRANSACTIONS DURING THE FINANCIAL YEAR UNDER REVIEW (EXCLUDING TRANSACTIONS LESS THAN \$100,000 AND TRANSACTIONS CONDUCTED UNDER SHAREHOLDERS' MANDATE PURSUANT TO RULE 920)	
		AGGREGATE VALUE OF ALL INTERESTED PERSON TRANSACTIONS CONDUCTED UNDER SHAREHOLDERS' MANDATE PURSUANT TO RULE 920 (EXCLUDING TRANSACTIONS LESS THAN \$100,000)	
Nil	Nil	Nil	Nil

There were no Interested Person Transactions of or over S\$100,000 in value entered into during the financial year under review. There is no shareholder's mandate for Interested Person Transactions pursuant to Rule 920 of the SGX-ST Listing Manual.