
CORPORATE GOVERNANCE

Bumitama Agri Ltd. (the “Company” or “Bumitama”) and its subsidiaries (the “Group”) recognises the importance of and is committed to observing and attaining high standards of corporate governance, business integrity, and professionalism in its business and operations. The Board constantly reviews the Company’s corporate governance practices and aligns its practices with the development and changes in the Code of Corporate Governance 2018 (the “Code”) as well as inputs from stakeholders. The Company has complied substantially with the principles and guidelines set out in the Code, where they are applicable, relevant and practicable. In so far as any principle and/or guideline has not been complied with, the reason has been provided.

This report sets out Bumitama’s key corporate governance practices with reference to the Code and with the Group’s cultural pillar of morality, capability and integrity and its code of ethics which is captured by the Company’s code of conduct policy, business ethics and anti-corruption policy.

ACHIEVEMENTS

The Company was accorded 3 awards from Asiamoney Corporate Governance Poll 2022 under the categories of Overall Most Outstanding Company in Singapore, Most Outstanding Company in Singapore – Small/Mid Cap sector, and Most Outstanding Company in Singapore – Consumer Staples sector.

(A) BOARD MATTERS

PRINCIPLE 1: THE BOARD’S CONDUCT OF AFFAIRS

The primary function of the Board is to protect and enhance long-term value and returns to its Shareholders. Board members are expected to act in good faith and exercise independent judgement in the best interests of the Group. The Board focuses on the following broad areas, namely:

- Formulating corporate strategies, financial objectives and direction for the Group;
- Ensuring effective management leadership of the highest quality and integrity;
- Providing oversight in the proper code of conduct and business ethics of the Group;
- Overseeing and/or evaluating the adequacy of the internal audit, risk management, financial reporting and compliance processes; and
- Overseeing and ensuring high standards of corporate governance for the Group.

The Board also establishes a framework of prudent and effective internal controls which enable risks to be assessed and managed, reviews Management performance, sets the Company’s values and standards, and ensures that the Company’s obligations to Shareholders and other stakeholders are understood and met and that all decisions are made objectively and in the interest of the Company and its Shareholders.

To facilitate effective management and assist the Board in discharging its responsibilities, certain functions have been delegated by the Board to various Board Committees namely: Audit Committee (“AC”), Remuneration Committee (“RC”), Governance & Nominating Committee (“GNC”), and Conflicts Resolution & Enterprise Risk Management Committee (“CRERMC”), which operate under clearly defined terms of reference.

In recognizing the importance of Environmental, Social, and Governance (“ESG”) issues to the Group and the Board’s commitment to integrating sustainability within the Group’s business model, the Board approved the establishment of an executive committee, the Group’s Sustainability Steering Committee (“SSC”) on 10 May 2022. The SSC shall comprise the Group Executive Chairman & Chief Executive Officer (“CEO”), Non-Executive Director, Chief Operating Officer (“COO”), Chief Financial Officer (“CFO”), Chief Sustainability Officer (“CSO”), and senior management of the Group. The objective of this SSC is to oversee, on behalf of the Board, management strategies and processes designed to manage social and environmental risks and achieve compliance with social and environmental responsibilities and commitments, including in regard to the Group’s Climate risk management strategy. The SSC shall have oversight of sustainable development responsibilities of the Group and will also support the Board in setting high level direction and strategic focus on sustainable business models within the Group.

The Board Committees are each chaired by an Independent Non-Executive Director (also known as Independent Director) and all members are Independent Directors. Each Board Committee is governed by clear terms of reference approved by the Board and its role is to assist the Board in the matters that the Board delegates to it. Each Board Committee has the authority to examine any issue that arises in their specific areas and report to the Board with their recommendations.

CORPORATE GOVERNANCE

The ultimate responsibility and the final decision on all matters, however, lies with the Board. Details of the scopes, responsibilities, and functions of the various Board Committees are set out in this Report and are as follows:-

Bumitama's Governance Framework



CORPORATE GOVERNANCE

The Board and Board Committees meetings are scheduled in advance to coincide with the announcements of the Group's half yearly results and key summary production and financial indicators for first and third quarter of the financial year. Additional and ad hoc meetings and conference calls are convened as and when they are deemed necessary to address significant transactions or issues that may arise in between the scheduled meetings. In addition to these meetings, Independent Directors meet without the presence of Management, as and when required. The Company's Constitution provide for meetings to be held via telephone, electronic or other communication facilities which permits all persons participating in the meeting to communicate with each other simultaneously.

Directors may request for explanations, briefings by or discussions with Management on any aspect of the Group's operations or business from Management. When circumstances require, Board members exchanged views outside the formal environment of Board meetings.

The Board met four times during the financial year ended 31 December 2022 ("FY2022"). Since the outbreak of the Coronavirus 2019 ("COVID-19") pandemic in the beginning of 2020, Board and Board Committees Meetings were held in compliance to the health and safety procedures set by the Ministry of Health of Singapore. The attendance of each Director at the Board and Board Committees Meetings for FY2022 was as follows:

	Board	AC	RC	GNC	CRERC
Number of Meetings Held	4	4	1	1	2

Name	No. of Meetings Attended	No. of Meetings Attended	No. of Meetings Attended	No. of Meetings Attended	No. of Meetings Attended
Lim Gunawan Hariyanto	4	NA	NA	NA	NA
Lim Christina Hariyanto	4	4 ¹	NA	NA	1 ¹
Dato' Lee Yeow Chor	4	4 ¹	NA	NA	1 ¹
Lim Hung Siang	4	4	1	1	2
Lee Lap Wah George	4	4	1	1	2
Lawrence Lua Gek Pong	3	3	1	1	2
Witjaksana Darmosarkoro	4	4	NA	1	2

NA: Not Applicable

¹ Attendance by invitation of the Committee.

The Board has delegated day-to-day operations to Management, while reserving certain key matters for its approval. Matters that specifically require Board approval are the Group's financial results, annual budgets, financial statements, interested person transactions, acquisitions and disposals of assets, capital expenditure plan, corporate or financial restructurings, dividend payments, commitments to banking facilities and convening of Shareholders' meetings. Board approval is also required for other matters which are likely to have a material impact on the Group's operating units and/or financial positions as well as matters other than in the ordinary course of business. The Board believes that when making decisions, all Directors of the Board act objectively and in the interests of the Group. If there is any director facing conflicts of interest, the concerned director will recuse himself/herself from discussions and decisions involving the issue of conflict.

CORPORATE GOVERNANCE

Directors who do not have prior experience or are not familiar with the duties and obligations required of a Director of a listed company in Singapore must undergo the necessary training and briefing as prescribed by the Singapore Exchange Securities Trading Limited ("SGX-ST"), especially organised by the Singapore Institute of Directors ("SID"). Directors are briefed on the strategic, business and industrial development of the Group at each board meeting by the Chairman and CEO and they also have the opportunity to visit the Group's operational facilities and meet with the Management to gain a better understanding of the Group's business operations. For FY2022, none of the Independent Directors and the Non-Executive Director had been able to travel to the Company's plantations in Indonesia. With the accelerate easing of travel restriction, the board members plan to visit the plantations in Indonesia in FY2023.

The Company encourages Directors to participate in development programmes especially technology development in palm oil industry and sustainability training course, which are considered essential and/or will enhance their roles on the Board and its Committees. The cost of Directors' attendance at appropriate training courses, conferences and seminars conducted by professionals (including SID) will be borne by the Company.

Some of the courses/seminars/conferences attended by some of the Directors are:

- Climate Governance Singapore: Law, Policy, and Regulation and Masterclass on Sustainability Reporting by SMU
- SID LED - Environmental, Social and Governance Essentials (Core)
- The Financial Institutions Directors' Education conducted by Asia School of Business in collaboration with MIT Sloan Management
- TCFD Scenarios Analysis Workshop for Board Member & Senior Management level
- Series of Talk on Climate Change Related Matters
- International Conference on Tropical Agriculture (ICTA) 2022
- Asia Global Dialogue 2022 – Recovery & Reformation Asia in a Changing Global Economy

All Directors are updated on an on-going basis via Board meetings and/or circulars on matters relating to, *inter alia*, changes to the regulations of the SGX-ST, Companies Act, accounting standards and/or other statutory requirements and/or new releases issued by the SGX-ST, Accounting and Corporate Regulatory Authority ("ACRA"), Monetary Authority of Singapore. The Directors may also seek independent professional advice on any Group matters, as they require, at the Group's expense.

Prior to each Board and Board Committees meeting, all Directors are provided with the relevant Board papers and reports within adequate time for the Directors to review the papers and reports. These reports provide information on the Group's performance, financial position, significant issues and any other matter which may be brought before the Board. Besides these, Board members are provided with quarterly operational performance report with a short commentary so as to ensure Board members are kept updated and informed of the progress of the Group and industrial update on a regular basis. Directors are also informed of any significant developments or events relating to the Group.

All Directors have independent access to the senior management of the Group and the Company Secretary. The Directors also have unrestricted access to the Group's information, minutes of Board meetings, and management accounts to enable them to carry out their duties.

The Company Secretary attends all Board and Board Committees meetings excluding Executive Committee meetings and ensures that Board procedures are followed and that the applicable rules and regulations are complied with. The Company Secretary is responsible for assisting the Company in its compliance with the requirements of the Companies Act, the rules of SGX-ST Listing Manual and any other applicable regulations. The Company Secretary also ensures good information flow within the Board and the Board Committees, as well as between the senior management and Non-Executive Directors (including Independent Directors), and assists in the professional development of existing Directors, as and when required. The appointment and/or removal of the Company Secretaries are subject to Board approval.

CORPORATE GOVERNANCE

PRINCIPLE 2: BOARD COMPOSITION AND GUIDANCE

The Board comprises seven members and a majority of the Board are Independent Directors as of the date of this Annual Report:

Name	Board	AC	RC	GNC	CRERM	Years of Service as at 31.12.22
Lim Gunawan Hariyanto	Executive Chairman	–	–	–	–	10.8
Lim Christina Hariyanto	Executive Director	–	–	–	–	5.6
Dato' Lee Yeow Chor	Non-Executive Director	–	–	–	–	10.8
Lim Hung Siang	Lead Independent Director	Chairman	Member	Member	Member	4.6
Lee Lap Wah George	Independent Director	Member	Member	Member	Chairman	5.6
Lawrence Lua Gek Pong	Independent Director	Member	Chairman	Member	Member	3.3
Witjaksana Darmosarkoro	Independent Director	Member	–	Chairman	Member	1.5

The strong independent element of the Board ensures that it is able to exercise objective and independent judgement on corporate affairs and on transactions involving conflicts of interest and other complexities.

The GNC is tasked to determine on an annual basis and as and when the circumstances require whether or not a Director is independent, bearing in mind the guidelines set forth in the Code and any other salient factors which would render a Director to be deemed not independent. Each of the Independent Directors has provided a declaration of his independence to the GNC. The GNC has reviewed, determined and confirmed the independence of the Independent Directors.

None of the Independent Directors has served on the Board for an aggregate period of more than nine years (whether before or after listing) from the date of their first appointments.

The Board periodically conducts a review of its size and composition of the Board which comprises members of both genders and from different backgrounds whose core competencies, qualifications, skills and experiences, to ensure both aspects continue to meet the needs of the Group and to maintain the effectiveness of the Board.

In recognition of the importance and value of gender diversity in the composition of the Board, Ms. Lim Christina Hariyanto, was appointed as an Executive Director on 1 June 2017.

The Board adopted a Group Diversity Policy with measurable objective identified in particular Board diversity aspects include age, gender, cultural, educational background, ethnicity, professional experience, skills, knowledge and length of service, and any other factors that the Board may consider relevant and applicable from time to time. Directors with technical, legal, financial, engineering, management and audit background will provide various extensive business experiences to the Company. High emphasis is placed in ensuring a balanced composition of skills and experience at the Board level in order to provide a range of perspectives, insights and challenge that enable the Board to discharge its duties and responsibilities effectively, support good decision making in view of the core business and strategy of the Company and its subsidiaries, and support succession planning and development of the Board.

The current Board comprises Directors who as a group provide core competencies such as finance, legal, engineering, business management, agronomy researcher, sustainability, and industry knowledge. The profile of the Directors can be found on pages 17 to 18 of this Annual Report.

CORPORATE GOVERNANCE

For achieving an optimal Board, additional measurable objectives/specific diversity targets may be set and reviewed from time to time to ensure their appropriateness. Such factors will be considered by the Company based on its business model and specific needs and the ultimate decision will be based on merit, value and contribution that the selected candidates will bring to the Board.

The Board is of the view that, while it is important to promote boardroom diversity in terms of gender, age and ethnicity, the normal selection criteria based on an effective blend of competencies, skills, extensive experience and knowledge to strengthen the Board should remain as priority. In addition to ensuring a balanced composition of skills and experience at the Board, the Board has deliberated the following:

(a) Gender diversity

The Company does not set any specific target for female Directors in the Board but will work towards having female directors for future board renewal, if opportunity arises. The Company is committed to maintaining an environment of respect for people regardless of their gender in all business dealings and achieving a workplace environment free of harassment and discrimination on the basis of gender, physical or mental state, ethnicity, nationality, religion, age or family status. The same principle is applied to the selection of potential candidates for appointment to the Board in order to attract and retain women participation on the Board;

(b) Age diversity

The Company does not set any specific target for the boardroom age diversity but will work towards having appropriate age diversity in the Board, if opportunity arises. The Company does not fix age limit for its Directors given that such Directors are normally reputed and experienced in the corporate world and could continue to contribute to the Board in steering the Company. The Board is fully committed to promoting age, diversity, valuing the contribution of its members regardless of age, and seek to eliminate age stereotyping and discrimination on age; and

(c) Ethnic diversity

The Company does not set any specific target for ethnic diversity in the boardroom but will work towards having appropriate ethnic diversity in the Board, if opportunity arises.

The Company is committed to implementing the Board Diversity Policy and will review this Policy periodically to ensure its effectiveness and alignment with best practice and the requirements of the Code, or as amended from time to time, and any other relevant legislation. Any progress made towards the implementation of this Policy will be disclosed in future Corporate Governance Reports of the Company, as appropriate.

Views and opinions of Non-Executive Director and Independent Directors, who make up a majority of the Board, provide alternative perspectives to the Group's business. When challenging Management's proposals or decisions, they bring independent judgement to bear on business activities and transactions involving conflicts of interest and other complexities. The Non-Executive Director and Independent Directors also communicate regularly with Management to discuss matters such as the Group's financial performance, business strategies, latest business innovation and technologies, and corporate governance initiatives. Where necessary, the Group arranges for the Independent Directors to meet the Heads of Departments and key employees without the presence of Management.

Where necessary or appropriate and at least once a year, the Non-Executive Director and Independent Directors on the Board will meet without the presence of the Management. The Independent Directors communicate regularly to discuss matters related to the Group. Where appropriate, the Lead Independent Director provides feedback to the Executive Chairman after such meeting(s).

The Code provides that where the Chairman is, *inter alia*, part of the Management team or is not an Independent Director, the Independent Directors should make up a majority of the Board. With 1 Non-Executive Director and 4 Independent Directors making up a majority of the Board, the Board is satisfied and assured that no individual or group of Directors has unfettered powers of decision that could create a potential conflict of interest.

CORPORATE GOVERNANCE

PRINCIPLE 3: CHAIRMAN AND CHIEF EXECUTIVE OFFICER

The Chairman of the Board, Mr. Lim Gunawan Hariyanto, is also the CEO of the Company. Mr. Lim Gunawan Hariyanto plays an instrumental role as the CEO in (i) formulating the overall business and corporate policies and strategies of the Group; (ii) managing the overall business and operations of the Group; and (iii) overseeing the Group's overall business development. As Chairman of the Board, he bears primary responsibility for the workings of the Board, by ensuring effectiveness on all aspects of its role including setting agenda for Board meetings and ensuring that the Directors receive complete and adequate information.

With the establishment of various Board Committees who have power and authority to perform key functions and put in place internal controls for effective oversight of the Group's business and majority of the Board and Board Committees comprise Independent Directors, which added a greater element of independence to Board and Board Committees' decisions to prevent an uneven concentration of power and authority in a single individual, the Board is of the view that these enable the Board to exercise objective decision-making in the interests of the Group. The Board believes that Mr. Lim Gunawan Hariyanto's dual role as Chairman and CEO allows for more effective planning and execution of long-term business strategies as he is knowledgeable in the business of the Group and provides the Group with a strong and consistent leadership.

In view of the foregoing, the Board considers it is currently not necessary to separate the roles of the Chairman of the Board from that of the CEO to facilitate the Group's decision-making and implementation process.

Taking cognizance of the non-separation of the roles of the Chairman of the Board and the CEO in the spirit of good corporate governance, Mr. Lim Hung Siang was appointed as Lead Independent Director to serve as a channel for Shareholders in the event their concerns are not resolved through the normal channel of the Chairman and CEO or the Chief Financial Officer ("CFO"), or for which such contact is inappropriate. Mr. Lim Hung Siang will also act as liaison between the Independent Directors and the Chairman of the Board; to provide non-executive perspectives in circumstances where it would be inappropriate for the Chairman to serve in such capacity and to contribute a balanced viewpoint to the Board.

PRINCIPLE 4: BOARD MEMBERSHIP

The GNC comprises four Directors, all of whom are non-executive and are Independent Directors. The GNC members are:

Mr. Witjaksana Darmosarkoro (GNC Chairman)
Mr. Lee Lap Wah George
Mr. Lim Hung Siang
Mr. Lawrence Lua Gek Pong

The GNC met on one occasion in FY2022.

The GNC performed the following functions in FY2022 in accordance with its terms of reference:

1. reviewed and recommended to the Board the structure, size and composition of the Board and Board Committees;
2. determined the process for search, nomination, selection and appointment of new Board members;
3. reviewed and made recommendations to the Board on all Board appointments, including nomination of the Directors for re-election/re-appointment, taking into account the Director's contribution and performance;
4. determined annually whether a Director is independent;
5. determined whether or not a Director is able to and has been adequately carrying out his/her duties as a Director of the Company, particularly where the Director concerned has multiple board representations;
6. evaluated the Board's performance as a whole and the contribution by each Director to the effectiveness of the Board, and to adopt appropriate measures to assess performance;
7. reviewed succession plans, in particular, the Chairman/CEO and key management;

CORPORATE GOVERNANCE

8. monitored the induction, orientation and training for any new and existing Directors; and
9. adopted and reviewed the Diversity Policy that addresses gender, skills and experience, and any other relevant aspects of diversity periodically and/or amend it whenever necessary.

Pursuant to Regulation 91 of the Company's Constitution, one-third of the Directors will retire from office by rotation and submit themselves for re-nomination and re-election at every Annual General Meeting ("AGM"). Each Director is also required to retire at least once every three years. Pursuant to Regulation 97 of the Company's Constitution, any Director so appointed shall hold office until the next AGM. A retiring Director is eligible and may be nominated for re-election.

The GNC has recommended to the Board that Ms. Lim Christina Hariyanto, Dato' Lee Yeow Chor, and Mr. Lawrence Lua Gek Pong (retiring pursuant to Regulation 91 of the Company's Constitution), be nominated for re-election at the forthcoming AGM. Ms. Lim Christina Hariyanto, Dato' Lee Yeow Chor, and Mr. Lawrence Lua Gek Pong have signified their consent to remain in office.

In reviewing the nomination of the retiring Directors, the GNC considered the performance and contribution of each of the retiring Directors, having regards not only to their attendance and participation at Board and Board Committees meetings but also the time and efforts devoted to the Group's business and affairs. The Board has accepted the GNC's recommendation.

Each member of the GNC and the Board shall abstain from voting on any resolutions and/or participating in deliberations in respect of his/her own re-election as Director. Accordingly, Ms. Lim Christina Hariyanto, Dato' Lee Yeow Chor and Mr. Lawrence Lua Gek Pong have abstained from the deliberation and decision in respect of their own re-election.

The GNC conducts an annual review of Directors' independence adopting the Code's and Listing Manual's definition of an Independent Director and guidelines as to relationship in determining the independence of a Director. The GNC and the Board are of the view that Mr. Lee Lap Wah George, Mr. Lim Hung Siang, Mr. Lawrence Lua Gek Pong, and Mr. Witjaksana Darmosarkoro are considered independent while Dato' Lee Yeow Chor is considered a Non-Executive and Non-Independent Director in view of his association with Oakridge Investments Pte Ltd., a substantial shareholder of the Company.

Save as disclosed, the Independent Directors are not related and do not have any relationship with the Company, its related corporations, or its officers or are in any circumstances that could interfere or be reasonably perceived to interfere, with the exercise of their independent business judgement with a view to the best interests of the Company.

The GNC had adopted a process for the selection and appointment of new Directors which provides the procedures for identification of potential candidates' skills, knowledge, experience and assessment of the candidates' suitability.

Selection of candidates to be considered for appointment as Directors is facilitated through recommendations from the Directors, Management or external parties. The GNC interviews the shortlisted candidates before formally considering and recommending them for appointment to the Board and where applicable, to the Board Committee(s).

In reviewing and recommending to the Board any new Director appointments, the GNC considers: (a) the candidate's independence, in the case of the appointment of an Independent Director; (b) the composition requirements for the Board or Board Committee(s) as the case may be; (c) the candidate's track record, experience and capabilities and such other relevant factors as may be determined by the GNC which would contribute to the Board's collective skills; and (d) any competing time commitments if the candidate has multiple board representations.

The Company will provide a formal letter of appointment to newly appointed Non-Executive Director and Independent Director, setting out the Director's duties and obligations and terms of appointment whereas Executive Directors will be provided with Service Agreements setting out their terms of office and terms and conditions of appointment.

The GNC had deliberated and reviewed the succession planning for the Chairman/CEO and key management and the Company's high potential and talent programmes. GNC would incorporate data and information from these programmes when considering the appointment and/or replacement of any Executive Director and key management personnel to ensure business continuity and long-term success of the Company.

CORPORATE GOVERNANCE

A Director with multiple board representations is expected to ensure that sufficient time and attention is given to the affairs of the Group. The GNC is of the view that Directors who have multiple board representations have performed as well as the other Directors with lesser board representations. The Board, with the concurrence of the GNC, having considered the attendance of the Directors and their contributions at meetings of the Board and Board Committees, is of the view that such multiple representations do not hinder the Directors from carrying out their duties in the Company. The Board and the GNC are also satisfied that sufficient time and attention have been accorded by these Directors to the affairs of the Group. The GNC is also of the view that putting a maximum limit on the number of listed company board representations is arbitrary, given that time requirements for each vary, and thus should not be prescriptive but are not adverse to consider and review existing models available on the market for managing board representations.

As at 31 December 2022, there was no alternate Director on the Board.

PRINCIPLE 5: BOARD PERFORMANCE

The GNC has adopted an annual assessment of the performance and effectiveness of the Board and Board Committees collectively. The GNC believes it is more appropriate to assess the Board and its Committees as a whole, rather than assessing individual Directors, bearing in mind that each member of the Board contributes in different ways to the effectiveness of the Board.

The assessment process had been continuously improved upon, with feedback from the Board and the review incorporates factors such as attendance, Board composition, conduct, input and contributions to the Board and its various committees; keeping updated on latest trends in the industry and global market; and quality, timeliness, availability and sufficiency of information. Each Director evaluates and assesses the Board and the Board Committees, the results of which are consolidated, analysed and discussed within the GNC, which included a comparison with the results of the preceding financial year. The results and areas to be strengthened are identified and reported to the Board.

The Chairman, in consultation with the GNC, would act on the results of the assessment; upon the endorsement of the report.

For FY2022, the GNC is generally satisfied with the Board evaluation results, which indicated areas of strengths and areas that could be improved further. No significant problems had been identified. The GNC had discussed the results with the Board and the Board has agreed to work on the areas where improvement is necessary and appropriate. No external facilitator was engaged for the annual assessment for FY2022.

(B) REMUNERATION MATTERS

PRINCIPLE 6: PROCEDURES FOR DEVELOPING REMUNERATION POLICIES

The RC comprises three members, all of whom are non-executive and Independent Directors. The members of the RC are:

Mr. Lawrence Lua Gek Pong (RC Chairman)
Mr. Lim Hung Siang
Mr. Lee Lap Wah George

During FY2022, the RC met on one occasion.

The RC carried out the following activities during FY2022 in accordance with its terms of reference:

1. recommended to the Board a framework of remuneration for the Directors and key management personnel of the Group;
2. ensured that these remuneration packages are in line with the Group's staff remuneration guidelines and commensurate with their respective job scopes and levels of responsibilities;
3. reviewed and recommended Directors' fees for Non-Executive Director and Independent Directors, taking into account factors such as their effort, time spent, and responsibilities; and
4. reviewed the service contracts of the CEO and Executive Directors.

CORPORATE GOVERNANCE

The Group has a formal and transparent process for developing policy on executive remuneration and fixing the remuneration packages of individual Directors and key management personnel. The RC's review covers all aspects of remuneration including but not limited to, Directors' fees, salaries, allowances, bonuses, employees share options and benefits in kind and specific remuneration package for each Director.

In developing a policy on executive remuneration, the RC seeks to link a proportion of the compensation to the Group's performance. The RC also ensures that the remuneration packages of individual Directors take into consideration the Group's performance and the performance of that individual Director. No Director is involved in deciding his own remuneration. The RC has access to external expert advice on remuneration matters, if required. No external remuneration consultants were appointed for the financial year under review.

The Group does not have any employee share option scheme or any long-term scheme in place.

PRINCIPLE 7: LEVEL AND MIX OF REMUNERATION

PRINCIPLE 8: DISCLOSURE ON REMUNERATION

The remuneration policy of the Company is to provide compensation packages at market rates, reward performance and attract, retain, and motivate the key management personnel.

Only Non-Executive Directors (including Independent Directors) are paid Directors' fees. The Directors' fees are set in accordance with a framework comprising Board fees and additional fee(s) for serving on any of the Board Committees and taking into account factors such as effort and time spent for serving on the Board and Board Committees, as well as the responsibilities and obligations of the Directors. The payment of such fees is recommended for Shareholders' approval at the AGM of the Company.

The Executive Directors do not receive any Directors' fee. The remuneration packages of the Executive Directors and key management personnel are determined annually having regard to the performance of the individuals and the Group as well as taking into account industry standards.

The remuneration packages for the Executive Directors and key management personnel consist of both fixed and variable components. The variable component is determined based on the performance of the individual and the Group's performance in the relevant financial year. Annual increment and adjustment to remuneration are reviewed and approved taking into account the outcome of the annual appraisal of the employees.

Management makes recommendations to the RC, having regard to key performance indicators, such as (a) revenue, (b) earnings before interest, depreciation and amortisation (EBITDA), (c) net profit, (d) planted area, and (e) Fresh Fruits Bunches internal and Crude Palm Oil production. The list is not exhaustive. The Group will also consider the individual contribution to these objectives. With performance-related remuneration, the interests of shareholders and other stakeholders are aligned to promote the long-term sustainability of the Group.

Each member of the RC shall abstain from voting on any resolutions and/or participating in discussion regarding his own remuneration package or on matters in which he is interested.

The Executive Directors' Service Agreements were for an initial period of 3 years from the date of appointment respectively and are renewable for successive periods of one year each. The Service Agreements may be terminated during such term either as provided in the Service Agreements or by either party giving to the other not less than six months' written notice. There are no onerous compensation commitments on the part of the Company or its subsidiaries in the event of an early termination of the service of the Executive Directors. The Executive Directors and key management personnel of the Group are rewarded based on their achievement of certain key performance indicators and the actual results of the Group, and not on any other assigned incentives, the "claw back" provisions in their employment contracts may therefore not be relevant or appropriate. The RC will when appropriate, review the need to adopt provisions allowing the Company to reclaim incentive components of remuneration from Executive Directors and key management personnel in exceptional circumstance of misstatement of financial results or of misconduct which could result in financial loss to the Group.

The RC, with the concurrence of the Board, has recommended that an amount of S\$424,000 as Directors' fees be paid to the Non-Executive Directors quarterly in arrears for FY2023. These fees will be tabled for Shareholders' approval at the forthcoming AGM.

CORPORATE GOVERNANCE

The annual remuneration bands for the Directors and key management personnel and the proportion of variable bonus and fixed remuneration, fee, and salary of the benefit for FY2022 are set out below:

Name	Total Directors' Fee (S\$)	Fixed Salary	Variable Bonus and Benefit	Remuneration Band	Total
Directors					
Lim Gunawan Hariyanto ¹	–	53%	47%	S\$3,250,001 – S\$3,500,000	100%
Lim Christina Hariyanto ¹	–	57%	43%	S\$500,001 – S\$750,000	100%
Dato' Lee Yeow Chor	64,000	–	–	Below S\$250,000	100%
Lim Hung Siang	87,000	–	–	Below S\$250,000	100%
Lee Lap Wah George	86,000	–	–	Below S\$250,000	100%
Lawrence Lua Gek Pong	85,000	–	–	Below S\$250,000	100%
Witjaksana Darmosarkoro	82,000	–	–	Below S\$250,000	100%
Key Management Personnel²					
1 Executive	–	52%	48%	S\$2,250,001 – S\$2,500,000	100%
1 Executive	–	40%	60%	S\$1,750,001 – S\$2,000,000	100%
1 Executive	–	82%	18%	S\$250,001 – S\$500,000	100%

Notes:

¹ Payment partly by Indonesian subsidiary and partly by Bumitama.

² Fully paid by Indonesian subsidiaries.

The remuneration of the Directors and key management personnel are set out in incremental bands of S\$250,000. The Group is of the view that disclosure in incremental bands is sufficient and adequate, and that any further disclosure could be detrimental to the Group's interest, as it may hamper the Group's efforts in retaining and nurturing its talent pool, having regard to the highly competitive human resource environment, and the confidential nature of remuneration matters.

On the same basis and also due to sensitivity of such matter, it is not in the Group's interest to disclose the aggregate remuneration of its key management personnel (who are not Directors or the CEO).

Having considered Provision 8.1 of the Code requiring the disclosure of the remuneration of at least the top 5 key management personnel (who are not directors or the CEO), the Group is only disclosing the above 3 individuals, who, besides the CEO, are considered as the Group's key management personnel and since they have supervisory roles over the other senior management of the Group.

There are three employees, who are immediate family members of a Director and/or the CEO and/or a substantial shareholder of the Company whose remuneration exceeded S\$100,000, in bands no wider than S\$100,000 during FY2022. The information is set out below:

Name of Executives ¹	Related to	Remuneration Band
Gunardi Hariyanto Lim	Brother of Lim Gunawan Hariyanto and Lim Christina Hariyanto	S\$2,400,001 – S\$2,500,000
Lim Liana Sarwono	Sister of Lim Gunawan Hariyanto and Lim Christina Hariyanto	S\$300,001 – S\$400,000
Hartono Santoso	Nephew of Lim Gunawan Hariyanto and Lim Christina Hariyanto	S\$100,000 – S\$200,000

Note:

¹ Fully paid by Indonesian subsidiaries.

(C) ACCOUNTABILITY AND AUDIT

PRINCIPLE 9: RISK MANAGEMENT AND INTERNAL CONTROLS

The Board recognises that it is responsible for ensuring that Management maintains a sound system of risk management and internal controls to safeguard Shareholders' investment and the Group's assets.

The Board regularly reviews and improves its business and operational activities to identify areas of significant business risks as well as taking appropriate measures to control and mitigate these risks. Management reviews all control policies and procedures and highlights all significant matters to the AC and the Board. The Group's financial risk factors and financial risk management objectives and policies are outlined under Note 34 of the "Notes to the Financial Statements" on pages 114 to 123. Risk management alone does not guarantee that business undertakings will not fail. However, by identifying and managing risks that may arise, the AC and the Board are in a position to make more informed decisions and will benefit from a better balance between risk and reward. This will assist in protecting the Group's assets.

The AC, together with the Board has reviewed the effectiveness of the Group's system of internal controls put in place to address the key financial, operational, compliance and information technology risks affecting the operations.

ENTERPRISE RISK MANAGEMENT ("ERM")

Effective and prudent risk management is one of the key factors in achieving the Group's business objectives and strategic goals.

The Group has established a systematic ERM framework to identify, assess, monitor, manage and evaluate the significant business risks which the Group is exposed to. Under the ERM framework, a risk register identifying the material risks together with the internal controls to manage or mitigate those risks is maintained. A separate Management Committee and an ERM Secretariat were formed to oversee the ERM and ensure that the risk register is reviewed, managed and updated regularly.

The Management Committee comprises the Chief Operating Officer, CFO, Chief Sustainability Officer ("CSO") as well as the Head of the Internal Audit Department.

Risks are pro-actively identified and addressed. The ownership of these risks lies with the respective business and executive heads with stewardship residing with the Board. The Internal Audit Department, CSO, together with the ERM Secretariat review overall ERM system quarterly and the CRERMC reviews the adequacy and effectiveness of the Group's risk management and internal control systems half-yearly. As the Group continues to grow and taking into account the evolving nature of its business, the Management Committee will on a regular basis, conduct an assessment on the adequacy of the framework, processes and procedures and risk identified and measured.

Since 2020, the results of a review incorporating changing business dynamics especially taking into consideration of COVID-19 pandemic were tabled and the results and recommendations had been shared with AC and the Board. It was agreed that (1) business continuity in the COVID-19 pandemic emphasizes in ensuring the health and safety of workers, their families and communities near to our operations; (2) continuous training are needed and will be conducted in phases to ensure internalisation of the purpose and method of ERM assessment and risk management; (3) the risk map was improved and updated based on feedback from various departments and management; and (4) preparation of the internal audit plan for 2023 had incorporated information drawn from the yearly revised risk map.

CORPORATE GOVERNANCE

The Board has received written assurances from the CEO and CFO that:

- (a) the financial records have been properly maintained and the financial statements give a true and fair view of the Group's operations and finances; and
- (b) the Group's risk management and internal control systems are effective and adequate.

The CEO and CFO have obtained similar assurance from the business and corporate executive heads in the Group.

Based on the ERM framework established, internal controls systems maintained by the Group, work performed by the internal and external auditors, and assurance from Management, the Board, with the concurrence of the AC, is of the opinion that the Group's internal controls and risk management systems addressing financial, operational, compliance and information technology controls and risk management system of the Group are adequate and effective during FY2022.

The amended terms of reference of AC has delegated the oversight of ERM to CRERMC and AC shall have close interaction with CRERMC on key financial risk areas of the ERM.

PRINCIPLE 10: AUDIT COMMITTEE

The AC comprises four members, all of whom are non-executive and Independent Directors. The AC members are:

Mr. Lim Hung Siang (AC Chairman)
Mr. Lee Lap Wah George
Mr. Lawrence Lua Gek Pong
Mr. Witjaksana Darmosarkoro

In accordance with the principles and provisions in the Code, the Board is of the view that at least two members, including the AC Chairman, collectively, have the expertise and experience in accounting and financial and finance management, and are qualified to fulfill and discharge their responsibilities.

The AC does not comprise former partners or directors of the Company's existing auditing firm, Ernst & Young LLP.

For FY2022, the AC has performed the following in accordance with its terms of reference:

1. met with both the internal and the external auditors to review the audit plans, and discussed the results of their audit findings and evaluation of the Group's system of internal accounting controls;
2. reviewed the Group's significant financial reporting issues and judgement to ensure the integrity of the financial statements of the Group and announcements relating to the Group's financial performance;
3. reviewed the adequacy and effectiveness of the Group's internal audit controls and risk management systems;
4. reviewed with the internal auditors, the scope and results of the internal audit procedures and monitored Management's response to their findings to ensure that appropriate follow-up measures are taken;
5. reviewed the adequacy, independence and effectiveness of the external audit and the Group's internal audit function;
6. reviewed the assurance from the CEO and the CFO on the financial records and financial statements;
7. reviewed compliance with the corporate governance guidelines on processes and activities adopted by the Board;

CORPORATE GOVERNANCE

8. reviewed and discussed with the external auditors, any suspected fraud or irregularity, or suspected infringement of any law, rules or regulations, which has or is likely to have a material impact on the Group's operating results or financial position and Management's response;
9. reviewed Interested Person Transactions ("IPT") falling within the scope of Chapter 9 of the SGX-ST Listing Manual and the IPT Register;
10. reviewed and monitored any report or concern received via channel established by whistleblowing policy;
11. reviewed half-yearly ERM report together with CRERM prepared by the Internal Audit Department, CSO, and the ERM Secretariat;
12. made recommendations to the Board on the nomination of the external auditors, as well as reviewed the remuneration and terms of engagement of the external auditors;
13. met with the internal and external auditors, without the presence of Management. Both the internal and external auditors had confirmed that they had received full co-operation from Management and no restrictions were placed on the scope of the respective audits;
14. kept abreast of accounting standards and issues that could potentially impact the Group's financial reporting through semi-annual updates and advice from the external auditors;
15. reviewed the non-audit services provided by the external auditors of the Group, and the fees paid to them, to assess the independence and objectivity of the external auditors. The aggregate amount and breakdown of the audit and non-audit fees paid to the external auditors are found in Note 6 "General and Administrative Expenses" in the Financial Statements of this Annual Report. The AC is satisfied that the nature and extent of non-audit services had not prejudiced the independence and objectivity of the external auditors. The external auditors had also confirmed their independence in this respect; and
16. reviewed and confirmed the Group's compliance with Rules 712, 715 and 716(1) of the Listing Manual of the SGX-ST. The AC in their deliberation on the proposed appointment of Ernst & Young LLP have considered various factors, and was satisfied that the adequacy of resources and firm's experience, the audit engagement partner and his team assigned to the audit of the Group were adequate to meet their audit obligations, given the size, nature, operations and complexity of the Group. The accounts of the Company, its significant foreign-incorporated subsidiaries and its associates are audited by Ernst & Young LLP, an auditing firm registered with the ACRA, and KAP Purwantono, Sungkoro & Surja (a member firm of Ernst & Young Global Indonesia).

The rest of the Group's subsidiaries are audited by Anwar & Rekan ("A&R"), an auditing firm which is part of DFK International, a worldwide association of independent accounting firms and business advisers. The AC is satisfied that the appointment of A&R would not compromise the standard and effectiveness of the audit of the Group. The list of the Group's subsidiaries audited are disclosed on Note 9 of the "Investments to Subsidiaries" on pages 84 to 87 of this Annual Report.

The AC with the concurrence of the Board has recommended the nomination of Ernst & Young LLP for re-appointment as external auditors of the Company at the forthcoming AGM. Rule 713(1) of the Listing Manual of SGX-ST provides that the audit partner must not be in charge of more than 5 consecutive audit for a full financial year. The Company adheres to the regular rotation of audit partner once every five years.

The AC has explicit authority within the scope of its responsibilities to seek any information it requires or investigates any matter within its terms of reference. In particular, the AC has full access to both the external and internal auditors. It also has full discretion to invite any Director, and/or Management to attend its meetings.

The Group has put in place a whistle-blowing policy, whereby staff of the Group or any other persons such as customers, suppliers, contractors or local community may, in good faith and confidence, without fear of reprisals raise concerns about possible improprieties in financial reporting, unethical practices, misconduct or wrongdoing or other matters relating to the Company and its officers.

CORPORATE GOVERNANCE

Anonymous disclosures will be accepted, and anonymity honoured. Arrangements are also in place for the confidential and independent investigation of such matters and for appropriate follow up actions. The Head of Internal Audit is the person to whom matters should be reported in the first instance through designated email and phone number. The initiated case will be raised to Investigation Audit Section ("IAS")/AC Chairman and the investigation process will be carried out by IAS.

The Group is committed to ensuring protection of the identity and interest of all whistleblowers against detrimental or unfair treatment. If there are concerns as to the safety of the whistleblower, he or she may submit their complaint without putting his or her name and the whistleblower shall not be disadvantaged by dismissal, demotion, harassment, discrimination, or bias.

The whistle-blowing policy and the procedures put in place to implement such a policy had been reviewed by the AC and made available to all employees.

During FY2022, the Group had received whistle-blowing reports which were also highlighted to the AC's attention and deliberated at the meetings of AC quarterly. The whistle-blowing reports highlighted some incidents of impropriety carried out at the Group's plantations in Indonesia. These incidents were not material to the Group's financial statements and operations and remedial actions had been taken to address the issues.

INTERNAL AUDIT

The Company has a dedicated in-house internal audit team ("IA") which comprises of 28 members who are suitably qualified and experienced professionals with operational, financial and compliance experiences. The Head of IA is a Chartered Accountant who holds certification in Risk Management Assurance and has 30 years professional experience in Finance, Accounting, Audit, Tax and Information Technology management.

The IA is in place to review, at least once annually, the risks of the Group's policy, procedures, and activities. The IA has unfettered access to all of the Group's records and documents and reports directly to the AC on any material non-compliance and internal control weakness.

The Head of the IA reports directly to the Chairman of the AC on audit matters and to the CFO on administrative matters. The Head of the IA also shares the IA report with Management so as to ensure that the recommended corrective and preventive actions are taken. Every quarter, the IA prepares the internal audit report and reports the key issues, highlighting concerns, if any, to the AC. Feedback from the AC is taken note of, acted on and monitored. Within this framework, the internal audit function provides reasonable assurance that the risks of the Group will be identified, analysed, and managed by Management. The IA will also make recommendations to enhance the effectiveness and security of the Group's operations.

The AC ensures that the internal audit function is adequately resourced and qualified. On an annual basis, the AC reviews the adequacy and effectiveness of the internal audit function. The IA prepares and present internal audit plan which incorporated feedback from the AC reviews, categorised inputs gathered from the audits, reviewing risk map, core programmes of the Group and critical internal control areas. To ensure maximisation of human resources in this department, IA has a training programme drawn up specifically to ensure that the team is kept updated and current on matters of audit, risks and internal controls as well as supervisory and managerial skills based on the recommendations of the AC. IA also attends relevant public trainings as part of the continuing professional requirements. The IA department is staffed with suitably qualified and experienced professionals with operational and financial experiences.

In addition to the work performed by the internal audit team, the external auditors performed tests of certain controls that are relevant to the preparation of the Group's financial statements. The external auditors report any significant deficiencies of such internal controls to the AC. The AC also reviews the effectiveness of measures taken by Management to address the issues noted by the external auditors. The internal controls are continually being refined by Management.

During 2022, the AC has reviewed the adequacy, independence and effectiveness of the Group's internal audit function and the AC is of the opinion that the internal audit function is independent, effective and adequately resourced.

(D) SHAREHOLDER RIGHTS AND ENGAGEMENT

PRINCIPLE 11: SHAREHOLDERS RIGHTS AND CONDUCT OF GENERAL MEETINGS

The Group is committed to disseminating information to Shareholders regularly and on a timely basis. It aims to provide Shareholders with clear, balanced, useful and material information to ensure that Shareholders receive a balanced and up-to-date view of the Group's strategic development, performance, and business. The Company also takes input from stakeholders by considering and balancing the needs and interests of material stakeholders.

Shareholders are informed of general meetings through notices posted on the Company's website and the Company's announcement via SGXNet and published in local newspapers. The Company will dispatch the notice of general meeting to shareholders, together with the explanatory notes or a circular on items of special business for AGM or ordinary resolution or special resolution for EGM, at least 14 or 21 calendar days, where the case may be, before the general meeting.

The Group's main forum for dialogue with Shareholders takes place at its AGM, where members of the Board, senior management, and the external auditors are in attendance. Shareholders are given an opportunity to air their views and ask questions regarding the resolutions tabled at the AGM.

All the chairpersons of the Board Committees and Directors endeavor to be present and available to address shareholders' questions raised at the AGM relating to matters of the Board and respective Committees. The Group's external auditors are also invited and required to attend the AGM and are available to assist the Directors in addressing any relevant queries by the Shareholders relating to the conduct of the audit and the preparation and content of their Auditors' Report. The Company endeavors to address and publish its responses to any substantial and relevant questions received prior to the AGM within a stipulated and reasonable timeline.

Shareholders are encouraged to attend the Company's AGM to ensure a high level of accountability and to stay informed of the Group's strategies and growth. If Shareholders are unable to attend the meetings, the Constitution allows a Shareholder of the Company to appoint up to two proxies to attend, speak and to vote in place of the Shareholder through proxy form sent in advance. On 3 January 2016, the legislation was amended, among other things to allow certain members, defined as "relevant intermediary" to attend and participate in general meeting without being constrained by the two-proxy requirement. Relevant intermediary includes corporations holding licenses in providing nominee and custodial services and Central Provident Fund ("CPF") Board, which purchases shares on behalf of the CPF investors.

As the authentication of Shareholder identity information and other related security issues remain a concern, the Group has decided, for the time being, not to implement voting in absentia by mail, email, or fax.

Separate resolutions on each distinct issue are tabled at general meetings and explanatory notes are set out in the notices of general meetings where appropriate.

Electronic poll voting may be efficient in terms of speed but may not be cost effective. In this respect, the Company did not adopt electronic poll voting.

An appointed independent scrutineer validates the proxy forms submitted by the shareholders and the vote of all such valid proxies are counted and verified. The voting results of all votes cast for or against each resolution are screened at the meeting with respective percentage and these details are announced through SGXNet after the meeting. The Company Secretary prepares the minutes of the general meeting, which incorporate substantial and relevant questions from shareholders and responses from the Board and Management. These minutes are publicly available at SGX-ST's website and the Company's website.

CORPORATE GOVERNANCE

2022 AGM

In view of the evolving COVID-19 situation and safe distancing measures, the AGM of the Company held on 22 April 2022 was conducted in hybrid mode, allowing shareholders to attend the AGM physically and via electronic means in accordance with the COVID-19 (Temporary Measures) Act 2020 and the related order on the conduct of alternative arrangements for general meetings (the “COVID-19 Order”). Save for Dato’ Lee Yeow Chor, all directors of the Company attended AGM for FY2021 virtually and/or physically.

In 2022 and in accordance with the COVID-19 Order, shareholders attended the AGM via electronic means (i.e. live audio-visual webcast or live audio-only stream and submitted questions to the Chairman of the Meeting(s) in advance of the AGM). The Company addressed substantial and relevant questions received from shareholders at the aforesaid meeting and published minutes of AGM including the responses to these questions on SGXNet and the Company’s website.

2023 AGM

The forthcoming AGM of the Company will be held physically at The Westin Singapore, Ballroom 2, Level 3, 12 Marina View, Asia Square Tower 2, Marina Bay, Singapore 018961. Shareholders will be able to raise questions and vote in person at the AGM. There will be no option for shareholders to participate virtually. Arrangements relating to attendance at the forthcoming AGM, submission of questions to the Chairman of the meeting in advance of, or at, the AGM, and voting at the AGM by shareholders or their duly appointed proxy(ies), are set out in the Notice of AGM released on SGXNet on 5 April 2023.

DIVIDEND POLICY

The Group has a dividend policy to distribute up to 40% of its distributable income. The policy on distribution of dividend depends on the results of the Group’s cash flow and financial position, capital expenditure plan, debt repayment schedule, dividends received from its subsidiaries, industry conditions and prospects, and other factors deemed relevant by the Board of Directors.

For FY2022, the Group had declared and paid interim dividend of S\$0.0125 per ordinary share on 16 September 2022. The Board has proposed a special dividend of S\$0.0213 per ordinary share, one tier tax-exempt and a final dividend of S\$0.0442 per ordinary share, one tier tax-exempt, which are subject to the approval by Shareholders at the forthcoming AGM.

PRINCIPLE 12: ENGAGEMENT WITH SHAREHOLDERS

The Company, through the Corporate Secretary and Investor Relations Departments, have conducted regular disclosures on relevant company information to enhance shareholder’s value, as dictated by its mission statement.

Aside from the AGM of shareholders which serves as a main avenue for communication between the Board and Shareholders, the Company has a dedicated investor relations team who function as company spokesperson to actively engage the investment community and promote regular, effective, and fair communication with shareholders. Bumitama’s capital market outreach activities include publication of annual reports, sustainability reports, press releases, quarterly company presentations, investor circulars, in addition to participate in investors conferences, roadshows, and meetings with analysts, brokers, media, and investors.

Contact details of the Investor Relations Department are available on the Company’s corporate website which shareholders may contact the Company with relevant inquiries.

(E) MANAGING STAKEHOLDER RELATIONSHIPS

PRINCIPLE 13: ENGAGEMENT WITH STAKEHOLDERS

The Group has arrangements in place to identify and engage with its material shareholder groups and to manage its relationships with such groups. It undertakes formal and informal stakeholder engagement exercise, such as announcements, press releases, investor relations, publications, surveys, and feedback with material stakeholder groups which include shareholders, suppliers, customers, and employees. The Group has identified the environmental, social and governance factors that are important to its stakeholders. These factors form the materiality matrix upon which targets, metrics, programmes and progress are reviewed by and approved by the Board, before they are published annually in the Company's Sustainability Report. Further information in relation to details of the stakeholders engaged by the Group, areas of focus, approaches to stakeholders, including frequency of engagement by type and by stakeholder groups and key feedback or issues that have been raised through stakeholder engagement can be found in the Sustainability Report for FY2022.

The Company maintains a corporate website at <https://www.bumitama-agri.com/> to communicate and engage with shareholders and stakeholders.

CONFLICTS RESOLUTION & ENTERPRISE RISK MANAGEMENT COMMITTEE

In light of the interest of the Group's controlling shareholders in the palm oil business outside of the Group, the Board has adopted certain procedures to address conflicts or potential conflicts of interest issues that may arise from time to time in the course of business conducted or carried on by the Group.

The CRERM comprises four members, all of whom are non-executive and are Independent Directors. The members are:

Mr. Lee Lap Wah George (CRERM Chairman)
Mr. Lawrence Lua Gek Pong
Mr. Lim Hung Siang
Mr. Witjaksana Darmosarkoro

The CRERM performed the following functions in accordance with its terms of reference for FY2022:

1. reviewed on an annual basis the protocols established to resolve conflicts or potential conflicts of interest, so as to ascertain that the guidelines are adequate and relevant to the business and affairs of the Group;
2. received quarterly report from internal auditors in relation to potential of conflict of interest for the Company;
3. reviewed, if any, specific conflicts or potential conflicts of interests that may arise from time to time and to ensure that such conflicts are dealt with or resolved properly; and
4. together with AC reviewed half-yearly ERM report including but not limited to Risk Map, ERM Plan and realisation, and etc prepared by the Internal Audit Department, CSO, and together with the ERM Secretariat.

Management maintains a record of potential conflict transactions (deliberated on as well as decided). Any member of the CRERM is entitled to inspect such records.

Within 45 days from the end of each financial quarter/half-year and 60 days from the full year results announcement, Management will circulate or present information on transactions or potential transactions carried out or rejected in the immediately preceding financial quarter to the Board. However, this information will not be extended to the Directors who are in a conflict or potential conflict of interest situation.

On a quarterly basis, the CRERM will receive reports from the internal auditors who provide confirmation that the protocols have been adhered to in the preceding quarter.

CORPORATE GOVERNANCE

SUSTAINABILITY STEERING COMMITTEE

In recognizing the importance of ESG issues and in meeting the increasing needs of ESG-related reporting and disclosure, the Board established an executive committee, SSC on 10 May 2022. The objective of this SSC is to oversee, on behalf of the Board, management strategies and processes designed to manage social and environmental risks and achieve compliance with social and environmental responsibilities and commitments, including in regard to the Group's Climate risk management strategy. The SSC shall have oversight of sustainable development responsibilities of the Group and will also support the Board in setting high level direction and strategic focus on sustainable business models within the Group.

The SSC comprised four members and they are:-

Mr. Witjaksana Darmosarkoro (SSC Chairman)
Mr. Mubarak Ahmad
Mr. Johan Puspowidjono
Ms. Lim Sian Choo

Mr. Lim Gunawan Hariyanto, Dato' Lee Yeow Chor, Mr. Roebianto (COO) and Mr. Sie Eddy Kurniawan (CFO) were appointed as advisors to the SSC.

During FY2022, the SSC met on two occasions. The SSC performs the following functions in accordance with its terms of reference for FY2022:

- a) reviewed the Group's sustainability performance and report;
- b) reviewed the strategy and initiative on ESG related programmes; and
- c) monitored and provided recommendation on emerging sustainability issues.

A quarterly sustainability updates reports would be reviewed by SSC before tabling at the Board Meeting for directors' deliberation, adoption and approval.

DEALINGS IN SECURITIES

The Group has adopted an internal compliance code on Securities Transaction ("Compliance Code") which provides guidance and internal regulation with regard to dealings in the Company's securities by the Company, its Directors and officers. These guidelines prohibit dealing in the Company's securities on short-term considerations and while in possession of unpublished material price-sensitive information in relation to such securities and during the "closed period", which is defined as two weeks before the date of announcement of results for each of the first three quarters of the Company's financial year (if the Company announces its quarterly results, whether required by the SGX-ST or otherwise) and/or one month before the date of announcement of the half year and full year financial results (if the Company does not announce its quarterly results), and ending on the date of the announcement of the relevant results. The Directors and employees of the Company are notified in advance of the commencement of each "closed period". The Compliance Code has been disseminated and made available to all employees.

The Group confirmed that it has adhered to its Compliance Code for FY2022 pursuant to Rule 1207(19) of the SGX-ST Listing Manual.

CORPORATE GOVERNANCE

INTERESTED PERSON TRANSACTIONS

The Group has established internal guidelines to ensure compliance with the requirements of Chapter 9 of the Listing Manual on interested person transactions. The main objective is to ensure that interested person transactions are properly reviewed, approved, and conducted on an arm's length basis and on normal commercial terms and will not be prejudicial to the interests of the Shareholders.

In particular, the CFO will maintain a register of interested persons and a register of transactions carried out with interested persons. These registers are updated quarterly based on submissions by the designated persons. The AC reviews all transactions recorded in the register of interested person transactions on a quarterly basis to ensure that they are carried out on normal commercial terms and in accordance with the procedures established by the Group.

The aggregate value of interested person transactions entered into by the Group in FY2022 is as follows:

Name of interested person	Nature of the Relationship	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920 of the Listing Manual)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 of the Listing Manual during the financial year under review (excluding transactions less than S\$100,000)
		in IDR million	in IDR million
Mr. Gunardi Hariyanto Lim ¹	Family relationship with the controlling shareholder of the Company	2,400	Nil
Goldwood Investments Ltd ²	Related company	2,141	Nil
IOI Corporation Berhad ³	Controlling shareholder of the Company	Nil	Nil
PT Lima Srikandi Jaya ⁴	Related company	7,200	Nil
TOTAL		11,741	Nil

Notes:

* For illustrative purpose the aggregate value of all interested person transactions, conducted under the Shareholders' Mandate during the financial year under review using the current period average rate.

¹ In respect of the aggregate rent paid by the Group to Mr. Gunardi Hariyanto Lim for office space in Indonesia pursuant to the lease agreement between Mr. Gunardi Hariyanto Lim and PT Bumitama Gunajaya Agro.

² In respect of the aggregate rent paid by the Group to Goldwood Investments Ltd. for office space in Singapore pursuant to the lease agreement between Goldwood Investments Ltd. and the Company.

³ In respect of transactions conducted pursuant to the Shareholders' Mandate for Transactions with IOI Corporation Berhad and its Associates (as described in the Prospectus).

⁴ In respect of the rental agreement of barge transactions involving PT Lima Srikandi Jaya which is one of the subsidiaries of Harita Group. Harita Group is owned by Lim family and also one of the Company's controlling shareholders.

MATERIAL CONTRACTS

Save as disclosed above in the sections on "Interested Person Transactions" and Service Agreements entered into between the Company and the Executive Directors, there are no other material contracts of the Company or its subsidiaries involving the interest of the CEO, each Director or controlling shareholders, which are either still subsisting at the end of FY2022 or if not then subsisting, entered into since the end of FY2022.

CORPORATE GOVERNANCE

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION PURSUANT TO RULE 720(6) OF THE LISTING MANUAL OF THE SGX-ST

Ms. Lim Christina Hariyanto, Dato' Lee Yeow Chor and Mr. Lawrence Lua Gek Pong are the Directors seeking re-election at the forthcoming annual general meeting of the Company to be convened on 20 April 2023 ("AGM") under Ordinary Resolutions 4, 5 and 6 as set out in the Notice of AGM dated 5 April 2023 (collectively, the "Retiring Directors" and each a "Retiring Director").

Pursuant to Rule 720(6) of the Listing Manual of the SGX-ST, the information relating to the Retiring Directors as set out in Appendix 7.4.1 to the Listing Manual of the SGX-ST is set out below:

Name of Director	Lim Christina Hariyanto	Dato' Lee Yeow Chor	Lawrence Lua Gek Pong
Date of Appointment	1 June 2017	23 March 2012	1 January 2020
Date of Last Re-Appointment	24 April 2020	12 April 2021	24 April 2020
Age	55	56	65
Country of principal residence	Indonesia	Malaysia	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The Board having considered among others, the recommendation of the Governance & Nominating Committee, contribution, qualifications and work experience of Ms. Lim Christina Hariyanto, is of the view that she is suitable for re-election as an Executive Director of the Company.	The Board having considered among others, the recommendation of the Governance & Nominating Committee, contribution, qualifications and work experience of Dato' Lee Yeow Chor, is of the view that he is suitable for re-election as a Non-Executive Director of the Company.	The Board having considered among others, the recommendation of the Governance & Nominating Committee, contribution, qualifications and work experience of Mr. Lawrence Lua Gek Pong, is of the view that he is suitable for re-election as an Independent Director of the Company. The Board considers Mr. Lawrence Lua Gek Pong to be independent for the purpose of Rule 704(8) of the Listing Manual of the SGX-ST.
Whether appointment is executive, and if so, the area of responsibility	Yes, Ms. Lim Christina Hariyanto is in charge of investor relations & corporate communication departments and responsible for general management, and communication. Amongst other responsibility, she is also responsible to help the Group to foster and strengthen relationship between the Group and the financial community as well as other internal and external stakeholders.	No	No

CORPORATE GOVERNANCE

Name of Director	Lim Christina Hariyanto	Dato' Lee Yeow Chor	Lawrence Lua Gek Pong
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Executive Director.	Non-Executive Director.	Independent Director, Chairman of Remuneration Committee, and a member of Governance & Nominating Committee, Audit Committee and Conflicts Resolution & Enterprise Risk Management Committee.
Professional qualifications	Please refer to Directors' Profile on pages 17 to 18 of Annual Report.	Please refer to Directors' Profile on pages 17 to 18 of Annual Report.	Please refer to Directors' Profile on pages 17 to 18 of Annual Report.
Working experience and occupation(s) during the past 10 years	Please refer to Directors' Profile on pages 17 to 18 of Annual Report.	Please refer to Directors' Profile on pages 17 to 18 of Annual Report.	Please refer to Directors' Profile on pages 17 to 18 of Annual Report.
Shareholding interest in the listed issuer and its subsidiaries	Nil	Indirect interest – 556,672,070 ordinary shares.	Nil
Any relationship (including immediate family relationship) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	Ms. Lim Christina Hariyanto, Mr. Lim Gunawan Hariyanto (Executive Chairman and Chief Executive Officer) and Dr. Lim Hariyanto Wijaya Sarwono (substantial shareholders) are immediate family members.	Dato' Lee is a substantial shareholder of the Company and presently the Group Managing Director and Chief Executive of IOI Corporation Berhad ("IOI"). Dato' Lee and Lee Yeow Seng are immediate family members are deemed to be interested in the shares held by Oakridge Investments Pte. Ltd. and Lynwood Capital Resources Pte. Ltd., each a subsidiary of IOI, by virtue of their collective 100% shareholding interest in Progressive Holdings Sdn Bhd. IOI, Lee Yeow Seng, Oakridge Investments Pte. Ltd. and Progressive Holdings Sdn Bhd are substantial shareholders of the Company.	Nil

CORPORATE GOVERNANCE

Name of Director	Lim Christina Hariyanto	Dato' Lee Yeow Chor	Lawrence Lua Gek Pong
Conflict of interest (including any competing business)	Nil	IOI is engaged in the oil palm plantation business and is one of the largest palm oil players globally. Directors are of the view that IOI's engagement in the oil palm plantation business does not present a real conflict of interests as most of IOI's plantations are located in Malaysia. Furthermore, a substantial portion of IOI's CPO and PK are utilised in its downstream manufacturing processes to produce, amongst others, oleochemicals and specialty oils and fats. Also, most of IOI's CPO and PK are sold outside Indonesia. Despite the foregoing, in order to ensure that all potential conflict of interest issues are properly addressed, our Board had set up a Conflicts Resolution & Enterprise Risk Management Committee comprising not less than three members, all of whom are independent directors.	Nil
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes	Yes
Other Principal Commitments including Directorships			
Past (for the last 5 years)	Nil	<ul style="list-style-type: none"> Subsidiaries of IOI Corporation Berhad and/or IOI Properties Group Berhad. 	<ul style="list-style-type: none"> Institute of Banking and Finance Standard Committee Institute of Banking and Finance Private Banking Industry Workgroup SingHaiyi Group Ltd DBS Private Bank

CORPORATE GOVERNANCE

Name of Director	Lim Christina Hariyanto	Dato' Lee Yeow Chor	Lawrence Lua Gek Pong
Present	Nil	<ul style="list-style-type: none"> IOI Corporation Berhad and its subsidiaries IOI Properties Group Berhad and its subsidiaries Seaview (Sentosa) Pte Ltd Pinnacle (Sentosa) Pte Ltd Scottsdale Properties Pte Ltd Iselin Limited South Beach Consortium Pte Ltd South Beach International Hotel Management Pte. Ltd. Fatty Chemical (Malaysia) Sdn Bhd Kao Plasticizer (Malaysia) Sdn Bhd Bunge Lodors Croklaan Group B.V. Adawan Development Sdn Bhd Progressive Holdings Sdn Bhd Linear Earth City Sdn Bhd Summervest Sdn Bhd (In Liquidation) Vertical Capacity Sdn Bhd and its subsidiary Yayasan Tan Sri Lee Shin Cheng Aspen Assets Sdn Bhd IOI Foundation 	<ul style="list-style-type: none"> Azura Investment Partners Pte Ltd Lygend Resources & Technology Co Ltd Maitri Asset Management Miclyn Express Offshore Limited Nee Soon Link Citizens' Consultative Committee Advisory Board for Wealth Management, Singapore Management University PCF Exco (Telok Blangah) PCF Sparkletots Preschool Board of Governors (Telok Blangah)
Information required under items (a) to (k) of Appendix 7.4.1 of the SGX-ST Listing Manual	<p>There is no change to the responses previously disclosed by Ms. Lim Christina Hariyanto under items (a) to (k) of Appendix 7.4.1 of the SGX-ST Listing Manual which were all "No".</p> <p>The Appendix 7.4.1 information in respect of Ms. Lim Christina Hariyanto's appointment as Director was announced on 31 May 2017.</p>	<p>Dato' Lee Yeow Chor was appointed as Director since 23 March 2012 which was before listing of the Company and his answers were "No" to items (a) to (k) of Appendix 7.4.1 of the SGX-ST Listing Manual.</p>	<p>There is no change to the responses previously disclosed by Mr. Lawrence Lua Gek Pong under items (a) to (k) of Appendix 7.4.1 of the SGX-ST Listing Manual which were all "No".</p> <p>The Appendix 7.4.1 information in respect of Mr. Lawrence Lua Gek Pong's appointment as Director was announced on 27 December 2019.</p>