

# CORPORATE GOVERNANCE

Bumitama Agri Ltd. (the “Company” or “Bumitama”) and its subsidiaries (the “Group”) recognises the importance of and is committed to upholding 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 ensures alignment with the development and changes in the Code of Corporate Governance 2018 (the “Code”) as well as inputs from stakeholders. The Company has achieved substantial compliance with the principles and guidelines set out in the Code, where they are applicable, relevant and practicable. In instances where a principle and/or guideline has not been fully met, an explanation has been provided.

This report sets out Bumitama’s key corporate governance practices and activities in 2023, demonstrating adherence to the Code and embodying the Group’s cultural pillar of morality, capability and integrity and its code of ethics, which are encapsulated in the Company’s code of conduct policy, business ethics and anti-corruption policy.

## ACHIEVEMENTS

The Company was accorded 4 awards from Asiamoney Corporate Governance Poll 2023 under the categories of Overall Most Outstanding Company in Singapore, Best for ESG in Singapore, Most Outstanding Company in Singapore – Small/ Mid Cap sector, and Most Outstanding Company in Singapore – Consumer Staples sector. Additionally, The Edge Singapore – Centurion Club Awards 2023 recognised Bumitama with the Highest Growth in Profit After Tax Over Three Years in the Food & Beverages + Retailers sector. Bumitama also won RSPO – Conservation Leadership Award on its conservation programme in November 2023. Please find more details on page 20.

## (A) BOARD MATTERS

### PRINCIPLE 1: THE BOARD’S CONDUCT OF AFFAIRS

The Board’s primary role is to safeguard and foster long-term value and returns to its Shareholders. Board members are obligated 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;
- Promoting effective management leadership of the highest quality and integrity;
- Monitoring the Group’s adherence to code of conduct and business ethics;
- Overseeing and evaluating the adequacy and effectiveness of the internal audit, risk management, financial reporting and compliance processes; and
- Upholding high standards of corporate governance for the Group.

The Board has set up a framework of prudent and effective internal controls, enabling risk assessment and management, evaluating Management’s performance, establishing the Company’s values and standards, and ensuring that the Company’s obligations to Shareholders and other stakeholders are met, with decisions made objectively and in the interest of the Company and its Shareholders.

To facilitate effective management and assist the Board, 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 (“CRERM”), each operating under clearly defined terms of reference.

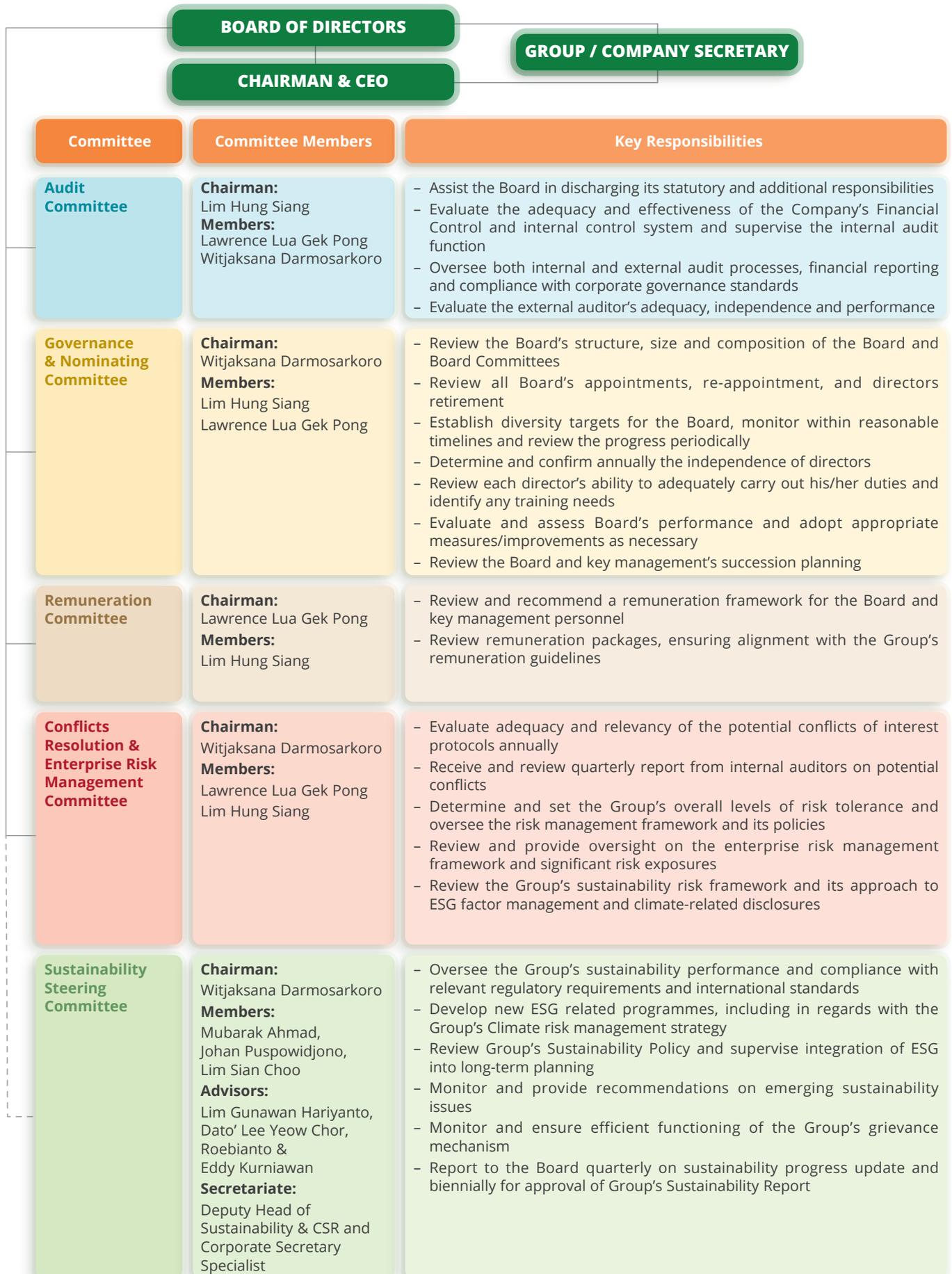
Acknowledging the importance of Environmental, Social, and Governance (“ESG”) issues, Sustainability Steering Committee (“SSC”) was established on 10 May 2022, tasked with integrating sustainability into the Group’s business model. The SSC, comprising the Group Executive Chairman & Chief Executive Officer (“CEO”), non-executive director, Chief Operating Officer (“COO”), Chief Financial Officer (“CFO”), Chief Sustainability Officer (“CSO”), and senior management of the Group. The SSC is responsible for overseeing social and environmental risk management strategies and ensuring compliance with social and environmental responsibilities and commitments, including the Group’s Climate risk management strategy. Additionally, the SSC oversees sustainable development responsibilities and supports the Board in setting high level direction and strategic focus on sustainable business models within the Group.

The Board Committees, chaired by Independent Non-Executive Directors (also known as Independent Director) and composed entirely of Independent Directors save for SSC, are guided by specific terms of reference set and approved by the Board. They have the authority to examine any issues within their remit and advise the Board with recommendations. Ultimately, the Board retains full responsibility and decision-making authority. Details of the scopes, responsibilities, and functions of the various Board Committees are set out in this Report and are as follows:



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## BUMITAMA'S GOVERNANCE FRAMEWORK



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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 the first and third quarters 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 provides 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 exchange views outside the formal environment of Board meetings.

The Board met four times during the financial year ended 31 December 2023 ("FY2023"). The attendance of each Director at the Board and Board Committees Meetings for FY2023 was as follows:

	Board	AC	RC	GNC	CRERC
Number of Meetings Held	4	4	1	1	2
Name	No. of Meetings Attended				
Lim Gunawan Hariyanto	4	NA	NA	NA	NA
Lim Christina Hariyanto	4	3 <sup>1</sup>	NA	NA	NA
Dato' Lee Yeow Chor	4	3 <sup>1</sup>	NA	NA	NA
Lee Lap Wah George <sup>2</sup>	4	4	1	1	2
Lim Hung Siang	4	4	1	1	2
Lawrence Lua Gek Pong	4	4	1	1	2
Witjaksana Darmosarkoro	4	4	NA	1	2

NA: Not Applicable

- Attendance by invitation of the Committee.
- Resigned as an Independent Director of the Company with effect from 26 February 2024.

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 a conflict of interest, the concerned directors will recuse themselves from discussions and decisions involving the issue of conflict.

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"), of which the Company is a corporate member, Institute of Singapore Chartered Accountants and SAC Capital. 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 FY2023, all of the Independent Directors and the Non-Executive Director visited the Company's plantations in West Kalimantan, Indonesia in July 2023.

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.

To reinforce the Board's effectiveness in addressing climate-related risks and impacts, all members have completed sustainability training mandated under the enhanced SGX-ST Sustainability Reporting Rules, equipping them with crucial insights for informed governance in this regard. The CEO, supported by the CSO and various departments, is tasked with the operational management of climate-related issues, as delegated by the Board. This includes conducting a comprehensive study to assess the Group's climate-related risks and opportunities, further aligning the Group's strategic direction.

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

- YPO Indonesia Chapter – Best practices for hiring and growing top-performing employees
- SID - Megatrends Shaping the Future of Boards
- SID - Nominating and Remuneration Committee and Talent Management
- CEO Action Network (CAN) Nature Retreat 2023
- Forbes Global CEO Conference
- Joint Committee on Climate Change (JC3) Journey to Zero Conference 2023
- 2023 Smallholder Workshop – Council of Palm oil Producing Countries (CPOPC)
- The 2<sup>nd</sup> Sustainable Vegetable Oil Conference 2023
- Indonesia Palm Oil Conference, *Gabungan Pengusaha Kelapa Sawit Indonesia* (GAPKI – IPOC 2023)
- Malaysia Palm Oil Board (MPOB) International Palm Oil Congress and Exhibition (PIPOC 2023)
- ESG Evolve 2023 Transformative Innovations for Sustainable Business

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”), and 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 an industry 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.

## PRINCIPLE 2: BOARD COMPOSITION AND GUIDANCE

The Board comprises six members and half of the Board are Independent Directors as of the date of this Annual Report:



Name	Board	AC	RC	GNC	CRERMC	Years of Service as at 31.12.23
Lim Gunawan Hariyanto	Executive Chairman	-	-	-	-	11.8
Lim Christina Hariyanto	Executive Director	-	-	-	-	6.6
Dato’ Lee Yeow Chor	Non-Executive Director	-	-	-	-	11.8
Lim Hung Siang	Lead Independent Director	Chairman	Member	Member	Member	5.6
Lawrence Lua Gek Pong	Independent Director	Member	Chairman	Member	Member	4.3
Witjaksana Darmosarkoro	Independent Director	Member	-	Chairman	Chairman	2.5

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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 needed, 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.

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 3 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. Nonetheless, the GNC will source for a suitable candidate to be appointed as Independent Director in order to comply with provision 2.2 of the Code.

The Board periodically conducts a review of its size and composition of the Board which comprise members of both genders and from different backgrounds. This diversity in core competencies, qualifications, skills and experiences ensures that the Board continues to meet the needs of the Group and maintains its effectiveness.

The Board adopted a Group Diversity Policy with measurable objectives identified in particular Board diversity aspects such as 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 background in technical, legal, financial, engineering, management and audit fields 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 and insights. This enables the Board to discharge its duties and responsibilities effectively, support good decision making regarding the core business and strategy of the Company and its subsidiaries, and support succession planning and development of the Board.

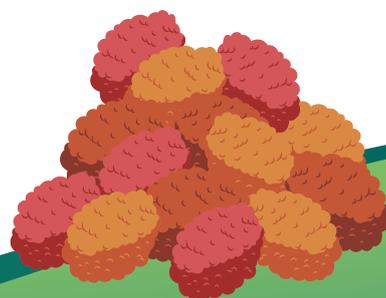
The current Board comprises Directors who as a group provide core competencies such as finance, legal, engineering, business management, agronomy researcher, sustainability, and industry knowledge. The profile of the Directors can be found on pages 16 to 17 of this Annual Report.

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 following has been deliberated:

## (a) Gender diversity

The Company will make a concerted effort to have two female directors on the Board over the next 5 years starting from year 2023. It 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. This principle also applies to the selection of potential candidates for appointment to the Board in order to attract and retain women participation on the Board;

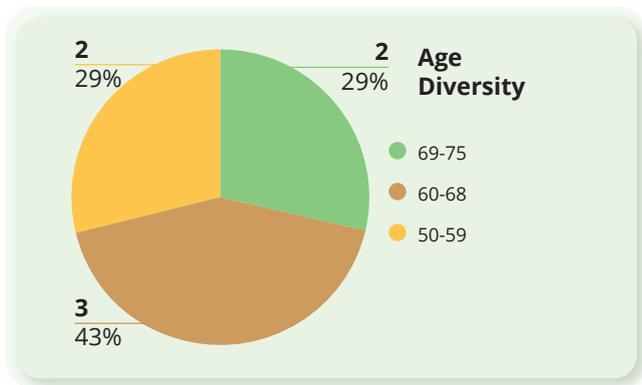


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## (b) Age diversity

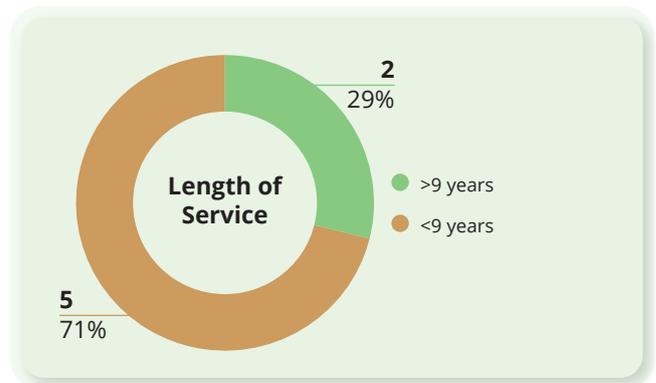
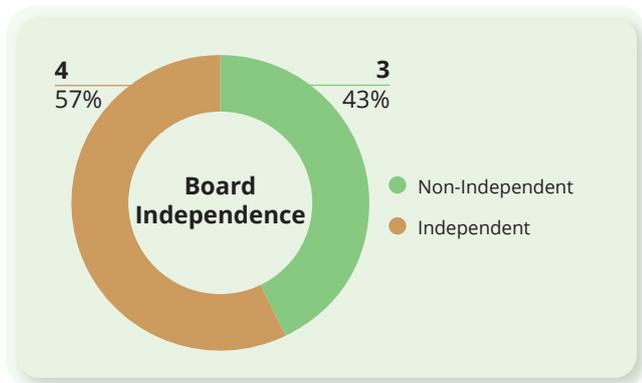
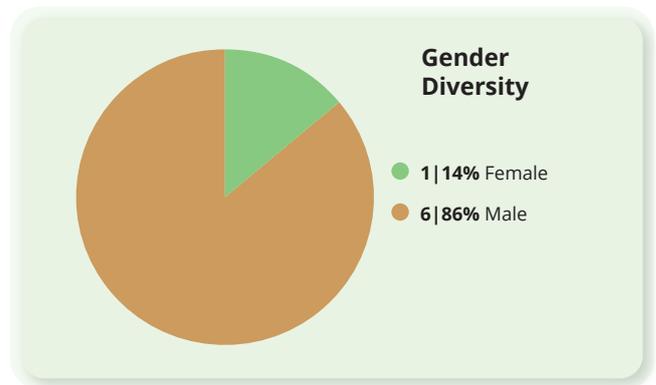
The Company does not set any specific target for the boardroom age diversity but will work towards having appropriate age diversity in the Board, if opportunity arises. It does not fix an age limit for its Directors given that such Directors are normally reputed and experienced in the corporate world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

The following charts set out the Company's Board diversity indicators as at the end of FY2023:

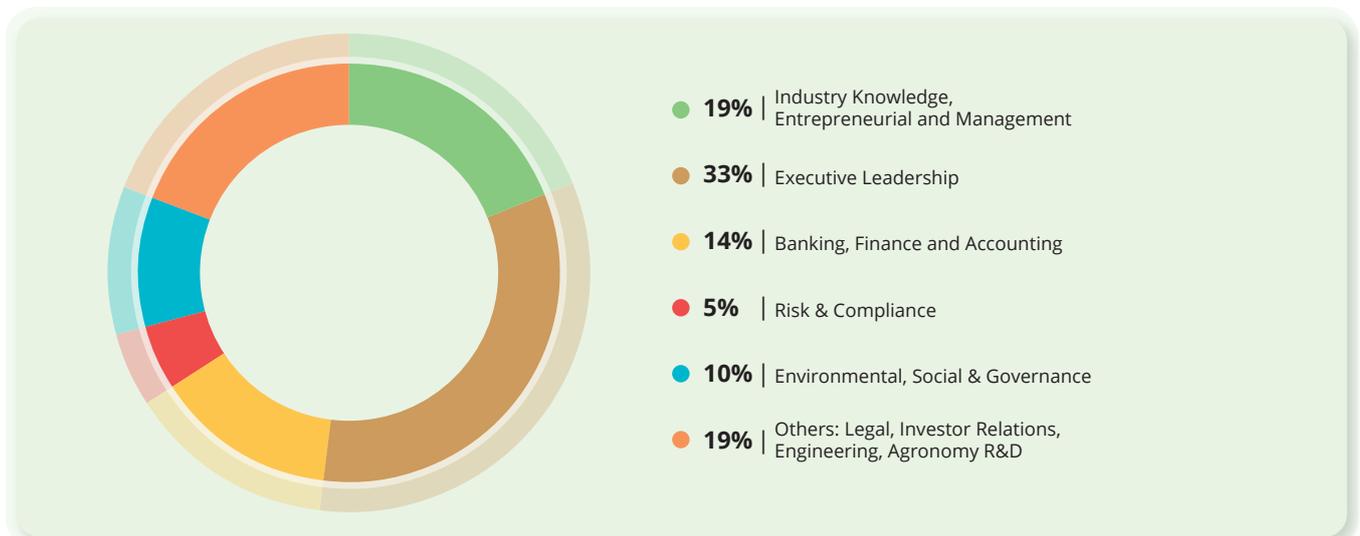


## (c) Ethnic diversity

The Company does not set any specific target for ethnic diversity in the boardroom but will endeavor to have a board that reflects a suitable mix of ethnic backgrounds, if opportunity arises. Without bias towards any ethnicity, provided that the individual is well-known and has experience in the business sector which the Group is operates in and can continue to make contributions to the Board, regardless of their ethnic background.



The following is the Board's skill matrix, which lists the expertise, skills, and experiences of the Board:



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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.

## 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 the majority of the Board comprises non-executive Directors while Board Committees comprises Independent Directors, 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 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 three Directors, all of whom are non-executive and are Independent Directors. The GNC members are:

Mr. Witjaksana Darmosarkoro (GNC Chairman)  
Mr. Lim Hung Siang  
Mr. Lawrence Lua Gek Pong

The GNC met on one occasion in FY2023.

The GNC performed the following functions in FY2023 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;
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 Mr. Lim Hung Siang and Mr. Witjaksana Darmosarkoro (retiring pursuant to Regulation 91 of the Company's Constitution), be nominated for re-election at the forthcoming AGM. Mr. Lim Hung Siang and Mr. Witjaksana Darmosarkoro have signified their consent to remain in office.

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In reviewing the nomination of the retiring Directors, the GNC considered the performance and contribution of each, focusing not only to their attendance and participation at Board and Board Committees meetings but also on 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. Thus, Mr. Lim Hung Siang, and Mr. Witjaksana Darnosarkoro have abstained from the deliberation and decision concerning their own re-election.

The GNC conducts an annual review of Directors' independence following the Code's and Listing Manual's definition of an Independent Director and guidelines regarding relationship in determining the independence of a Director. The GNC and the Board are of the view that Mr. Lim Hung Siang, Mr. Lawrence Lua Gek Pong and Mr. Witjaksana Darnosarkoro are considered independent while Dato' Lee Yeow Chor is considered a Non-Executive and Non-Independent Director due to 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, its officers, or any situation that could interfere, or be reasonably perceived to interfere, with the exercise of their independent business judgement for the best interests of the Company.

The GNC has adopted a process for the selection and appointment of new Directors which outlines 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 evaluates: (a) the candidate's independence, in the case of an Independent Director's appointment; (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 due to multiple board representations.

The Company will issue 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 has reviewed succession planning for the Chairman/ CEO and key management and the Company's high potential and talent programmes. This information is used 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.

A Director with multiple board representations must ensure that sufficient time and attention is given to the affairs of the Group. 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, has concluded that Directors with multiple board representations have performed as well as those with fewer. They are satisfied that these Directors have devoted sufficient time and to the Group's affairs. The GNC is also of the view that imposing a maximum limit on the number of listed company board representations is arbitrary and prefers to review existing models for managing board representations rather than setting a fixed limit.

As at 31 December 2023, there was no alternate Director on the Board.



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## PRINCIPLE 5: BOARD PERFORMANCE

The GNC undertakes an annual assessment of the performance and effectiveness of the Board and Board Committees collectively. The GNC prefers assessing the Board and its Committees as a whole, acknowledging the unique contributions of each Board member towards the Board's overall effectiveness.

The assessment procedure has been refined over time, incorporating feedback including factors such as attendance, Board composition, conduct, input and contributions to the Board and its various committees; keeping updated on industry trends and global market developments; and the quality and timeliness of information provided. The Directors individually evaluate the Board and the Board Committees, with the results being consolidated, analysed and reviewed by the GNC, which also compared them to the previous year's results. Identified strengths and areas for improvement are then 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.

Based on the GNC's findings for FY2023, the Board's performance was satisfactory, highlighting strengths and identifying areas for further improvement. No significant problems have been identified. The GNC had discussed the results with the Board and the Board had agreed to address the areas where improvement is necessary and appropriate, with no external facilitator involved in assessment.

## (B) REMUNERATION MATTERS

### PRINCIPLE 6: PROCEDURES FOR DEVELOPING REMUNERATION POLICIES

The RC comprises two 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

The Company will identify and appoint a new RC member within 3 months from 26 February 2024 (the date of resignation of Mr. Lee Lap Wah George).

In FY2023, the RC met on one occasion.

During FY2023, the RC performed tasks according to its terms of reference:

1. recommended to the Board a remuneration framework 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. assessed and recommended Non-Executive Director and Independent Directors fees, considering their effort, time spent, and responsibilities; and
4. reviewed the service contracts of the CEO and Executive Directors.

The Group employs a transparent method for establishing executive remuneration policies and setting individual 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.

Directors do not participate in decisions regarding their own remuneration. When needed, the RC can consult external experts on remuneration matters. No external 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.

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## PRINCIPLE 7: LEVEL AND MIX OF REMUNERATION

## PRINCIPLE 8: DISCLOSURE ON REMUNERATION

The Company's remuneration policy aims to offer compensation packages at market rates, reward performance and attract, retain, and motivate the key management personnel.

Non-Executive Directors (including Independent Directors) are compensated with Directors' fees, established through a structured framework. This framework comprising Board fees and additional fees, considers Board participation, additional roles on Board Committees, as well as the effort, time and responsibilities associated with these positions. The payment of such fees is proposed for Shareholders' approval at the AGM of the Company.

Executive Directors are not eligible for Directors' fees. Instead, their remuneration packages, which are reviewed annually, are reflective of individual and Group's performance, and are benchmarked against the industry standards.

The remuneration packages for the Executive Directors and key management personnel includes fixed and variable components. The variable component is determined based on the individual's and the Group's performance in the relevant financial year. Adjustments to remuneration are determined post the annual appraisal process.

Recommendations for remuneration to the RC are based on key performance indicators, such as revenue, earnings before

interest, depreciation and amortisation (EBITDA), net profit, planted area, and Fresh Fruits Bunches internal and Crude Palm Oil production, as well as the individual's contribution to these objectives. This approach aligns the interests of shareholders and other stakeholders with the Group's long-term sustainability.

RC members recuse themselves from discussions and decisions on any their own remuneration package, or on other matters with conflict of interest, to maintain objectivity.

Executive Directors' Service Agreements are initially set for three years from the date of appointment respectively and are renewable for successive periods of one year each. These agreements allow for termination by either party with a six months' written notice, without imposing undue financial burdens. There are no onerous compensation commitments on the Company or its subsidiaries for early termination. The remuneration structure is designed to reward Executive Directors and key management personnel on the achievement of specific performance indicators and the actual results of the Group, and not on any other assigned incentives, the provisions in their employment contracts may therefore not be relevant or appropriate. The RC may consider "claw back" provisions in exceptional cases of financial misstatement or misconduct which could result in financial loss to the Group.

For FY2024, the RC with the concurrence of the Board, has recommended that Non-Executive Directors received a total of S\$424,000 in Directors' fees, paid quarterly in arrears, subject to Shareholders' approval at the forthcoming AGM.

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 FY2023 are set out below:

Name	Total Directors' Fee	Fixed Salary	Variable Bonus and Benefit	Remuneration Band	Total
<b>Directors</b>					
Lim Gunawan Hariyanto <sup>1</sup>	-	40%	60%	S\$4,500,001 – S\$4,750,000	100%
Lim Christina Hariyanto <sup>1</sup>	-	44%	56%	S\$500,001 – S\$750,000	100%
Dato' Lee Yeow Chor	S\$68,000	-	-	Below S\$250,000	100%
Lim Hung Siang	S\$91,000	-	-	Below S\$250,000	100%
Lee Lap Wah George <sup>3</sup>	S\$90,000	-	-	Below S\$250,000	100%
Lawrence Lua Gek Pong	S\$89,000	-	-	Below S\$250,000	100%
Witjaksana Darmosarkoro	S\$86,000	-	-	Below S\$250,000	100%
<b>Key Management Personnel<sup>2</sup></b>					
1 Executive	-	44%	56%	S\$3,250,001 – S\$3,500,000	100%
1 Executive	-	33%	67%	S\$2,750,001 – S\$3,000,000	100%
1 Executive	-	80%	20%	S\$250,001 – S\$500,000	100%

Notes:

1. Payment partly by Indonesian subsidiary and partly by Bumitama.
2. Fully paid by Indonesian subsidiaries.
3. Resigned as an Independent Director of the Company with effect from 26 February 2024.

# CORPORATE GOVERNANCE

The Company's approach to Director and key management remuneration aligns with market rates, rewarding performance, and aims to attract, retain and motivate talent. Remuneration bands are set out in incremental bands of S\$250,000, deemed by the Group as both sufficient and adequate for disclosure. Further disclosure is considered potentially detrimental to the Group's interests, possibly affecting talent retention and recruitment in a highly competitive market, given the sensitive nature of remuneration matters.

Disclosure limitations also apply to the aggregate remuneration of key management personnel (excluding Directors and the CEO), guided by sensitivity considerations and the Group's strategic interests.

Despite Provision 8.1 of the Code, which requires disclosure of the top 5 key management personnel's remuneration, the Group will only disclose the above three individuals identified

as Group's key management personnel, excluding the CEO, due to their supervisory roles over senior management.

The Board believes that the remuneration information disclosed above is sufficient for shareholders to have an adequate information and appreciation of the remuneration of the Directors, Group CEO and top 3 key management personnel. The Board also believes that there is sufficient transparency on the Company's remuneration policies, level and mix of remuneration, the procedure for setting remuneration and the relationships between remuneration, performance and value creation are consistent with the intent of Principle 8 of the Code.

During FY2023, the remuneration of five employees, who are immediate family members of a Director, and/or the CEO and/or a substantial shareholder of the Company, exceeded S\$100,000. Their compensation is detailed in bands no wider than S\$100,000, as set out below:

Name of Executives <sup>1</sup>	Related to	Remuneration Band
Gunardi Hariyanto Lim	Brother of Lim Gunawan Hariyanto and Lim Christina Hariyanto	S\$3,300,001 - S\$3,400,000
Lim Liana Sarwono	Sister of Lim Gunawan Hariyanto and Lim Christina Hariyanto	S\$400,001 - S\$500,000
Hartono Santoso	Nephew of Lim Gunawan Hariyanto and Lim Christina Hariyanto	S\$100,000 - S\$200,000
Michael Raben	Brother in law of Lim Gunawan Hariyanto and Lim Christina Hariyanto	S\$100,000 - S\$200,000
Lim Chuan Loong, Brian	Son of Lim Gunawan Hariyanto and Nephew of 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 ensures that Management maintains a robust system of risk management and internal controls, safeguarding shareholders' investment and the Group's assets.

Risk management involves regular Board's reviews to identify significant business risks and appropriate measures to control and mitigate these risks. Management reviews all control policies and procedures and highlights 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 120 to 127. 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 better positioned 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 established 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 to which the Group is exposed to. Under the ERM framework, a risk register identifying 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.

# CORPORATE GOVERNANCE

The Management Committee comprises the COO, CFO, 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, reviews the 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, considering 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.

In 2023, the results of a review incorporating changes in business dynamics were presented, and the results and recommendations have been shared with CRERMC and the Board. It was agreed that (1) continuous training is needed and will be conducted in phases to ensure the internalisation of the purpose and method of ERM assessment and risk management; (2) the risk map was improved and updated based on feedback from various departments and management; and (3) the preparation of the internal audit plan for 2024 incorporated information drawn from the yearly revised risk map.

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 addressing financial, operational, compliance and information technology controls and risk management system of the Group were adequate and effective during FY2023.

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.

## MANAGEMENT OF CLIMATE-RELATED RISKS

Bumitama Group's approach to risk management involves a structured and methodical process for the meticulous identification and assessment of risks, subsequently graded based on their impact and likelihood. This process is strengthened by the Plan-Do-Check-Act cycle to ensure effective risk management. The Group aims to comprehensively manage both physical and transition-related climate risks, which are integrated into the overall risk management framework, and focus on enhancing business resilience and transitioning from conventional, carbon-intensive operations to more sustainable, low-carbon models. Crucial to this transition are alternative energy technologies used to power the Group's operations and support surrounding communities with renewable energy solutions.

In alignment with this commitment, the Group has undertaken a comprehensive analysis of two climate scenarios that help develop a resilience assessment strategy leading up to 2050. These scenarios include one aligned with the Paris Agreement's goal of remaining below a 2°C temperature increase and a more severe scenario envisaging a 4°C increase. The TCFD's recommended analytical framework has been utilised in this identification and analysis of potential transitional and physical risks. It also aids in identifying opportunities related to resource efficiency, energy sources, and market adaptation, ensuring that the Group's strategy is well-rounded and future-proof. For a more detailed information of the Group's risk management framework for climate-related risks, see in our [website](#).

As a key part of addressing climate-related risks, the Group has established ambitious emission reduction goals across its operations and supply chain. These goals include both short-term and long-term strategies, building on the Group's commitment to No Deforestation, No Peat, No Exploitation ("NDPE") principles. In brief, the measurable strategies include limiting deforestation in conservation areas to under 0.1% annually, increasing forest cover by 10% by 2030, and reducing greenhouse gas intensity by 30% from 2016 levels by 2030. Efforts to meet these targets involves active reforestation, enhancing production efficiency, installing methane reduction facilities, boosting renewable energy use, collaborating to reduce suppliers' and contractors' carbon footprint, and optimising business travel and logistics. The Group maintains transparency in reporting emission reduction targets and progress in its annual and sustainability reports. A more detailed information of the Group's climate-related metrics and targets are presented in our [website](#).

# CORPORATE GOVERNANCE

## PRINCIPLE 10: AUDIT COMMITTEE

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

Mr. Lim Hung Siang (AC Chairman)  
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 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 FY2023, 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 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;
8. reviewed Interested Person Transactions ("IPT") falling within the scope of Chapter 9 of the SGX-ST Listing Manual and the IPT Register;
9. reviewed and monitored any report or concern received via channel established by whistleblowing policy;
10. reviewed half-yearly ERM report together with CRERMC prepared by the Internal Audit Department, CSO, and the ERM Secretariat;
11. 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;
12. 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 cooperation from Management and no restrictions were placed on the scope of the respective audits;
13. 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;
14. 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
  15. 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 93 to 95 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.



# CORPORATE GOVERNANCE

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.

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 FY2023, 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 31 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 FY2023, 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.



# CORPORATE GOVERNANCE

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 submit questions in advance regarding the resolutions tabled at the AGM or air their views and ask questions during the AGM.

The Company endeavors to address the substantial and relevant questions from shareholders received before the cut-off date and time stipulated in the notice of AGM and publish its responses to the questions on SGXNet and the Company's website at least 48 hours before the closing date and time for the lodgement of proxy forms. Any questions received after the cut-off date and time stipulated in the notice of AGM, the Company will seek to respond to these questions during the AGM or within a reasonable timeframe.

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. For FY2022 AGM held on 20 April 2023, all Directors of the Company attended AGM virtually and/or physically.

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.

## 2024 AGM

The forthcoming AGM of the Company will be held physically at Pan Pacific Singapore, Ocean 4-5, Level 2, 7 Raffles Boulevard, Marina Square, Singapore 039595. 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 2024.

## 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 FY2023, the Group had declared and paid interim dividend of 1.25 Singapore cents per ordinary share on 14 September 2023. The Board has proposed a special dividend of 1.92 Singapore cents per ordinary share, one tier tax-exempt and a final dividend of 3.63 Singapore cents 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, has adopted beyond-compliance approach in providing relevant company information disclosures to enhance shareholder's value, as dictated by its mission statement.

# CORPORATE GOVERNANCE

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 through accurate, consistent, and timely responses to all external inquiries from investors, analysts and the media. Bumitama's capital market outreach activities include publication of annual reports, sustainability reports, press releases, quarterly briefings, investor circulars, in addition to participating in investor conferences, roadshows, site visits, and meetings with analysts, brokers, media, and investors.

During 2023, the Investor Relations team has engaged more than 200 participants through various capital market outreach events mentioned above.

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

In addition to being labor intensive, palm oil plantation companies typically operate over vast areas, engaging multi stakeholders in its daily operations. The Group is mindful that effective stakeholder engagement is important to achieving sustainable business model. Therefore, it 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, discussion forums, surveys, and feedback with material stakeholder groups which include shareholders, suppliers, customers, smallholders, 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 FY2023.

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

Mr. Witjaksana Darmosarkoro (CRERM Chairman)  
Mr. Lawrence Lua Gek Pong  
Mr. Lim Hung Siang

The CRERM performed the following functions in accordance with its terms of reference for FY2023:

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.

# CORPORATE GOVERNANCE

Management maintains a record of potential conflict transactions (deliberated on as well as decided). Any member of the CRERMC 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 CRERMC will receive reports from the internal auditors who provide confirmation that the protocols have been adhered to in the preceding quarter.

## SUSTAINABILITY STEERING COMMITTEE

In recognising 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.

The SSC met four times during FY2023. The SSC performs the following functions in accordance with its terms of reference for FY2023:

- reviewed the Group's sustainability performance and report;
- reviewed the strategy and initiative on ESG related programmes; and
- 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 FY2023 pursuant to Rule 1207(19) of the SGX-ST Listing Manual.

## 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 maintains 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.



# CORPORATE GOVERNANCE

The aggregate value of interested person transactions entered into by the Group in FY2023 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 <sup>1</sup>	Family relationship with the controlling shareholder of the Company	2,400	Nil
Goldwood Investments Ltd <sup>2</sup>	Related company	2,093	Nil
IOI Corporation Berhad <sup>3</sup>	Controlling shareholder of the Company	Nil	Nil
PT Lima Srikandi Jaya <sup>4</sup>	Related company	6,546	Nil
<b>TOTAL</b>		<b>11,039</b>	<b>Nil</b>

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 FY2023 or if not then subsisting, entered into since the end of FY2023.

## USE OF PROCEEDS

There is no any proceeds arising from any offerings pursuant to Chapter 8 of Listing Manual during FY2023.

# CORPORATE GOVERNANCE

## Additional Information on Directors seeking re-election pursuant to Rule 720(6) of the Listing Manual of the SGX-ST

Mr. Lim Hung Siang and Mr. Witjaksana Darmosarkoro are the Directors seeking re-election at the forthcoming annual general meeting of the Company to be convened on 22 April 2024 ("AGM") under Ordinary Resolutions 4 and 5 as set out in the Notice of AGM dated 5 April 2024 (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 Hung Siang	Witjaksana Darmosarkoro
<b>Date of Appointment</b>	1 June 2018	1 July 2021
<b>Date of Last Re-Appointment</b>	12 April 2021	22 April 2022
<b>Age</b>	73	64
<b>Country of principal residence</b>	Singapore	Indonesia
<b>The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)</b>	The Board having considered among others, the recommendation of the Governance & Nominating Committee, contribution, qualifications and work experience of Mr. Lim Hung Siang, is of the view that he is suitable for re-election as an Independent Director of the Company.  The Board considers Mr. Lim Hung Siang to be independent for the purpose of Rule 704(8) of the Listing Manual of the SGX-ST.	The Board having considered among others, the recommendation of the Governance & Nominating Committee, contribution, qualifications and work experience of Mr. Witjaksana Darmosarkoro, is of the view that he is suitable for re-election as an Independent Director of the Company.  The Board considers Mr. Witjaksana Darmosarkoro to be independent for the purpose of Rule 704(8) of the Listing Manual of the SGX-ST.
<b>Whether appointment is executive, and if so, the area of responsibility</b>	No	No
<b>Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)</b>	Lead Independent Director, Chairman of Audit Committee, and a member of Remuneration Committee, Governance & Nominating Committee and Conflicts Resolution & Enterprise Risk Management Committee.	Independent Director, Chairman of Conflicts Resolution & Enterprise Risk Management Committee and Governance & Nominating Committee, and a member of Audit Committee.
<b>Professional qualifications</b>	Please refer to Directors' Profile on pages 16 to 17 of Annual Report.	Please refer to Directors' Profile on pages 16 to 17 of Annual Report.
<b>Working experience and occupation(s) during the past 10 years</b>	Please refer to Directors' Profile on pages 16 to 17 of Annual Report.	Please refer to Directors' Profile on pages 16 to 17 of Annual Report.
<b>Shareholding interest in the listed issuer and its subsidiaries</b>	Direct interest - 50,000 ordinary shares Indirect interest - 100,000 ordinary shares	Nil
<b>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</b>	Nil	Nil
<b>Conflict of interest (including any competing business)</b>	Nil	Nil
<b>Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer</b>	Yes	Yes
<b>Other principle commitments including Directorships</b>		
<b>Past (for the last 5 years)</b>	Nil	● Indonesia Estate Crop Fund
<b>Present</b>	Nil	● Secretariat of Council of Palm Oil Producing Countries
<b>Information required under items (a) to (k) of Appendix 7.4.1 of the SGX-ST Listing Manual</b>	There is no change to the responses previously disclosed by Mr. Lim Hung Siang under items (a) to (k) of Appendix 7.4.1 of the SGX-ST Listing Manual which were all "No".  The Appendix 7.4.1 information in respect of Mr. Lim Hung Siang's appointment as Director was announced on 31 May 2018.	There is no change to the responses previously disclosed by Mr. Witjaksana Darmosarkoro under items (a) to (k) of Appendix 7.4.1 of the SGX-ST Listing Manual which were all "No".  The Appendix 7.4.1 information in respect of Mr. Witjaksana Darmosarkoro's appointment as Director was announced on 1 July 2021.